

**FISCAL YEAR 2017
MONITORING REPORT
ON THE
MAINE DIVISION FOR THE BLIND AND
VISUALLY IMPAIRED
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS**



**U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration**

April 6, 2018

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SECTION 1: EXECUTIVE SUMMARY

A. Background

Section 107 of the Rehabilitation Act of 1973 (Act), as amended by title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under title I of the Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under section 101 of the Act and with the evaluation standards and performance indicators established under section 106 subject to the performance accountability provisions described in section 116(b) of WIOA. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment Services under title VI, of the Act.

Through its monitoring of the VR program and State Supported Employment Services program (Supported Employment program) administered by the Maine Division for the Blind and Visually Impaired (DBVI) in Federal fiscal year (FFY) 2017, RSA:

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities and those with the most significant disabilities, including students and youth with disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
 - Performance of the Vocational Rehabilitation Program;
 - Transition Services, including Pre-Employment Transition Services, for Students and Youth with Disabilities;
 - State Supported Employment Services Program
 - Allocation and Expenditure of State Vocational Rehabilitation Services and State Supported Employment Services Program Funds; and
 - Joint Workforce Innovation and Opportunity Act Final Rule Implementation.

In addition, RSA reviewed a sample of individual case service records to assess internal controls for the accuracy and validity of Case Service Report (RSA-911) data and provided technical assistance to the VR agency to enable it to enhance its performance.

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from April 10 through 14, 2017, is described in detail in the Federal [FY 2017 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide](#).

B. Summary of Observations and Findings

RSA's review of DBVI resulted in the observations and findings summarized below. The entire observations and findings, along with the recommendations and corrective actions that the agency can undertake to improve its performance are contained within the sections of the report covering the focus areas to which they pertain.

Observations

RSA observed that:

- The total number of applicants and eligible individuals declined steadily from FFY 2014 to FFY 2016;
- DBVI provided no postsecondary education training and very limited occupational and vocational training services according to closed case data reported for FFYs 2014, 2015, and 2016;
- DBVI falls substantially below the national performance for blind agencies in the percentage of individuals served who exited with competitive employment outcomes;
- During the service record review process, RSA discovered inconsistencies in the dates of application between supporting documentation in the service records and entries in the case management system;
- The employment rate for individuals under the age of 25 decreased over the three-year review period, and the quality of employment outcomes reflected lower paying occupations;
- DBVI did not provide training to maximize employment outcomes such as postsecondary education, on-the-job training or apprenticeships to individuals who are blind or visually impaired under the age of 25; and
- Although DBVI reported providing supported employment services, performance data reflect no supported employment outcomes, suggesting coding and reporting errors and the agency's practice of not distinguishing outcomes as supported employment if competitive integrated employment is achieved.

Findings

RSA found that:

- DBVI did not determine the eligibility of applicants for VR services within the required 60-day Federal time frame from the date of application pursuant to 34 CFR §361.41(b)(1);
- DBVI did not develop an individualized plan for employment (IPE) within 90 days from the date of eligibility determination for each individual in accordance with 34 CFR §361.45(a)(1) and (e);
- DBVI did not assign obligations and expenditures to the correct Federal award in accordance with 34 CFR §361.12; 2 CFR §§200.77, 200.302, 200.303(a), and 200.309;

and 34 CFR §76.702;

- DBVI did not have sufficient internal controls to ensure procurements with Federal and non-Federal funds follow State policies and procedures, and the accurate accounting for, and reporting of, the financial results of all Federally assisted activities as required by 2 CFR §§200.302 and 200.317; and 34 CFR §76.702;
- DBVI did not accurately report the financial results of all Federally assisted activities in accordance with 34 CFR §361.12; 34 CFR §76.702; and 2 CFR §200.302;
- DBVI did not comply with the personnel cost allocation requirements in 2 CFR §§200.430 and 200.431;
- DBVI did not comply with the prior approval requirements in 2 CFR §200.407; and
- DBVI did not assign supported employment obligations and expenditures to the correct Federal award in accordance with 34 CFR §361.12, 2 CFR §§200.77, 200.302, 200.303(a), 200.309; and 34 CFR §76.702.

C. Summary of Technical Assistance

During the review process, RSA provided the following technical assistance to DBVI:

- Assisted DBVI in continuing its efforts with VR counselors to improve the quality of employment outcomes for individuals with disabilities, including youth with disabilities, by encompassing a more career-focused view of employment that maximizes the individual's potential, consistent with his or her interests, abilities, capabilities, and informed choice;
- Provided technical assistance regarding the need for improved engagement with and services to individuals located in rural areas of the state where transportation, service and employment opportunities are limited;
- Provided possible methods to improve internal controls and improve accountability, tracking, and oversight of temporarily assigned vacant caseloads;
- Provided guidance on the importance of data integrity and reporting, suggesting possible methods for improving accuracy of data related to application and IPE dates, as well as under-reported services and supported employment outcomes;
- Reviewed and provided guidance to clarify and correct inaccuracies in procedural guidance issued by DBVI related to the provision of pre-employment transition services pending policy development under the State's regulatory process;
- Provided guidance and clarified requirements to assist DBVI in updating the State educational agency (SEA) agreement, including outreach and services to all students with disabilities, and roles and responsibilities of VR and educational agencies;
- Suggested guidance to improve performance in serving youth, including that DBVI staff present students and youth with a career development approach that views minimum wage employment as work experience and that promotes continuation of vocational rehabilitation guidance and counseling and other services that assist youth in obtaining higher paying careers;

- Provided information and guidance related to the significant changes to the Supported Employment program to ensure that the updates to policies and procedures under development by DBVI would incorporate and implement all of the changes and new requirements;
- Clarified that the inability to identify long-term supports was not a reason to exclude eligible individuals seeking supported employment outcomes;
- Reviewed and commented on a draft memorandum of understanding (MOU) with the Maine Department of Health and Human Services (MDHHS) Offices of Aging and Disability Services, Substance Abuse and Mental Health Services, Child and Family Services, and Maine Care Services;
- Provided guidance to the agency regarding allowable expenditures with Supported Employment program funds;
- Provided information regarding personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 200.431) to ensure that personnel costs related to the Supported Employment program were charged appropriately to that program and not solely to the VR award;
- Provided information to DBVI regarding personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 200.431) to assist DBVI in proportionally charging holiday, vacation and sick time to pre-employment transition services based upon the direct hours worked;
- Reviewed and clarified the requirements to ensure accurate Federal reporting and accounting of Federal and non-Federal expenditures in the VR and Supported Employment programs;
- Reviewed and clarified the requirement to provide non-Federal expenditures for the provision of supported employment services, including extended services, to youth with the most significant disabilities;
- Reviewed and clarified the requirements for personnel cost allocation, including charging direct time spent providing services and the travel time spent for direct services provision to the cost objectives under each award;
- Reviewed and clarified the definition of and requirements for internal controls, including a discussion of elements that comprise good internal control systems;
- Reviewed and clarified the requirements related to accounting for expenditures on the SF-425 reports, specifically non-Federal share, Federal unliquidated obligations, and program income;
- Reviewed and clarified the requirements regarding the prohibition against subgranting VR, Supported Employment, and Client Assistance Program (CAP) Federal awards;
- Reviewed and clarified the requirements related to prior approval and mechanisms for ensuring compliance;
- Reviewed and clarified the differences and requirements for shared costs and infrastructure costs in funding the one-stop delivery system; and
- Reviewed and clarified the requirement that the VR program must be represented on the State Workforce Development Board (SWDB) by a single, unique representative with optimum policy making authority.

DBVI and RSA did not identify a need for additional technical assistance.

D. Review Team Participants

Members of the RSA review team included Janette Shell and James Billy (Technical Assistance Unit), Zera Hoosier and Larry Vrooman (Vocational Rehabilitation Program Unit), Julya Doyle and Mariangela Patruno (Fiscal Unit), and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

E. Acknowledgements

RSA wishes to express appreciation to the representatives of DBVI for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the CAP and advocates, and other stakeholders, in the monitoring process.

SECTION 2: FOCUS AREA – PERFORMANCE OF THE VOCATIONAL REHABILITATION PROGRAM

A. Nature and Scope

Through implementation of this focus area, RSA assessed the achievement of quality employment outcomes by individuals with disabilities served in the VR program by conducting an in-depth and integrated analysis of core VR program data and review of individual case service records. The analysis represents a broad overview of the VR program administered by DBVI and included employment outcomes in competitive integrated employment and supported employment. It should not be construed as a definitive or exhaustive review of all available VR program data. The data generally measure performance based on individuals who exited the VR program during the most recently completed three-year period for which data are available. Consequently, the tables do not provide complete information that could otherwise be derived from examining open service records. The analysis includes the number of individuals participating in the various stages of the VR process; the number and quality of employment outcomes; the services provided to eligible individuals; the types of disabilities experienced by individuals receiving services; and the amount of time individuals are engaged in the various stages of the VR process, including eligibility determination, development of the individualized plan for employment, and the provision of services. RSA also reviewed policies and procedures related to internal controls necessary for the verification of data and compared the performance of DBVI with that of all VR agencies of similar type (i.e., blind agencies) as appropriate.

In addition to data tables, the review team used a variety of other resources to better understand the performance trends indicated by the outcomes measured. Other resources included, but were not limited to:

- Agency policies and procedures related to the provision of transition and pre-employment transition services, competitive integrated employment, and supported employment services; and
- Description in the VR services portion of the program year 2016 Unified State Plan describing goals and priorities pertaining to the performance of the VR program.

The review teams shared the data with the VR agency prior to the on-site visit and solicited information throughout the review process explaining the performance trends demonstrated by the data. Specifically, the review teams met with:

- The VR agency acting director;
- VR agency managers and supervisors;
- VR counselors;
- VR agency personnel; and
- Representatives of the SRC, the CAP, and other VR program stakeholders.

In addition to a review of the RSA-911 and the Quarterly Cumulative Caseload Report (RSA-113) data provided by the VR agency, RSA conducted a review of individual case service records. RSA provided guidelines to the VR agency prior to the on-site visit. The review team discussed the selection of service records with DBVI, and the method it uses to maintain records. RSA used the information obtained through the review of service records to assess DBVI's internal controls for the accuracy and validity of RSA-911 data.

The review team provided technical assistance on the joint performance accountability measures established in section 116(b) of WIOA. RSA did not issue compliance findings on these measures. However, the review team and VR agency used these measures to discuss the potential effect of the joint performance accountability measures on the State and agency level performance.

RSA provided additional technical assistance to the VR agency during the course of monitoring to enable it to improve programmatic performance.

B. Overview of Performance Data and Internal Controls

RSA reviewed DBVI's performance for FFYs 2014, 2015 and 2016, with particular attention given to the number and quality of employment outcomes achieved by individuals with disabilities in the State. Additionally, the review addressed the number of individuals who were determined eligible for VR services, and who received services through the VR program. The data used in this review were provided by DBVI to RSA on the RSA-113 and the RSA-911 reports. Program performance data for this section are found in Appendix A of this report.

The VR Process

From FFY 2014 through FFY 2016, the total number of applicants decreased from 222 individuals to 130 individuals; and the total number of individuals eligible for VR services decreased from 248 individuals to 155 individuals. The number of individuals with an IPE who received services decreased from 481 individuals in FFY 2014 to 396 individuals in FFY 2016.

During FFY 2014 through FFY 2016, of all individuals whose service records were closed, the percentage of individuals who exited as applicants varied from 7.7 percent to 8.5 percent, substantially below the national performance of 17.4 percent for all blind agencies. During the same time period, the percentage of individuals who exited from the VR system without employment outcomes, after eligibility determination, but before an IPE was signed and services were received, varied from 15.5 percent in FFY 2014 to 12.1 percent in FFY 2016, with a dip in FFY 2015 to 8.3 percent, compared to the national performance of 10.1 percent for all blind agencies.

Closed case data in table 3.4a show compliance with the 60-day time frame from application to eligibility determination remained steady between 80 percent in FFY 2014 to 79.8 percent in FFY 2016, compared to the national blind agency performance of 89.6 percent in FFY 2016. For youth, the percentage meeting the 60 day eligibility determination time frame increased from 64 percent in FFY 2014 to 73.33 percent in FFY 2015 decreasing to 61.54 percent in FFY 2016

compared to the national performance of 82.89 percent in FFY 2016 for all blind agencies (table 4.4a).

To determine current performance on this element, RSA analyzed open case data provided by DBVI for all individuals determined eligible during the period of September 16, 2016 through March 31, 2017. According to the data shared by DBVI, 78.8 percent of eligibility determinations met the 60-day time frame.

It is important to note that DBVI accomplished a significant cultural change among VR counselors, despite the agency not consistently meeting the 60-day requirement. The agency eliminated a reliance on lengthy assessment prior to eligibility determination and laid the groundwork for timely eligibility determinations and rapid engagement of individuals in the VR process. The timeliness of eligibility determination is discussed in greater detail in Section 2-F of this report.

The percentage of individuals whose IPEs were developed in 90 days or less varied between 75.3 percent in FFY 2014 and 73.6 percent in FFY 2016. For individuals under the age of 25, the percentage of IPEs developed within 90 days increased from 40 percent in FFY 2014 to 54.55 percent in FFY 2016 compared to the national performance of 67.61 percent. These data reflect closed cases where initial IPEs may have been developed, in large part, when DBVI operated under a 180-day IPE development time frame. To assess more recent performance under the new requirements, RSA reviewed open case data provided by DBVI for all individuals who received a signed IPE during the period of September 22, 2016, through March 31, 2017, which show substantial progress with DBVI in compliance with the 90-day IPE development time frame for 92.1 percent of those individuals. Despite the progress in improving the time for IPE development for all individuals, open case data submitted by DBVI showed that only 50 percent of youth IPEs met the required 90-day time line.

VR Services Provided

Data for individuals served by DBVI over the three-year review period show that no individuals received university, four year college, junior college or community college training services. In addition, only two individuals in FFY 2014, and four individuals in each of FFYs 2015 and 2016 received occupational and vocational training services. This comprised 2.5 percent of the individuals receiving services from DBVI in FFY 2016, which is lower than the national performance of 12.5 percent in FFY 2016 for all blind agencies.

Similarly, in FFY 2016, the percentage of individuals who received transportation services (12.3 percent), maintenance services (4.9 percent), and rehabilitation technology services (29.4 percent) were well below the respective national performance of all blind agencies (40.3 percent, 25.3 percent and 65.6 percent) in these service areas (table 3.2c). DBVI's reported use of assessment services, as identified in table 3.2b, ranged from a low of 7.4 percent (FFY 2014) to a high of 14.5 percent (FFY 2015) with 11.7 percent in FFY 2016, which is well below the national performance of all blind agencies (66.2 percent in FFY 2016). Noticeably, DBVI reported no other services provided in FFY 2014 and FFY 2015, however, the agency reported

serving 68.7 percent of individuals in FFY 2016 in this category. Given this pattern, it is possible that coding errors in services may be occurring.

Employment Outcomes

Although DBVI's employment rate remained slightly above the national performance for blind agencies from FFY 2014 through FFY 2016, competitive employment outcomes comprised only 38.8 percent of employment outcomes in FFY 2014, 33.7 percent in FFY 2015, and 24.1 percent in FFY 2016. This is substantially lower than the national performance for blind agencies in FFY 2016 of 86.4 percent. DBVI's homemaker closures ranged from 60.3 percent in FFY 2014 to 75.0 percent in FFY 2016, helping to explain the attainment of the high employment rate and the low percentage of competitive employment outcomes. DBVI stated that it was making an effort to move all remaining individuals with homemaker goals through the case service process to close the cases by July 22, 2017; however, as of April 1, 2017, twelve individual cases remained open due to back logs in some of the required services. DBVI reported it was transitioning to a competitive integrated employment focus over the last few years and has made great strides in transitioning from homemaker outcomes to competitive integrated employment. At the time of this report, all 12 of these service records were closed as employment outcomes.

Data in table 3.1 show that individuals who achieved competitive employment outcomes earned slightly higher wages each FFY, increasing from \$14.61 in FFY 2014, to \$16.02 in FFY 2016. This compares favorably to the national performance for blind agencies in FFY 2016 at \$15.61 per hour. The average hours worked per week decreased from 28.18 in FFY 2014 to 23.77 in FFY 2015, with an average of 25.85 hours per week in FFY 2016. This is significantly lower than the national performance for blind agencies at 31.2 hours worked per week in FFY 2016. As reported in table 3.5a, the 28 individuals who entered paid employment in FFY 2016 achieved employment outcomes in 16 different occupational categories.

Internal Controls

During the on-site monitoring review, the RSA team conducted a targeted review of a sample of 30 individual service records of individuals who did or did not achieve employment, to ensure the documentation in the service record was accurate, complete, and supported the data entered into the RSA-911 with respect to the date of application, date of eligibility determination, date of IPE, start date of employment in primary occupation at exit or closure, hourly wage at exit or closure, employment status at exit or closure, type of exit or closure, and date of exit or closure.

The service record review results, summarized in Appendix B, indicate that the date of application reported in the RSA-911 matched the date on the source documentation in 10 of the 30 cases reviewed, resulting in an accuracy rate of 33 percent for that element. Errors in other data elements were rare, with a single case containing an incorrect eligibility date and a single case containing an inaccurate date of initial IPE; producing a 97 percent accuracy rate for those data elements. The reviewers noted a 100 percent accuracy rate for the remaining data elements. Overall, of the 30, 9 cases contained no errors, creating an overall accuracy rate of 30 percent. Only one case record contained two errors, date of application and date of initial IPE.

The errors in the date of application suggest specific factors or agency practices that contribute to the high error rate in this data element. The RSA review team discussed the error rate in date of application with DBVI during the on-site portion of the review. The consensus among the DBVI staff was that errors were likely due to VR counselors completing documents in the field but entering information at a later date into the case management system after returning to the office.

At the time of the review, DBVI stated that the case management system automatically populated the date of application based on the current date of entry, unless the individual entering the data manually corrected the date to reflect the date from the application form. The application date was not updateable by field staff once the page had been saved, and any correction required an override by central office staff. At the time of this report, field staff are asked to manually enter the application date as signed by the consumer or, if sent by mail, the date stamped on the application as received. Since DBVI began reporting RSA-911 data quarterly, staff has 14 days where corrections to data may be made by field staff. Thereafter, a central office override is required.

DBVI supervisors meet monthly with VR counselors and use a number of case status reports to monitor case flow and timely completion of milestones including 60-day eligibility and 90-day IPE completion. Written policies and procedures are in place to support the quality assurance process.

C. Analysis of Performance and Observations

RSA's review and analysis of the performance of DBVI in this focus area resulted in the following observations. See section B above for data referenced in the observations below. The recommendations to improve DBVI's performance related to the observations are in section D of this focus area.

2.1 Applicants and Eligible Individuals

Observation: The total number of applicants and eligible individuals declined steadily from FFY 2014 to FFY 2016.

- The total number of applicants was 222 in FFY 2014, 166 in FFY 2015, and 130 in FFY 2016
- The total number of eligible individuals was 248 in FFY 2014, 184 in FFY 2015, and 155 in FFY 2016.

2.2 VR Services Provided

Observation: DBVI provided no postsecondary education training and very limited occupational and vocational training services according to closed case data reported for FFYs 2014, 2015, and 2016.

- Data for individuals served by DBVI over the three-year review period show that no individuals received university, four year college, junior college or community college training services.
- Two individuals in FFY 2014 and four individuals in each of FFYs 2015 and 2016 received occupational and vocational training services, comprising 2.5 percent of the individuals receiving services from DBVI in FFY 2016.

2.3 Employment Outcomes

Observation: DBVI falls substantially below the national performance for blind agencies in the percentage of individuals served who exited with competitive employment outcomes.

- DBVI’s employment rate remained slightly above the national performance for blind agencies from FFY 2014 through FFY 2016; however, competitive employment outcomes comprised 38.8 percent of employment outcomes in FFY 2014, 33.7 percent in FFY 2015, and 24.1 percent in FFY 2016.
- DBVI’s homemaker closures ranged from 60.3 percent in FFY 2014 to 75.0 percent in FFY 2016, comprising the majority of employment outcomes.

2.4 Service Record Review Process

Observation: During the service record review process, RSA discovered inconsistencies in the dates of application between supporting documentation in the service record and entries in the case management system.

- The service record review results, summarized in Appendix B, indicate that the date of application reported in the RSA-911 was correct in 10 of the 30 cases reviewed, resulting in an accuracy rate of 33 percent.

D. Recommendations

RSA’s review of the performance of the VR program in this focus area resulted in the following recommendations. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below recommendations.

RSA recommends that DBVI:

2.1 Applicants and Eligible Individuals

- 2.1.1 Conduct an analysis of the reasons for the decline in applicants and eligible individuals, including outreach strategies, sources of referrals, and collaboration with other agencies and organizations;
- 2.1.2 Based on the information obtained through this analysis, develop strategies and goals with measurable targets to increase the number of applicants for the VR program; and
- 2.1.3 Ensure VR counselors are engaging potentially eligible students with disabilities as well as engaging youth who may be seeking subminimum-wage jobs to inform them of the

availability of VR services to assist them in achieving quality competitive integrated employment.

2.2 VR Services Provided

- 2.2.1 Continue to implement current strategies and develop new strategies to introduce and provide postsecondary education training, including graduate training in the STEM fields, as appropriate; and
- 2.2.2 Identify, explore, and increase the use of apprenticeship, vocational, and occupational training to increase the provision of these services to individuals who are blind or visually impaired, and monitor the provision of these services.

2.3 Employment Outcomes

- 2.3.1 Monitor performance related to employment outcomes to ensure that both the numbers and percentages improve after the closure of service records of remaining homemakers currently being served; and
- 2.3.2 Continue training with VR counselors and staff as the agency shifts to an emphasis on competitive integrated employment outcomes that are career-focused and maximize employment for individuals who are blind or visually impaired.

2.4 Accuracy and Consistency of Reported Data

- 2.4.1 Identify the factors or practices leading to incorrect/inconsistent dates of application;
- 2.4.2 Update procedures and internal controls to ensure accurate data entry for dates of application;
- 2.4.3 Develop a monitoring process to ensure ongoing accuracy for dates of application; and
- 2.4.4 Develop a process to override the automatic population of dates in the case management system.

E. Findings and Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area resulted in the identification of the following findings and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

2.1 Untimely Eligibility Determination

Issue: Is DBVI determining the eligibility of applicants for VR services within the required 60-day Federal time frame from the date of application.

Requirement: Under 34 CFR §361.41(b)(1), eligibility determinations are to be made for individuals who have submitted an application for VR services, including applications made through common intake procedures in one-stop centers under section 121 of WIOA, within 60 days, unless there are exceptional and unforeseen circumstances beyond the control of the

designated State unit (DSU) and the individual and DSU agree to a specific extension of time or an exploration of the individual's abilities, capabilities, and capacity to perform in work situations is carried out in accordance with 34 CFR §361.42(e).

Analysis: As part of the monitoring process, RSA analyzed the length of time it took for DBVI to make eligibility determinations for VR applicants.

FFY 2016 data reported by DBVI on the RSA-911 and current year data show:

- Of all individuals served whose service records were closed in FFY 2016, 79.8 percent had an eligibility determination made within the required 60-day period, compared to the national performance of 89.6 percent for blind agencies;
- Data requested from and provided by DBVI indicated that of 99 individuals moved from application to eligibility from September 22, 2016, through March 31, 2017, 21 of those individuals were not determined eligible within 60 days; seven of the 21 individuals were determined eligible between 61 and 69 days after application; three of the 21 individuals' service records contained a case note indicating a reason for the increased eligibility time; however, none of the 21 cases contained a valid extension consistent with DBVI's policy for eligibility extensions, or a written trial work plan; and
- Of the total individuals under age 25 served, 61.54 percent at exit whose service records were closed in FFY 2016 had an eligibility determination made within the required 60-day period, compared to the national performance of 86.45 percent for blind agencies.

Conclusion: As a result of the analysis of both closed service record performance data and recent open service record performance data, RSA concluded that DBVI did not satisfy the eligibility determination requirements in 34 CFR §361.41(b)(1).

Corrective Action Steps: RSA requires that DBVI:

- 2.1.1 Comply with 34 CFR §361.41(b)(1) by making eligibility determinations within the required 60-day period;
- 2.1.2 Fully assess and identify the factors leading to eligibility determinations exceeding 60 days and develop and implement a plan to address and correct the identified factors;
- 2.1.3 Develop and implement internal controls, including a monitoring component, to ensure eligibility determination requirements are met; and
- 2.1.4 Substantially meet the 60-day eligibility determination requirement by reducing the time required for an eligibility determination to 60 days or less, or when appropriate, ensure a properly documented and approved eligibility determination extension is in place.

2.2 Untimely Development of the IPE

Issue: Is DBVI developing IPEs within 90 days from the date of eligibility determination for each individual.

Requirement: In accordance with 34 CFR §361.45(a), the VR services portion of the Unified or Combined State plan must assure that an IPE meeting the requirements of this section and 34 CFR §361.46 is developed and implemented in a timely manner for each individual determined eligible for VR services or, if the DSU is operating under an order of selection pursuant to 34 CFR §361.36, for each eligible individual to whom the State unit is able to provide services; and that services will be provided in accordance with the provisions of the IPE. In addition, under 34 CFR §361.45(e), the IPE must be developed as soon as possible, but not later than 90 days after the date of determination of eligibility, unless the State unit and the eligible individual agree to the extension of that deadline to a specific date by which the IPE must be completed.

Analysis: As part of the monitoring process, RSA analyzed the length of time it took DBVI to develop IPEs for individuals determined eligible for VR services.

FFY 2016 data reported by DBVI on the RSA-911 and current year data show:

- 73.6 percent of all individuals served whose service records were closed in FFY 2016, had an IPE developed within the required 90-day period, compared to the national performance of 82 percent for blind agencies;
- Open case data provided by DBVI for all individuals who received a signed IPE during the period of September 22, 2016, through March 31, 2017, showed progress in meeting the 90-day IPE development time frame (92.1 percent), however, open case data submitted by DBVI showed that 50 percent of individuals under the age of 25 had IPEs meeting the required 90 day time line;
- The percentage of all individuals served whose service records were closed in FFY 2016 with IPEs developed beyond the required 90-day period was 26.4 percent, compared to the national performance of 18 percent for blind agencies; and
- 54.55 percent of individuals under age 25 at exit whose service records were closed in FFY 2016, had an IPE developed within the required 90-day period, compared to the national performance of 67.79 percent for blind agencies.

While DBVI did not achieve 100 percent compliance with the requirement, DBVI's more recent performance captured through analysis of open case data represents a significant improvement.

Conclusion: As the FFY 2016 performance data demonstrate, DBVI did not develop IPEs within 90 days following the date of eligibility determination for each eligible individual whose service record was closed; although open case data presented by the agency showed substantial improvement.

Corrective Action Steps: RSA requires that DBVI:

- 2.2.1 Comply with 34 CFR §361.45(a)(1) and (e) to ensure IPEs are developed within the 90-day Federal time frame from date of eligibility determination;
- 2.2.2 Assess factors leading to untimely IPE development and develop and implement a plan to address these factors;

- 2.2.3 Evaluate current procedures for tracking and monitoring counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the development of internal control processes, use of case management tools, and supervisory review of, timely IPE development; and
- 2.2.4 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to DBVI as described below.

Maximizing Quality Employment

The RSA team provided technical assistance to DBVI regarding the agency's continued efforts with VR counselors to improve the quality of employment outcomes for individuals with disabilities, including youth with disabilities, by encompassing a more career-focused view of employment that maximizes the individual's potential, consistent with his or her interests, abilities, capabilities, and informed choice. DBVI is shifting its focus from achieving homemaker outcomes to maximizing competitive integrated employment outcomes. RSA discussed DBVI's successes and challenges in the implementation of its innovative strategies such as Life 101 and Life 201. In addition, RSA and DBVI discussed strategies such as accessing available benefits planning resources for addressing barriers to competitive integrated employment related to intergenerational poverty and reluctance to risking SSI and SSDI eligibility by working full time.

Services to Individuals in Rural Areas

RSA provided technical assistance regarding the need for improved engagement with and services to individuals located in rural areas of the State where transportation, service and employment opportunities are limited. DBVI noted that an individual who is blind or visually impaired in a rural community may lack access to service providers and may be the only individual with blindness in school, resulting in limited resources or knowledge available in the school. RSA and DBVI discussed strategies to ensure services were available either by bringing services to the individual or bringing the individual to services provided in more populated areas of the State.

Improving Internal Controls and Supervisory Oversight of Caseloads

RSA provided technical assistance on possible methods to improve internal controls and accountability, as well as, tracking and oversight of temporarily assigned vacant caseloads. RSA noted this was particularly important to assist DBVI in improving performance on the 60-day eligibility and 90-day IPE development time frame requirements. Possible solutions suggested by the RSA team included increased use of weekly, bi weekly and monthly case status reports, and greater involvement of supervisors in tracking approaching due dates, particularly in vacant caseloads.

Data Integrity and Reporting

RSA provided technical assistance regarding data integrity and possible methods for improving the accuracy of dates of application and IPE development, particularly when the data entry is performed at a later date. The RSA team and DBVI staff discussed possible methods of improving the accuracy of data entry for these two elements as a means to significantly improve the overall error rate. Suggestions included modification of the case management system interface to remove auto-populated dates in the date of application field, and/or inclusion of pop-up windows to remind staff to compare the date being entered into the system with the date on the supporting documentation form to ensure that the dates are the same.

Additionally, RSA provided technical assistance regarding the need to identify all services on the IPE related to achieving the employment goal, including services provided by other agencies as comparable benefits. RSA indicated this was particularly important with secondary education, postsecondary education and supported employment where not including services provided by other entities as comparable benefits could result in under-reporting of services. RSA also provided technical assistance related to the accurate reporting of supported employment outcomes.

DBVI has not requested additional technical assistance in the performance area.

SECTION 3: FOCUS AREA – TRANSITION SERVICES, INCLUDING PRE-EMPLOYMENT TRANSITION SERVICES FOR STUDENTS AND YOUTH WITH DISABILITIES

A. Nature and Scope

Through the implementation of this focus area, RSA assessed the VR agency performance and technical assistance needs related to the provision of transition services, including pre-employment transition services, to students and youth with disabilities and the employment outcomes achieved by these individuals. For purposes of the VR program, “transition services” are defined as a coordinated set of activities for a student or youth with a disability, designed within an outcome-oriented process that promotes movement from school to post-school activities, including postsecondary education, vocational training, competitive integrated employment, supported employment, continuing and adult education, adult services, independent living, or community participation.

The Act, as amended by WIOA, places heightened emphasis on the provision of services, including pre-employment transition services, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional vocational rehabilitation services, such as transition services.

“Pre-employment transition services,” defined in section 7(30) of the Act and 34 CFR §361.5(c)(42), include both required activities and authorized activities specified in section 113 of the Act and in 34 CFR §361.48(a). Pre-employment transition services also include pre-employment transition coordination activities. Section 113(a) of the Act requires that VR agencies provide, or arrange for the provision of, pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. The term “potentially eligible” is specific to the provision of pre-employment transition services but is not defined in the Act. A “student with a disability,” as defined in section 7(37) of the Act and 34 CFR §361.5(c)(51), includes the minimum age for the receipt of pre-employment transition services, the minimum age for the provision of transition services under IDEA, and the maximum age for the receipt of services under IDEA; thus, the implementing definition of “student with a disability” may vary from State to State.

“Youth with a disability” is defined in section 7(42) of the Act and in 34 CFR §361.5(c)(58) as an individual with a disability who is age 14 through 24. The distinction between the definitions of “student with a disability” and “youth with a disability” is critical for purposes of the various authorities for providing transition-related services, including pre-employment transition services.

During the monitoring process, RSA and the VR agency jointly reviewed applicable data and documentation related to transition and pre-employment transition services, which included:

- State educational agency (SEA) and local educational agency (LEA) agreements;
- Policies related to the provision of transition services, including pre-employment transition services;
- An on-the-job training agreement;
- Assurance 4(c) and descriptions (j), (m), and (o), and any other relevant information from the most recently submitted VR services portion of the Unified State Plan;
- Federal Financial Report (SF-425) reporting procedures, especially as those procedures relate to the proper accounting and reporting of expenditures with funds reserved under section 110(d)(1) of the Act for the provision of pre-employment transition services for students with disabilities;
- Supporting documentation for expenditures incurred with funds reserved for the provision of pre-employment transition services and reported in line 12b of the SF-425; and
- Updated policies or procedures for tracking expenditures for the provision of pre-employment transition services for: 1) purchased services and services provided by VR agency personnel; and 2) related procedures to exclude administrative costs from expenditures paid with funds reserved under section 110(d)(1) for the provision of pre-employment transition services (section 110(d)(2) of the Act prohibits such costs from being paid for with funds reserved under section 110(d)(1)).

In gathering information related to the provision of transition services, including pre-employment transition services, RSA consulted:

- The VR agency director and other senior managers;
- VR agency fiscal officers and staff;
- VR agency counselors;
- VR agency transition coordinators and staff; and
- Educational agencies.

B. Overview

DBVI provides transition and pre-employment transition services to students and youth with disabilities who are blind or visually impaired through its staff of VR counselors and blindness rehabilitation specialists/transition consultants (BRTC). The BRTCs work directly with students who are blind or visually impaired, those students who are potentially eligible, parents, and school orientation and mobility (O&M) instructors. They attend Individualized Education Program (IEP) meetings, providing technical assistance on the needs of each student who is blind or visually impaired.

The low incidence of the population of students and youth who are blind or visually impaired and the geographic distribution, particularly in the northern area of the State, presents a challenge to the VR agency in the provision of group services, including pre-employment transition services. In an effort to identify all students and youth who are blind or visually impaired, DBVI conducts annual outreach to special education directors through letters about DBVI services and conducts outreach to various State agencies and community organizations, the council on transition and others. BRTCs provide special education related services to students who are blind under an agreement with the Maine Department of Education (DOE). Providing related services such as O&M training at an early age allows students and youth to establish a connection with DBVI and fosters the link between the school and the VR counselor. The BRTCs encourage potentially eligible students to apply for VR services at age 14, working with families directly to establish a relationship and address parental concerns and to discuss pre-employment transition services and transition services available to each student. During the review, DBVI indicated that the intake process for pre-employment transition services is usually intertwined with the application process for VR services.

DBVI provides pre-employment transition services to students with disabilities from age 14 to age 21. DBVI offers two programs that include pre-employment transition services. Maine's award-winning LIFE (Learning, Independence, Fun and Employment) 101 and 201 programs, are a collaborative effort between Catholic Charities Maine's Education Services for Blind and Visually Impaired Children (ESBVIC), the Iris Network, and DBVI. The two-week LIFE 101 introduced in 2016 was so successful, garnering regional attention with an award from the Northeast Association for the Education and Rehabilitation of the Blind and Visually Impaired, that in the summer of 2017, the three-week LIFE 201 was launched for high school seniors. Activities and outings have been carefully designed to cover an expanded core curriculum for students with visual impairments, including developing social, recreational and independent living skills, orientation and mobility, career education and technology among others. LIFE 101 includes two opportunities for job shadowing and volunteer work experiences. Learning to make social connections and social etiquette are also part of the program. In general, the experience is about learning work readiness behaviors, establishing independence, and exploring employment and career opportunities. Life 201 is a three-week program with the last two weeks focused on situational assessments totaling approximately 20 hours. These assessments align with the career interests expressed by the individual. DBVI is aware that costs must be allocated between the expanded core curriculum contract and the provision of allowable pre-employment transition services.

The BRTCs provide pre-employment transition services outside of school hours but in collaboration with schools that provide some support services (like transportation or educational technology). DBVI also offers a five week College Vision Quest residential program at the University of Maine for students planning or thinking of attending college. In addition, participants, usually juniors and seniors in high school, enroll and attend an English class, attend learning lab sessions related to succeeding in college as a student with a vision impairment, and volunteer at multiple sites. In addition, participants earn three college course credits.

DBVI staff use the case management system to track transition and pre-employment transition services provided and to process invoices for these services. Different service codes are used for pre-employment transition services and for VR services. Some services are provided through credentialed community rehabilitation programs, but most are provided directly by DBVI staff. VR counselors authorize the number of hours of service to be provided under contract. BTRCs and VR counselors meet to identify next steps and facilitate the transition of students from the BTRCs to a VR counselor.

At the time of the on-site review, DBVI, DOE and Maine Division of Vocational Rehabilitation (DVR) were updating the State educational agency (SEA) formal interagency agreement to be consistent with requirements in section 101(11)(D) of the Act, as amended by WIOA and the regulation at 34 CFR §361.22(b), including the requirements related to section 511 of the Act.

Similarly, DBVI has not updated its transition policies to align with new requirements under the Act, as amended by WIOA. DBVI has issued procedural directives as internal agency guidance; however, policies are considered State or program rules that are subject to a regulatory process. DBVI has begun this process to make routine technical rule changes as a result of the changes made by Federal law.

To plan for and identify the needs of students and youth with disabilities, DBVI has used data from the DOE on the number of students by grade level and by disability receiving special education services or educational accommodations under section 504. In addition, DBVI has gathered information from youth currently receiving services, special education staff, parents' organizations, and other sources. DBVI conducts meetings with DOE, Catholic charities and transition consultants to discuss vocational rehabilitation needs, and how the needs will be met. There are also quarterly meetings at the regional level. Although the comprehensive statewide needs assessment (CSNA) required for the VR services portion of the Unified State plan was completed after the enactment of WIOA, the analysis was not completed prior to the submission of the VR services portion of the Maine Unified State plan. The next CSNA is due in FFY 2018 and will assist in the planning and identification of needs related to the provision of pre-employment transition services and transition services to students with disabilities and youth who are blind or visually impaired.

Although DBVI is providing the required activities and coordination activities under section 113 of the Act, the agency informed RSA that it was not providing authorized activities under pre-employment transition services. Nevertheless, throughout the review, DBVI described the provision of activities that fall within the scope of authorized activities in section 113(d) of the Act, such as training VR and school transition personnel. Thus, DBVI may not be using funds required to be reserved and expended for the provision of pre-employment transition services to the extent allowable.

C. Analysis of Performance and Observations

The analysis of DBVI's performance is predicated upon a low incidence population and a relatively small number of individuals and thus, observations are more representative of trends and must be interpreted in context. RSA's review and analysis of the performance of DBVI in this focus area resulted in the following observations.

3.1 Employment Outcomes

Observation: The employment rate for individuals under the age of 25 decreased over the three-year review period, and the quality of employment outcomes reflected lower paying occupations.

- The number of youth exiting with employment decreased over the three-year period from nine to five, commensurate with the decrease in the total number of service records closed (27 in FFY 2014 and 16 in FFY 2016).
- Employment outcomes represented 30 to 35 percent of all closures for youth during the period of review; however, the employment rate fell from 60 percent in FFY 2014 to 45.45 percent in FFY 2016.
- The percentage of those individuals under the age of 25 at exit who achieved competitive employment outcomes remained at 100 percent in FFY 2014 and FFY 2016, with a dip to 50 percent (3 of 6 individuals) in FFY 2015.

DBVI's performance with respect to quality employment outcomes for individuals under the age of 25 at exit who achieved employment was lower than the national performance of blind agencies.

- The average hourly earnings decreased from \$13.68 in FFY 2014 to \$9.71 in FFY 2016, above the State minimum wage of \$7.50 for FFY 2016, but below the national average of \$13.05 for blind agencies in FFY 2016. Beginning January 1, 2017, the minimum wage in Maine increased to \$9.00 per hour and will increase annually reaching \$12.00 per hour in 2020.
- The average hours worked per week for individuals under the age of 25 at exit who achieved employment varied from a high of 29 hours per week in FFY 2014 to a low of 16 hours per week in FFY 2015, remaining consistently below the 31.42 average hours per week for blind agencies in FFY 2016. Of the 17 individuals under the age of 25 who achieved competitive employment outcomes over the three-year period, eight individuals worked at 35 or more hours per week.
- Over the three-year period, six individuals under the age of 25 at exit who achieved competitive employment received employer-provided medical insurance.
- Using standard occupational classifications, competitive employment outcomes during the three-year review period were primarily in food preparation and serving-related occupations; office and administrative support occupations; community and social services occupations; education, training, and library occupations; and sales and related occupations.
- Three of the 20 employment outcomes were homemaker outcomes.

3.2 VR Services Provided to Individuals under the Age of 25 at Exit

Observation: DBVI did not provide training to maximize employment outcomes such as postsecondary education, on-the-job training or apprenticeships to individuals who are blind or visually impaired under the age of 25.

- DBVI did not provide college or university training, four-year or university training, junior or community college training, on-the-job training, apprenticeship training, or basic academic or remedial training to any of the 37 individuals under the age of 25 who received services and whose service records were closed during FFYs 2014, 2015, and 2016, and only one individual under the age of 25 received occupational or vocational training.
- DBVI verified the data, indicating that the agency does provide these types of training services; however, the individuals whose service records were closed during FFYs 2014, 2015, and 2016 had not received such services.
- The top five services provided to youth for each of the years during the period FFY 2014 to FFY 2016 were vocational rehabilitation guidance and counseling, diagnosis and treatment of impairments, job placement assistance, rehabilitation technology and transportation.

D. Recommendations

RSA's review of the performance of the VR program in this focus area resulted in the following recommendations. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below recommendations.

RSA recommends that DBVI:

3.1 Employment Outcomes

- 3.1.1 Develop measurable goals and strategies to improve the agency's employment rate for individuals under the age of 25;
- 3.1.2 Explore strategies to maximize employment outcomes, including training, to assist VR counselors in promoting career-oriented rather than entry level employment and in supporting postsecondary training opportunities;
- 3.1.3 Emphasize the use of pre-employment transition services and projected vocational goals on an IPE for students with disabilities to encourage engagement in the VR process that will lead to quality employment outcomes; and
- 3.1.4 Consider ways to increase expectations of individuals and families for career and high quality employment opportunities such as providing benefits counseling and financial planning for individuals under the age of 25 and their families or representatives.

3.2 VR Services Provided to Individuals under the Age of 25 at Exit

- 3.2.1 Given the focus on credential attainment in the WIOA performance measures, DBVI should emphasize and increase the provision of university training at both the undergraduate and graduate levels, as appropriate, and in keeping with the emphasis on career advancement and STEM careers; and
- 3.2.2 DBVI should develop strategies to increase the provision of junior or community college training, occupational or vocational training, and on-the-job training and develop strategies to improve performance in these areas, particularly in those programs that will lead to credential attainment.

E. Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area did not result in the identification of corrective actions to improve performance.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to DBVI as described below.

Transition Policies

At the time of the on-site visit, DBVI had not revised its written policies as required in 34 CFR §361.50(a) to include the nature and scope of pre-employment transition services or reflect all of the transition-related revisions to the statutory requirements in the Act, as amended by title IV of WIOA. DBVI stated that it uses procedural directives as internal agency guidance; however its policies constitute State or program rules that must be updated or amended through a State rule process. Maine's rule process requires that the proposed rules must be listed on the regulatory calendar for each agency within a specific time frame and determined to be either a "routine technical" or "major substantive" rule, the latter requiring legislative involvement because the rule includes interpretation of law. Typically, changes required by Federal law are viewed as "routine technical" rule changes, however, a bill requiring that rules proposed due to changes in Federal law be considered "major substantive" rules was introduced in the Maine legislature. The bill was defeated in April 2017, after which, DBVI began the process to develop routine technical amendments to the State rule to align with the requirements in the Act, as amended by title IV of WIOA.

In the interim, DBVI issued a joint procedural directive 2017-02 in March 2017 with DVR containing guidance on the provision of pre-employment transition services to potentially eligible students with disabilities. RSA reviewed this document and provided technical assistance to correct inaccuracies. For example, in a section of the document, "Expenses for Potentially Eligible," the guidance incorrectly states "individuals should apply and be found eligible prior to payment of wages in a paid work experience." VR agencies cannot require a potentially eligible

student with a disability to apply for VR services in order to receive any of the required activities under pre-employment transition services. In addition to the issuance of procedural directive 2017-02, DVR and DBVI developed a slide presentation for joint training sessions conducted with staff regarding the WIOA amendments to the Act in the area of transition. The training covered the definitions of “student with a disability,” “youth with a disability,” and descriptions of potentially eligible student with a disability and transition services; acceptable documentation of a disability; the five required activities of pre-employment transition services; data collection requirements for receipt of pre-employment transition services; the time frame for developing an IPE; use of a projected vocational goal; and reporting of staff time spent providing and arranging for pre-employment transition services. Training also addressed case recording in the electronic case management system, particularly for potentially eligible students.

Interagency Agreement with the Maine Department of Education

DBVI has not updated its current interagency agreement on transition services with the Maine DOE to be consistent with the new requirements under the WIOA amendments to the Act and the final regulation at 34 CFR §361.22(b). The RSA on-site team met with representatives of DVR, DBVI and DOE to review the current agreement, discuss new requirements and identify areas for improvement. RSA, DBVI and DOE discussed the age for receipt of special education services in Maine, which is an element of the definition of “student with a disability” and sets the age range for students who may receive pre-employment transition services. DOE indicated that the age range for special education in Maine is 14 to 20. When RSA pointed out that the IDEA states that the maximum age for receipt of special education services is age 21, unless an older age is selected by the State, DOE indicated that it consulted with its Attorney General office on this and the legal opinion was that DOE was in compliance with Federal law. At this time, DVR and DBVI are providing pre-employment transition services to students with disabilities age 14 to 21, consistent with Federal requirements.

RSA provided the PowerPoint presentation for a webinar on the SEA agreement presented by the WINTAC and NTACTION to assist DBVI in crafting the Maine agreement to meet Federal requirements. In addition, RSA recommended that the updated agreement clearly state the age range for special education services and the age range for the receipt of pre-employment transition services and transition services provided by the VR program since they are different age ranges. Since the updated agreement must address the provision of pre-employment transition services to students with disabilities in need of those services, RSA suggested that the agreement address services and outreach to all students with disabilities, including students who receive accommodations under section 504 and students with disabilities who do not need educational accommodations. RSA encouraged the partners to include criteria for local VR and school district personnel to determine financial roles and responsibilities when either program could provide or pay for the service(s) needed by the student. Finally, RSA requested that the agreement cite the Rehabilitation Act of 1973, as amended by title IV of the Workforce Innovation and Opportunity Act as the authority for the VR program.

Improving Performance in Serving Youth

DBVI believes that introducing pre-employment transition services earlier will provide a mechanism for better engagement with students with disabilities. To support the effort for better engagement, RSA suggested that DBVI staff present students and youth with a career development approach that views minimum wage employment as work experience and that promotes continuation of vocational rehabilitation guidance and counseling and other services that assist youth in obtaining higher paying careers.

Personnel Costs

RSA provided technical assistance to DBVI regarding personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 200.431). DBVI was paying for salary expenses for staff from the funds reserved for providing pre-employment transition services to students; however, it was not paying for holiday, vacation and sick time proportionally from the funds reserved for the provision of pre-employment transition services based upon the direct hours worked. RSA indicated that the proportional time for holiday, vacation and sick time may be charged to the reservation requirement at 34 CFR §361.65(a)(3). Additionally, the agency was not paying for staff time spent traveling for the direct provision of pre-employment transition services with the funds required to be reserved and expended for such services. The definition of administrative costs in 34 CFR §361.5(c)(2)(xii) indicates that staff time spent related to the direct provision of a service does not constitute an administrative cost; consequently, DBVI may pay for staff travel time spent in direct relation to the provision of pre-employment transition services with the funds required to be reserved and expended on such services. However, if staff provide additional services that do not constitute pre-employment transition services, the staff travel costs must be allocated to reflect the proportional time spent providing pre-employment transition services versus VR services provided under an IPE defined in 34 CFR §361.48(b).

Pre-Employment Transition Services Required Activities: TCEW and Job Club

The Transition Career Exploration Workshop (TCEW), created by the Maine Department of Labor (DOL), Bureau of Rehabilitation Services (BRS), consists of a curriculum, which is shared broadly with public schools, career centers, special purpose private schools, day programs and community organizations serving youth. Workshop sessions may be conducted jointly or individually by DBVI or DVR staff, school staff, and organizations. While much of the TCEW program is aligned with pre-employment transition services required activities, RSA provided technical assistance regarding concerns that the workshop: 1) uses inventories that do not align with a required activity; and 2) contains a module to develop an IPE that does not align with a required activity.

TCEW Use of Inventories

RSA shared information in the preamble to the final regulations at 81 FR 55694, about the nature of each of the required activities. With respect to assessments, the guidance provided at 81 FR 55695 states: DSUs are not to use these activities (pre-employment transition services) as assessment services for the purpose of determining whether additional vocational rehabilitation services are needed, or if the individual will be successful in employment.

The preamble identifies interest inventories as aligning with the job exploration counseling required activity. Neither the statute nor the implementing regulations provide further guidance on the role of inventories and assessments in providing pre-employment transition services. The TCEW uses an interest inventory, a learning style inventory, an employment readiness scale, and the World of Work inventory measuring abilities and aptitudes, interests and values. The World of Work Inventory component on abilities and aptitudes identifies verbal ability as measured through English vocabulary; numerical ability as measured through basic math skills; abstractions ability (Algebra) as measured through problem solving; spatial ability as measured through visualizing three-dimensional objects; mechanical/electrical ability as measured through mechanical reasoning; and organizing skill as measured through organizing information.

While this information is an important part of career exploration and development as a whole, the abilities portion of the inventory does not align with any of the five required activities and is not consistent with the preamble description of pre-employment transition services required activities as an “early start at job exploration.” In addition, this academic information is typically available from schools and can be made available to the student for use in the workshop.

TCEW Development of an IPE

Module 16 of the TCEW, titled “Decide and Develop a Plan,” guides the student in using the information gathered through the workshop activities to complete an employment plan worksheet. The module and activity does not align with a required activity under pre-employment transition services because it is focused upon activities and services specific to those eligible individuals in the VR program. The pre-employment transition services required activities are more general and exploratory in nature. Students are instructed to use the worksheet to complete their individualized plan for employment with their VR counselor. The employment plan worksheet parallels the VR individualized plan for employment and asks for information such as the employment goal, services the student will need, the name of providers for those services and the dates those services will be provided.

RSA suggested that DBVI review, analyze, and align components and activities provided by TCEW, Job Club and related programs to be consistent with the allowable required activities under pre-employment transition services; use results of partner-administered academic tests to provide students with information on the skills measured in the TCEW module 9 rather than the World of Work abilities inventory; refocus the TCEW module 16 to align with the self-advocacy pre-employment transition services required activity. For example, developing a plan listing the education and other services needed to enter a career suggested by the results of workshop activities could be seen as an exercise in self-determination. Additionally, using the completed worksheet to communicate the desired employment goal, services and supports needed and any potential provider of those services could be an exercise in informed choice and self-advocacy.

RSA also discussed the need to cost-allocate expenses for the modules or activities in these workshops to ensure that only those activities that are pre-employment transition services are paid for with funds required to be reserved and expended for pre-employment transition services. The activities that do not align with the required activities could still be provided, but may not be

paid for with funds reserved for pre-employment transition services. These activities either must be redesigned to align with the five pre-employment transition services required activities, or they may be funded and provided by the partners.

DBVI did not request additional technical assistance.

SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM

A. Nature and Scope

Through this focus area, RSA assessed the Supported Employment program, authorized under title VI of the Act, as amended by WIOA, and regulations in 34 CFR part 363. The Supported Employment program provides grants to assist States in developing and implementing collaborative programs with appropriate entities to provide programs of supported employment services for individuals with the most significant disabilities, including youth with the most significant disabilities, to enable them to achieve a supported employment outcome in competitive integrated employment. Grants made under the Supported Employment program supplement grants issued to States under the VR program.

WIOA made several significant changes to title VI of the Act that governs the Supported Employment program. The amendments to title VI are consistent with those made throughout the Act to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities.

The changes to the Supported Employment program made in the Act, as amended by WIOA, covered in this focus area included:

- The extension of the time frame for the provision of supported employment services from 18 to 24 months (section 7(39)(C) of the Act, 34 CFR §361.5(c)(54)(iii), and 34 CFR §363.50(b)(1));
- The requirement that supported employment must be in competitive integrated employment or, if not in competitive integrated employment, in an integrated setting in which the individual is working toward competitive integrated employment on a short-term basis (section 7(38) of the Act, and 34 CFR §363.1);
- The requirement that supported employment funds and/or VR program funds be available for providing extended services to youth with the most significant disabilities for a period of time not to exceed four years, or until such time that a youth reaches the age of 25 and no longer meets the definition of “youth with a disability,” whichever occurs first (section 604(b) of the Act and 34 CFR §363.4(a)(2)); and
- The reduction of the amount of funds that may be spent on administrative costs (section 606(b)(7)(H) of the Act and 34 CFR §363.51).

To facilitate the provision of monitoring and technical assistance activities, and in preparation for the on-site visit, the RSA and DBVI reviewed applicable documentation and resources related to the Supported Employment program, including, but not limited to:

- VR agency policies and procedures related to the provision of supported employment and extended services;
- Supported employment assurances 5, 6, and 7 and descriptions e, j.1.A, k.2.B, l.2, n, o, p, and q and any additional information from the VR services portion of the most recently approved Unified State Plan; and
- Performance data related to the number and percentage of individuals with the most significant disabilities receiving supported employment services and achieving supported employment outcomes.

In gathering information related to this focus area, the review team consulted:

- The VR agency acting director and other senior managers;
- VR agency counselors;
- VR agency supported employment coordinators and staff;
- Supported employment vendors and associated community rehabilitation providers (CRP); and
- Entities with which the VR agency has arrangements to fund extended services.

B. Overview

DBVI promotes the achievement of competitive integrated employment outcomes, to the extent possible, for all individuals, including individuals with the most significant disabilities, served by the agency and does not make a clear distinction between outcomes achieved under the VR program or the Supported Employment program. DBVI's service delivery process minimizes using a separate and distinct approach for providing services to achieve a supported employment outcome because, as described in the Maine VR services portion of the Unified State Plan (State Plan), all services are geared to assist individuals with the most significant disabilities. The agency's approach for providing supported employment services is addressed further in the State plan in the VR services portion at descriptions (o)(8)(c) and (p)(2)(a) that state that DBVI does not have separate efforts to provide VR and supported employment services. As described in the State Plan, at the time of application, if an individual is believed to require extended services due to the severity of his or her disability and barriers to employment, a "flag" is placed on the individual's case within the case management system. At the time to develop a plan for employment for the individual there is another decision point at which time the "flag" either stays on or is taken off depending on the need of the individual at that time. DBVI shared procedural directives outlining how counselors are to identify and develop IPEs that meet the requirements for provision of supported employment services and achievement of supported employment outcomes.

During the monitoring process, DBVI indicated that supported employment services are provided as purchased services through fee-for-service agreements with CRPs experienced and trained to work specifically with individuals needing more intensive support services. As indicated in the State Plan, DBVI has identified minimum training requirements for CRPs to become approved providers. CRPs must provide evidence that all Employment Specialists and

Job Coaches have completed one of the BRS' approved training curricula. According to the State plan, agency procedural directives, and DBVI's discussions with RSA, the primary services provided to individuals in supported employment include assessment, job skills coaching, and job placement. These direct services are provided by an Employment Specialist or a Job Coach, who supports the client through activities such as intervention with supervisors and peers, and aids integration into the company's social environment. Other allowable services that are provided when a need is identified include supplemental assessments, social skills training, observation or supervision of the individual, transportation, and facilitation of natural supports. The VR agency provides whatever is required to achieve and maintain integrated competitive employment. DBVI also partners with multiple service providers through a MOU for coordination and long-term support services as well as coordination to improve and expand employment services, to promote cross training efforts and to coordinate service efforts for individuals served jointly as outlined in the MOU.

The State Plan describes the timing of transition to extended services, referencing 18 months of services rather than the 24 months allowed for the provision of supported employment services, unless it is determined that a longer period of time is needed, prior to the transition to extended services, which is inconsistent with section 7(39)(C) of the Act and 34 CFR §§361.5(c)(54)(iii) and 363.53(a).

During the on-site review, DBVI acknowledged that it places a small number of individuals with the most significant disabilities in supported employment settings, resulting in the low number of reported supported employment outcomes. In fact, for FFYs 2014, 2015, and 2016, no supported employment outcomes were reported. However, the agency indicated that the number of individuals receiving supported employment services should have been a larger number than that reported on the RSA-911. RSA discovered through further discussion with staff and support persons managing DBVI's case management system that reporting and coding issues, likely linked to not distinguishing between VR and supported employment service delivery, resulted in errors in the reported data for the Supported Employment program.

C. Analysis of Performance and Observations

No supported employment outcomes were reported by DBVI for FFYs 2014 through 2016, resulting in a very limited analysis of the performance of the Supported Employment program. Data tables summarizing the performance of the Supported Employment program (tables 5.1 through 5.5) are not included in this report. RSA's review and analysis of the performance of DBVI in this focus area resulted in the following observation.

4.1 Inaccurately Reported Supported Employment Performance Data

Observation: Although DBVI reported providing supported employment services, performance data reflect no supported employment outcomes, suggesting coding and reporting errors and the agency's practice of not distinguishing outcomes as supported employment if competitive integrated employment is achieved.

- DBVI stated that it does not always make a distinction related to the achievement of supported employment outcomes when reporting employment outcomes because all services and strategies are geared toward those with the most significant disabilities with the expectation that all individuals will achieve competitive integrated employment, many of whom can work without supports, due to the increased availability of technology, adaptive technology, and natural supports available in today's employment market.
- While DBVI indicated that it is not reporting supported employment outcome closures, to the extent appropriate, it is providing supported employment services to individuals with the most significant disabilities during their initial period of employment.
- On-site discussions with DBVI management and counseling staff indicated that there may be reporting errors in the RSA-911 data submitted by DBVI, as well as, errors in the coding of supported employment services and closures within the DBVI case management system.

D. Recommendations

RSA's review of the performance of the VR program in this focus area resulted in the following recommendations. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement the below recommendations.

RSA recommends that DBVI:

4.1 Inaccurately Reported Supported Employment Performance Data

- 4.1.1 Reevaluate and revise internal processes to ensure supported employment services and supported employment outcomes are implemented and reported correctly;
- 4.1.2 Review and revise reporting and coding instructions for identifying individuals in receipt of extended services, ongoing support services and supported employment services consistent with 34 CFR §361.5(c)(19), 361.5(c)(37), and 361.5(c)54;
- 4.1.3 Identify the factors related to incorrect reporting of services and outcomes for individuals in need of and receiving supported employment services;
- 4.1.4 Develop and implement changes to address incorrect reporting of supported employment services and supported employment outcomes for individuals with the most significant disabilities; and
- 4.1.5 Implement internal controls that ensure accurate and complete data collection and reporting as well as financial accountability.

E. Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area did not result in the identification of corrective actions to improve performance.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to DBVI and DVR jointly as described below.

Updating Supported Employment Policies and Procedures

At the time of the on-site review, DBVI had not updated its policies to be consistent with Federal requirements for the provision of supported employment services, including extended services for youth with the most significant disabilities, resulting from the WIOA amendments to the Act. RSA provided technical assistance related to the significant changes to the Supported Employment program to ensure that the updates to policies and procedures under development by DBVI would incorporate and implement all of the changes and new requirements.

- DBVI has not updated the extension of the time frame for the provision of supported employment services in its State Plan or policies. RSA provided technical assistance related to the revised definition of “supported employment services” consistent with section 7(39) of the Act, as amended by WIOA, and 34 CFR §361.5(c) (54), including the extension of the allowable time frame for the provision of these services from 18 months to 24 months. RSA clarified that this time frame may be extended under special circumstances if the individual and VR counselor jointly agree to extend it in order to achieve the employment outcome identified in the IPE. RSA clarified that supported employment services are “ongoing support services,” including customized employment, needed to support and maintain an individual with a most significant disability in supported employment.
- RSA provided technical assistance to DBVI regarding the short-term basis provision in 34 CFR §363.1(c) for individuals with the most significant disabilities who have achieved integrated supported employment, but have not achieved competitive earnings. Although DBVI reported that it did not use the short-term basis provision because all individuals are placed in competitive integrated employment, RSA emphasized the need to include it in its Supported Employment program policies and procedures in the event that it is ever needed and to reflect the requirement in the Act.
- Under the WIOA amendments to the Act, VR agencies may use Supported Employment program or VR funds to provide extended services only to youth with the most significant disabilities—not to individuals with the most significant disabilities who are not youth. RSA clarified extended services requirements in sections 7(42) and 604(b)(2) of the Act. RSA also clarified that once an individual reaches the age of 25, he or she no longer meets the definition of a “youth with a disability” pursuant to 34 CFR §361.5(c)(58) and is no longer eligible to receive extended services from the VR agency. RSA encouraged DBVI to explore the availability of funding from other sources, as is done for other individuals with the most significant disabilities transitioning from supported employment services to extended services.
- RSA provided guidance with respect to when supported employment services should begin, and how to transition an individual from supported employment, to extended

supports when necessary. RSA recommended that DBVI develop a detailed policy specifying conditions that must be met before it can assist an individual in transitioning to extended services, such as ensuring the individual is engaged in supported employment that is in competitive integrated employment, or in an integrated work setting in which the individual is working on a short-term basis toward competitive integrated employment, and the employment is customized for the individual consistent with his or her strengths, abilities, interests, and informed choice.

- RSA provided an overview and clarification related to the four requirements that must be satisfied for an individual to achieve a supported employment outcome as set forth in 34 CFR §363.54. RSA also provided clarification as to when the service record of an individual who has achieved a supported employment outcome may be closed in accordance with title VI of the Act and 34 CFR §363.55, as well as the requirements under title I of the Act and 34 CFR §361.56.

Memorandum of Understanding (MOU) with the Maine Department of Health and Human Services (MDHHS)

DBVI requested that RSA review and comment on a draft MOU with the MDHHS Offices of Aging and Disability Services, Substance Abuse and Mental Health Services, Child and Family Services, and Maine Care Services. This draft MOU is written to meet Federal requirements at 34 CFR §361.24(f) for a cooperative agreement regarding individuals eligible for home and community-based waiver programs. RSA reviewed the document and provided the following technical assistance.

RSA requested that the document use language consistent with the Act, as amended by WIOA. For example, the document should speak about “competitive integrated employment” rather than competitive employment and substitute “Rehabilitation Act, as amended by title IV of WIOA” for “Workforce Innovation and Opportunity Act.” RSA also recommended that the description of services provided by DBVI or DVR include the provision of extended services for adults and for youth with the most significant disabilities, if no other sources are available, consistent with cooperative agreements under 34 CFR §361.24(f), and consistent with 34 CFR §363.4, including explanations of how and for how long the DSUs may provide extended services to a youth with a most significant disability and including clarifying language that the DSUs may not provide extended services funded by the VR agency to adults.

The Act, as amended by WIOA, added new definitions for the terms “student with a disability” and “youth with a disability.” RSA suggested that the partners ensure that there is a common understanding of these terms in comparison to adults with the most significant disabilities and the requirements for providing extended services to youth with the most significant disabilities.

Eligibility for Supported Employment

In description (q)(1) of the State Plan, DBVI indicated that while it is able to document individuals who are eligible for VR, but who lack long-term supports, this prevents plan

development. RSA clarified that the inability to identify long-term supports was not a reason to exclude eligible individuals seeking supported employment outcomes.

Reporting and accounting for Federal and non-Federal expenditures:

RSA provided technical assistance to DBVI and DVR regarding the requirements to ensure accurate Federal reporting and accounting of Federal and non-Federal expenditures in the Supported Employment program. As required in 2 CFR §200.303(a) the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. Specifically, RSA provided technical assistance to the agency regarding allowable expenditures with Supported Employment funds. RSA reviewed the supporting documentation for expenditures reported to youth with the most significant disabilities. Some of the expenditures that had been paid for with Supported Employment funds were classified in the supporting documentation as pre-employment transition services. Pre-employment transition services may only be provided to students with disabilities (34 CFR §361.48(a)). Pre-employment transition services are provided early in the continuum of services to students with disabilities before placement in employment, whereas Supported Employment is for individuals with the most significant disabilities, including youth with the most significant disabilities, who have been placed in employment and are working (34 CFR §363.1(b)).

Additionally, RSA provided technical assistance regarding the requirement to provide non-Federal expenditures for the provision of supported employment services to youth with the most significant disabilities, including extended services (34 CFR §363.23(a)(2)). A review of the supporting documentation for the non-Federal expenditures found that Federal Supported Employment expenditures had been reclassified to non-Federal expenditures in order to meet the match requirement. Expenditures that had been reclassified as non-Federal must be spent on youth with the most significant disabilities.

Personnel costs

RSA provided technical assistance to both DBVI and DVR regarding personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 200.431). DVR and DBVI were charging salary expenses for staff working on the VR and other programs to the VR award. During discussions, the agencies indicated they were not charging time spent working on the Supported Employment award because it understood that staff time spent providing supported employment services constituted an administrative cost. However, the definition of administrative costs in 34 CFR §361.5(c)(2) does not include direct staff time spent providing services. Travel costs related to the direct provision of a service also are not administrative expenses. Consequently, the VR agencies can charge these costs they previously considered administrative costs directly to the Supported Employment program award. Specifically, the agencies are not charging staff time spent directly providing supported employment services to the Supported Employment program award. This change in accounting for staff time and travel will help the agencies in meeting the reservation requirement (34 CFR §363.22).

Additionally, RSA provided technical assistance regarding updating personnel staff cost objectives. Specifically, the VR agencies could include two separate cost objectives in the Supported Employment program. As the agencies spend direct time providing supported employment services to youth with the most significant disabilities, they could create a separate cost objective for staff to allocate time spent directly providing such services. This separate cost objective would assist the agencies in accounting for and reporting Supported Employment program expenditures spent on youth with the most significant disabilities (2 CFR §200.302).

DBVI did not request additional technical assistance pertaining to the provision of supported employment services.

SECTION 5: FOCUS AREA – ALLOCATION AND EXPENDITURE OF STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM FUNDS

A. Nature and Scope

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; DBVI is maximizing resources available for program needs; and funds support the achievement of employment outcomes for individuals with disabilities, including youth with disabilities and individuals with the most significant disabilities. RSA reviewed DBVI's adherence to Federal fiscal accountability requirements, which include both general administrative and program-specific requirements.

General administrative requirements refer to:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) located in 2 CFR §200. These regulations establish the foundation of Federal cost principles and standards for determining costs for Federal awards while reducing the administrative burden on award recipients and guarding against the risk of waste and misuse of Federal funds;
- Education Department General Administrative Regulations (EDGAR) in 34 CFR part 76. These regulations are applicable to Department of Education (Department) grantees and establish uniform administrative rules for the Department's Federal grants to State administered programs; and
- Departmental and RSA guidance, including Policy Directives (PDs), Technical Assistance Circulars (TACs), Grant Bulletins, Frequently Asked Questions (FAQ), etc.

Program-specific requirements refer to the Act and VR and Supported Employment program implementing regulations in 34 CFR part 361 and 34 CFR part 363, respectively. These requirements establish the specific provisions related to the administration and operation of the VR and Supported Employment programs.

In addition to the fiscal accountability requirements covered in this focus area, RSA reviewed fiscal requirements pertaining to the VR program funds reserved for the provision of pre-employment transition services (i.e., the prohibition against the use of these funds for administrative costs) and Supported Employment program funds (i.e., the limit on the use of these funds for administrative costs to 2.5 percent of the award to youth with the most significant disabilities). The nature and scope of this focus area did not include a review of the extent to which States have satisfied the requirements to reserve at least 15 percent of the Federal VR program award for expenditures on pre-employment transition services, to reserve 50 percent of

Supported Employment program funds for services to youth with the most significant disabilities, and to provide a 10 percent match for this amount, or to track expenditures toward these reserves. Instead, in FFY 2017, RSA provided technical assistance to, and reviewed the progress of, each State toward satisfying these requirements through other processes established by the State Monitoring and Program Improvement Division's (SMPID) Fiscal unit.

RSA used a variety of resources and documents from the period covering FFY 2014 through FFY 2016. If the issues identified included Federal fiscal years prior to 2014, RSA requested additional information within the statute of limitations. Resources and documentation included data maintained on RSA's Management Information System (MIS) generated from reports submitted by DBVI (e.g., SF-425, Annual VR Program/Cost Report (RSA-2), and the VR services portion of the program year 2016 Unified State Plan. These data were organized into a fiscal profile for each State and shared with the VR agency and served as a reference for discussions regarding the areas covered within this focus area.

The review teams reviewed the following documents, as needed, to ensure adherence to accountability requirements (list is not exhaustive):

- A-133 audit findings and corrective actions;
- State/agency allocation/budget documents and annual fiscal reports;
- Agency policies, procedures, and forms (e.g., monitoring, personnel cost allocation, procurement, etc.);
- Documentation of obligations and expenditures, including contracts, purchase orders, invoices, etc.; and
- Grant award notifications, documentation of non-Federal share/match, maintenance of effort (MOE), and program income documentation.

Prior to conducting the review, RSA provided DBVI with a documentation request that included a list of the documentation that the agency needed to provide prior to the start of the review in a manner that enabled RSA to analyze the documents prior to the on-site visit. The review team requested additional supporting fiscal documents or clarifying information regarding contract monitoring, documented internal control procedures, and additional State procurement processes.

The degree to which the review teams addressed each accountability requirement was dependent upon the individual circumstances of the agency. The review teams analyzed the information obtained prior to the on-site visit by reviewing the documentation requested, conducting teleconferences, and examining RSA-MIS data to determine the level of review required for each component.

B. Overview and Analysis

Non-Federal entities are required to have an internal controls process designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of reporting for internal and external use, and compliance with

Federal statutes, regulations, and the terms and conditions of the Federal award. This includes the methods and procedures used to manage the day-to-day operations of grant-supporting activities to assure compliance with applicable Federal requirements. DBVI's Federal and non-Federal obligations and expenditures are maintained, monitored, paid, and reported in a separate office, the Security and Employment Service Center (SESC) located in the Department of Administrative and Financial Services. DBVI is responsible for all DBVI obligations. DBVI staff are responsible for contracts and client authorizations. The SESC assigns individuals to departments serviced by SESC to manage Federal awards, monitor cash balances and prepare Federal financial reports. As such, the SESC maintains policies and procedures related to the allocation, expenditure and reporting of Federal and non-Federal funds. This includes allocating the funds, monitoring cash balances, and expending Federal and non-Federal funds upon DBVI approval. The State's accounting system is used to manage and pay for expenditures. The information reported in the required SF-425 is obtained and compiled from this system. Invoices are approved by DBVI staff and processed by SESC staff assigned to BRS. A SESC staff accountant reviews the coding provided by DBVI staff prior to payment processing. The SESC has policies and procedures detailing this process. These include the SESC's general policies and procedures for processing payments, step-by-step processes for SESC staff to compile the information necessary to report obligations and expenditures on the required Federal reports (SF-425 and RSA-2), and the requirements to maintain necessary journals accounting for the expenditure or reclassification of expenditures. The internal controls for the procedures related to reporting expenditures include a review of the report by the SESC Deputy Director.

As mentioned in more detail in Section 5.C of this report, the agency operates on a cash basis of accounting and pays for expenditures based upon the type of obligation. For services authorized in the case management system, the agency pays for expenditures from the Federal grant award that is open at the time in which the invoice is submitted for payment. For obligations authorized in the State's accounting system, the agency assigns expenditures to a Federal grant award based upon the date of service; however, as mentioned in further detail in Section 5.C of this report, not all invoices are paid from the Federal award to which the contract obligation should have been assigned. Additionally, as mentioned in more detail in Section 5.C of this report, the case management system and State accounting systems do not have the ability to link contractual obligations in the case management system to payments under such contracts within the State accounting system. The DBVI and SESC have been working to address the problem, but at the time of the on-site visit did not have a system in place to accurately tie obligations in the case management system to payments in the State accounting system.

DBVI does not have policies or procedures for prior approval. Such policies and procedures should include the process used to determine if a particular expenditure may require prior approval, the responsible party who determines if prior approval is necessary, and the necessary information to be compiled and submitted to obtain prior approval.

The Office of the State Controller (OSC) is responsible for establishing the necessary systems, policies, and procedures for payroll preparation and accounting in accordance with Federal and State guidelines. The OSC maintains the policy for all employees for the State of Maine. DBVI staff use the State time and attendance system to report actual hours worked to each Federal

award or cost objective. As mentioned in more detail in Section 5.C of this report, employees manually allocate leave time such as vacation, sick and holiday time to the applicable program(s) based on the employee's current work. DBVI has issued guidance via a slide show presentation to State VR agency employees regarding tracking and reporting time to the appropriate Federal award or cost objective. This guidance is maintained in the agency's intranet for staff to access.

DBVI does not use third-party cooperative arrangements (TPCA) to provide services to VR clients. As such, the agency has no policies or procedures regarding these arrangements.

Program Expenditures and Federal Awards Data

According to the data reported in table 6.1, DBVI fully matched its Federal formula award during FFYs 2014 through 2016. Additionally, DBVI requested and received reallocation funds in each FFY, ranging from a high of \$1,628,305 in FFY 2014 to a low of \$528,971 in FFY 2016, increasing its net Federal resources significantly in each FFY. DBVI has not deobligated Federal funds at the end of the grant awards, thereby spending all available Federal funds allotted and received in reallocation.

Match and Maintenance of Effort

The data reported Table 6.2 indicate that, during FFYs 2015 and 2016, 100 percent of DBVI's non-Federal share used for match was appropriated to the agency by the State of Maine. In FFY 2014, 75.7 percent of the non-Federal share used for match was appropriated by the State of Maine. The remaining portion of 24.3 percent was comprised of non-Federal share from other sources. This portion of non-Federal share was for purposes of the establishment authority in 34 CFR §361.5(c)(16). Due to the high levels of funds expended as non-Federal share, the agency's match requirement has not been affected across the review period. Additionally, as the majority of the non-Federal share is appropriated by the State, DBVI is able to monitor and maintain the appropriate level of MOE for each FFY. In FFY 2016, DBVI did not meet the match requirement by \$77; however, DVR matched more than its MOE level and the State met the match requirement in that FFY.

Federal Program Income and Carryover Data

Table 6.3 illustrates that DBVI's primary source of program income is from Social Security Administration (SSA) cost reimbursements. Program income increased on an annual basis, with a significantly larger amount received in FFY 2016 of \$445,614. Program income was primarily used in the VR program; however, in FFY 2016, \$217,987 was transferred to the Independent Living Services for Older Individuals who are Blind (OIB) program.

DBVI's carryover funds fluctuated each FFY from zero percent in FFY 2014 to 11.67 percent in FFY 2015. Prior to the FFY 2016 Federal award, the agency fully spent each Federal award before spending against the next Federal award. Starting with the FFY 2016 Federal award and the FFY 2015 Federal award in the carryover period, the agency switched this practice by expending the new Federal award beginning in October; this practice also affected the amount of Federal funds reported available for carryover. In addition, pursuant to finding number 5.1, the

agency was not tracking expenditures to ensure payment from the FFY grant award to which the funds were obligated. Therefore the carryover of Federal funds is not an accurate reflection of Federal funds that were available based upon the reported expenditures and obligations.

Agency Expenditure Data

DBVI reported a relatively constant amount of total expenditures during FFYs 2014 through 2016 (Table 6.4). However, administrative costs decreased each FFY over the three-year span, from 29.7 percent of expenditures in FFY 2014 to 24 percent in FFY 2016. DBVI indicated the decrease in administrative costs was due to clarifications in Schedule 1 of the RSA-2. RSA PD-14-02 states that personnel costs for staff managing caseloads are not reported in Administrative expenditures. DBVI stated that there was no change to administrative or programmatic staffing during this time frame. Purchased services increased over the timespan, representing almost 14 percent of total FFY 2014 expenditures and 38 percent of total FFY 2016 expenditures, due to an increase in expenditures to CRPs. The amount and percentage of expenditures for services to groups has fluctuated each FFY during the timespan reviewed with a high of 23 percent in FFY 2015 to a low of 2.6 percent in FFY 2016.

C. Findings and Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area resulted in the identification of the following findings and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

5.1 Insufficient Internal Controls – Assignment of VR Obligations and Expenditures to the Correct Federal Award

Issue: Does DBVI assign obligations and expenditures to the correct Federal award in accordance with 34 CFR §361.12, 2 CFR §§200.77, 200.302, 200.303(a), 200.309; and 34 CFR §76.702. This area of review is included on pages 52 and 53 of the MTAG.

Requirements: As a recipient of Federal VR and Supported Employment program funds, DBVI must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and enable DBVI to carry out all required functions, including financial reporting (34 CFR §361.12). In accordance with the Uniform Guidance in 2 CFR §200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The Uniform Guidance, in 2 CFR §200.302(b), requires the financial management system of each non-Federal entity to provide for the following: identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In

addition, 34 CFR §76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds.

Each grant award has a defined “period of performance,” which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 CFR §200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 CFR §200.309, see also 34 CFR §§76.703 and 76.709). Grantees must implement internal controls to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 CFR §200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for DBVI to correctly account for VR funds so RSA can be assured that the agency has satisfied requirements for, among other things, match (34 CFR §361.60), maintenance of effort (MOE) (34 CFR §361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 CFR §361.65(a)(3)).

An obligation means “orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period” (2 CFR §200.71). For expenditures to be allowable under the Federal award, agencies must demonstrate that the obligation occurred within the period of performance of the Federal award. Regulations in 34 CFR §76.707 explain when a State incurs an obligation for various kinds of services and property. Therefore, in order to properly account for and liquidate expenditures, grantees must be able to assign an obligation to a Federal award based upon the date the obligation was made (34 CFR §§76.703 and 76.709). Grantees must assign all Federal and non-Federal obligations and expenditures, on a FFY basis, to the correct Federal award in accordance with the period of performance.

Analysis:

Accounting for Obligations and Expenditures

RSA reviewed the agency’s policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award, which are described in more detail in the report in Section 5.B - Overview. RSA also reviewed documentation of obligations and expenditures to ensure DBVI was correctly assigning and reporting obligations and expenditures to the proper period of performance and Federal award in accordance with Federal requirements. Through the review of agency policies and discussions with agency staff RSA found that DBVI pays for expenditures based upon the type of obligation. For services authorized through the case management system, the agency pays for expenditures from the Federal grant award that is open at the time in which the invoice is submitted for payment. For obligations authorized in the State’s accounting system, the agency procedures state that expenditures are liquidated from the Federal grant award to which the obligation was assigned based upon the date of service, however, as mentioned in further detail in this finding, not all invoices are paid from the Federal award to which the contract obligation should have been

assigned. Consequently, DBVI could not demonstrate that obligations and the liquidation of those obligations, for property, services, and contracts were charged to the correct Federal award.

Federal Funds

With regard to Federal funds, at the start of FFY 2016, the agency paid some case service invoices with FFY 2016 Federal VR funds even though the obligations for those services were incurred in FFY 2015. The agency's fiscal staff did not have access to the case management system and, therefore, had no way to verify when the service was authorized to be provided by the CRP and subsequently represents a binding written commitment (34 CFR §76.707(d)), in order to ensure the invoice was charged to the correct Federal award. Supporting documentation for both the FFYs 2015 and 2016 VR 4th quarter SF-425 reports included line items for reporting expenditures. Expenditures from the case management system included vendor information and the service cost. However, the only date fiscal staff responsible for paying the invoices can view is the date the service invoice was batched for payment. Subsequently, fiscal staff responsible for paying the invoices did not have access to the information necessary to determine when the services being paid were obligated. RSA's review of the supporting documentation identified several instances where the agency paid vendors from an incorrect VR award because the date of obligation was not taken into consideration. The invoices paid were for authorizations written (obligations made) prior to the start of the award from which the services were paid. Determining the amount of obligations and expenditures assigned to or paid from an incorrect Federal award will require extensive accounting effort.

Non-Federal Funds

DBVI accounts for and reports VR expenditures paid with non-Federal funds in a similar manner. The agency assigns program period codes to non-Federal funds in the same manner as Federal funds in the accounting system to correspond with a particular Federal grant award, though the agency was basing the assignment of those codes based upon an incorrect date of obligation. Specifically, the agency does not appropriately account for the date it incurs obligations for services with non-Federal funds to ensure the liquidation of those expenditures are assigned to the correct Federal award. For invoices that are not for services authorized through the case management system, the agency uses the date of service to determine the non-Federal program period. Because the agency does not assign non-Federal obligations to a particular period of performance, the agency cannot ensure that the liquidation of those obligations are charged to the proper Federal award. If the non-Federal expenditures are charged to an incorrect Federal award, those expenditures may not be an allowable source of match for the Federal award funds drawn down by the agency. As a result, RSA was unable to determine whether the agency satisfied VR program requirements for match, MOE, and the reservation and expenditure of funds for the provision of pre-employment transition services.

Obligated Contracts

DBVI does not account for obligations of contracts to ensure they are liquidated from the correct Federal award or with non-Federal funds used for match purposes for that Federal award. In each

contractual agreement, the agency lists the funding sources, accounting codes, and amount of funds obligated in the contract. However, the contract invoices are not paid from the Federal award to which the contract obligation should have been assigned. For example, the agency entered into a contract on July 1, 2015, and the Federal funds were obligated in July 2015 against the FFY 2015 VR award. However, the agency paid some of the contract invoices using FFY 2016 VR funds. The contract was obligated in FFY 2015 and, therefore, contract invoices should have been charged to the FFY 2015 VR award.

Unobligated Contracts

In addition, DBVI has unobligated contracts with CRP vendors recorded in their case management system. Consistent with the contracts mentioned above, the unobligated contracts include funding sources, accounting codes from the agency's financial management system, and the maximum amount of funds obligated in the contracts; however, the contracts are not obligated in the agency's financial system. The CRP contracts are not currently obligated in the agency's financial system because of differences between the case management system and the accounting system. In accordance with EDGAR at 34 CFR §76.707(c), and the State of Maine's purchasing policies, contracts are considered obligated when they are signed and the funds are obligated. Some contracts are encumbered in the accounting system, and other contracts are not encumbered. This is partially due to the fact that the batch interface process used between the accounting system and the case management system do not have the capability to link each payment to the contract. Additionally, agencies are required to report the total amount of Federal and non-Federal obligations through the SF-425 for each reporting period. By not obligating these contracts, the agency is under reporting the amount of Federal and non-Federal obligations. All obligations must be accounted for and included in the Federal Financial Reports for the appropriate awards.

As discussed above, fiscal staff do not consider the date of obligation when paying invoices. While the contracts include accounting information for entry into the agency's financial system, fiscal staff do not have access to the information necessary to ensure the proper assignment of contract obligations to the correct awards for the case management obligations. As a result, the agency does not report all required obligations or ensure that contract invoices are paid from the correct Federal award.

The issues stated above are further complicated because of the following:

1. Some service invoices were submitted months after the service is provided. Based upon the method in which the agency assigns expenditures to Federal awards, a delay in submission of invoices increases the chances of the invoice being paid from an incorrect Federal award; and
2. Because the agency is not properly accounting for obligations and expenditures, when refunds for payments are received, fiscal staff are unable to credit the refunds to the correct Federal award for which the initial obligation and expenditure were allowable. Refunds are posted to the award from which the payment was made if the award is still open; however if the award was closed, refunds were posted to the current Federal award.

Accounting for the Reclassification of Funds Between Grant Awards

Non-Federal Expenditures

The agency uses journal vouchers to reclassify non-Federal expenditures from one FFY to another FFY in its financial accounting system. The reclassifications are used to ensure compliance with Federal fiscal requirements, including the reservation and expenditure of funds for the provision of pre-employment transition services, match, MOE, and disbursement of program income. The reclassifications are processed in batched amounts. For example, near the end of the year of appropriation, DBVI assesses the current amount of non-Federal expenditures incurred to determine whether the agency met the matching requirement. Based upon the agency's practice of assigning expenditures according to the date of service, if the agency determines that the match requirement has not been met, the agency reassigns Federal expenditures, some of which were originally obligated to an incorrect Federal award based upon the agency's process of assigning obligations, to the current non-Federal account in order to meet the match requirement. While reclassifications are generally acceptable under accounting principles, the agency must ensure that expenditures reclassified to a different FFY award are allowable charges to the FFY to which they are being assigned. Reclassifications must be accounted for in a manner that permits the tracking of specific obligations and expenditures to ensure that: 1) the reclassified expenditures were incurred during the appropriate period of performance (2 CFR §200.309); and 2) non-Federal expenditures counted as non-Federal share were obligated or expended during the year of appropriation (section 19(b) of the Rehabilitation Act).

Federal Expenditures

The agency also reassigns Federal expenditures from one Federal grant award to another in order to fully expend Federal award funds. For example, at the end of the year of appropriation, DBVI reviews the balance of unobligated Federal funds. If the agency determines that additional Federal funds are available for expenditure, the agency reassigns Federal expenditures from a subsequent FFY to the current FFY to use all remaining Federal funds. However, because the agency uses the date of service and the date of invoice for services authorized in the case management system, rather than the date of obligation when paying invoices, the agency is unable to ensure that expenditures reclassified from one Federal award to another are for allowable costs assignable to the award to which they were reclassified (2 CFR §200.309).

Conclusion: Based upon the information above, RSA has determined that DBVI is not in compliance with the Federal requirements (34 CFR §361.12, 34 CFR §76.702, and 2 CFR §200.302) to accurately account for and report obligations and ensure expenditures are paid from the correct Federal award. Additionally, the agency did not have sufficient internal controls to ensure that: 1) reclassified expenditures were assigned to the correct FFYs; 2) all obligations were correctly recorded in the agency's accounting system and reported on Federal Financial Reports; and 3) refunds and repayments were assigned to the correct FFYs. As a result, RSA cannot determine, at this time, whether the agency satisfied requirements related to match, MOE, and the reservation of funds for the provision of pre-employment transition services.

RSA is concerned regarding DBVI's failure to implement a financial management system that meets Federal requirements because the agency is not able to ensure:

- Accurate data collection and financial accountability, as required by 34 CFR §361.12;
- The proper disbursement of and accounting for federal funds, as required by 34 CFR §76.702; and
- Only allowable costs resulting from obligations of the funding period are charged to the award, as required by 2 CFR §§200.403, 200.404 and 200.405.

As a recipient of Federal VR funds, DBVI must have procedures in place that ensure proper and efficient administration of its VR program, and that enable DBVI to carry out all required functions. The methods of administration must ensure accurate data collection and financial accountability (34 CFR §361.12, and 2 CFR §200.302).

Corrective Actions: RSA requires that DBVI:

- 5.1.1 Revise its financial data collection and analysis process so that DBVI can:
 - a) Ensure all Federal and non-Federal obligations (including administrative contracts and contracts maintained in the case management system) are properly accounted for and obligated to the correct FFY award in the agency's financial management system;
 - b) Account for all expenditures and accurately liquidate Federal and non-Federal expenditures from the correct FFY award based upon the correct assignment of obligations;
 - c) Ensure all reclassified expenditures are assigned to the correct FFY award based upon the date in which the obligation was incurred; and
 - d) Process Federal refunds to the appropriate Federal award based upon the FFY in which the obligation was incurred;
- 5.1.2 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance. These policies must address:
 - a) The assignment of obligated Federal and non-Federal funds to the appropriate FFY award and the liquidation of such funds based upon the assignment of obligation;
 - b) The reclassification of expenditures to ensure all expenditures meet the requirements of the Federal award and are appropriately accounted for based upon the FFY in which the obligation was incurred;
 - c) The obligation of contracts in the financial management system to ensure liquidations are based upon the FFY in which the contracts were obligated; and
 - d) The refund process to ensure funds are credited to the appropriate Federal award based upon when the obligation was incurred; and
- 5.1.3 Develop and implement a written internal control process, as required in 2 CFR §200.303, including a monitoring component, that ensures sustained compliance with and correction of the specific areas identified in 5.1.1 and 5.1.2.

5.2 Insufficient Internal controls - Procurement Process

Issue: Does DBVI meet the financial management requirements for procurement (2 CFR §200.302 and 34 CFR §76.702). This area of review is included on pages 51 - 53 of the MTAG.

Requirements: In accordance with the Uniform Guidance at 2 CFR §200.302(a):

“Each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the state's own funds. The State's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit...the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.”

In addition, 2 CFR §200.302(b) states that the financial management system of each non-Federal entity must provide effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. This requirement is consistent with the definition of “internal control over compliance requirements for Federal awards” in 2 CFR §200.62(a)(3). Finally, 2 CFR §200.317 requires the State to follow the same policies and procedures it uses for its procurement of non-Federal funds when procuring property and services under a Federal award.

Analysis:

Obligation of Contracts Used for Procuring Services

As mentioned in Finding 5.1, DBVI has unobligated contracts with CRP vendors recorded in its case management system. While onsite, RSA learned that the agency “reserves” funds for the contracts; however, they are not obligated in the agency’s financial system. This process is not consistent with Federal requirements (34 CFR §76.707(c)) and the State’s procurement policies that consider a contract to be fully executed and valid upon final approval. According to the State’s procurement policies, the agency should subsequently obligate all contracts in its accounting system (Chapter 110, Section 3.B.i). Therefore, the agency is not in compliance with State procurement policies with respect to the CRP service contracts.

RSA also found that the DBVI contracts are structured in a manner that does not delineate the Federal award(s) to which the contract would be assignable to ensure they are charged to the correct Federal award or cost objective. The contracts are entered into the accounting system with a program period which ties to a specific grant award or non-Federal match account. The contracts clearly outlined the services to be provided, but did not indicate which funding sources would be used to pay for the services to ensure expenditures were charged to the appropriate Federal award/funding source. Subsequently, VR Federal funds could be at risk for paying for unallowable services. For example, one contract included both VR and State Independent Living

Services (SILS) program funding in the accounting codes. However, contract language was unclear as to which services were VR or SILS services. Invoices from the contractor did not clearly delineate the services being billed. As a result, RSA cannot determine, with any certainty at this time, whether VR funds were used to pay for services that should have been paid only with SILS funding. Because of these contract deficiencies, RSA cannot determine, with certainty at this time, whether DBVI is using Federal VR funds only for allowable program purposes.

Waivers of Competitive Bidding

Additionally, RSA found that DBVI procured client services without following the State's procurement guidelines for waivers of competitive bidding (5 M.R.S.A §1825-B.2.C). For example, DBVI did not follow the State's procurement requirements for waivers of competitive bidding regarding their unobligated contracts with CRP vendors. DBVI provided RSA with copies of three unobligated contracts, all of which had been obtained with waivers of competitive bidding. The justifications provided by the agency for treating the CRP contractors as sole source vendors are inconsistent with the State's requirements related to waivers of the competitive bidding process. For example, one of the State requirements for waivers of competitive bidding require the State agency to demonstrate that the supplies or services required are unique to a specific contractor. The justification must include the unique qualifications, abilities or expertise of the contractor and the necessity of those particular unique factors to meet the Department's needs. However, justification language from the contracts provided for waivers for competitive bidding for CRPs stated that vendors are one of several agencies (CRPs) who provide community employment services to clients referred by the agency, and that clients may choose a CRP from among those available in their geographic area. Additional language states that instead of a contract with a CRP, the agency maintains a list of approved or accredited providers from which consumers may choose. The contracts for services provided by the CRPs are for similar services from different providers all secured with waivers of competitive bidding per provider.

Contract Monitoring

DBVI's procedures for contract monitoring require that contract riders contain the monitoring requirements specific to each contractor and that DBVI monitor providers yearly. When asked for examples of contract monitoring, the agency provided RSA supporting documentation specific for the monitoring of CRP contracts, including the monitoring results. The CRP contract monitoring procedures included processes for yearly monitoring, criteria for conducting monitoring visits, and methods to address identified areas of non-compliance, in accordance with 2 CFR §200.328(a). However, there were no written processes for periodic monitoring of other vendors or providers. In addition, monitoring requirements were not consistently included in contracts. Some contracts lacked monitoring criteria. Contractor invoices did not provide the information necessary to be considered a reliable contract monitoring tool. By not monitoring all contractors and vendors periodically to ensure program accountability, DBVI has not satisfied the requirements of 2 CFR §200.328.

Unallowable Contractual Expenditures

An agency's internal controls must also ensure that only allowable expenses are charged to the Federal award. RSA's review of contracts identified a contract through which the agency was paying for potentially unallowable expenditures. DBVI had previously used the "establishment authority" (i.e., the establishment, development, or improvement of a public or non-profit CRP) in 34 CFR §361.49(a)(1) to enter into an agreement to renovate a training center. After the renovations were completed and the establishment of the training center was complete, DBVI entered into a fee-for-service agreement with the CRP for services at the training center. The current fee-for services agreement includes purchase of equipment, as well as what appeared to be ongoing operational costs for the center (e.g., occupancy, utilities, heat, maintenance, insurance and "other" costs, such as depreciation, professional fees, training and education, license fees and dues, printing, bank fees, and recreation). Under, 34 CFR §361.5(c)(16)(iii) ongoing operating expenses of a CRP do not meet the definition of establishment, development, or improvement of a public or non-profit CRP. Therefore, once the CRP is established any VR grant funds expended for the ongoing operating costs of the training center would be unallowable.

In addition, RSA found that none of the costs incurred under the contract, including the renovation, equipment, and client service costs, were based on a cost allocation methodology that ensures the expenditures incurred under the VR program were proportional to the benefits received, as required by 2 CFR §200.405. For example, the fee-for-service costs for client services were determined based upon annual operational costs of the immersion training center. The total annual operational costs are used to determine a weekly rate based upon an assumption that 10 clients per week will receive services for 48 weeks. Using the estimated amount, the contractor assumes, on average, that six of the 10 clients served per week will be DBVI consumers. To determine the cost assignable to DBVI, the estimated number of DBVI clients per week (six) is multiplied by the weekly rate for all clients. The estimated weekly cost for serving six consumers is billed to DBVI regardless of the number of DBVI clients served per week. Therefore, DBVI pays the same cost per consumer regardless of the number served. As a result, the costs under the contract are not proportional to the benefit received by the VR program as required at 2 CFR §200.405(a). Additionally, RSA found that the itemized list of expenditures for determining the annual operational cost does not equal the total amount used in the contract for cost allocation. DBVI did not have sufficient internal controls to ensure the agency was only paying for allowable and reasonable VR expenditures in proportion to the benefit received by the VR program, thus raising questions about the allowability of some of the expenditures incurred under this particular contract.

Conclusion: Based upon RSA's review, DBVI did not have sufficient internal controls to ensure:

- 1) Procurements with Federal and non-Federal funds follow State policies and procedures; and
- 2) Accurate accounting for and reporting of the financial results of all Federally-assisted activities (2 CFR §§200.302, 200.317; and 34 CFR §76.702).

RSA determined that the agency was not following State procurement policies regarding the obligation of contracts and was not accounting for all Federal funds. Additionally, the agency did not have sufficient internal controls for contract monitoring to ensure and accurately account for all Federal and non-Federal funds spent in the VR and Supported Employment programs as it is required to do by 2 CFR §200.328. RSA cannot determine, with certainty at this time, whether DBVI is using Federal VR funds only for allowable and authorized program activities.

Corrective Actions: RSA requires that DBVI:

- 5.2.1 Procure services in a manner consistent with State procurement policies and ensure that VR and Supported Employment program funds are used only for allowable program activities;
- 5.2.2 Revise current contracts and implement internal controls necessary to ensure future contracts:
 - a) Include language necessary to ensure that VR and Supported Employment program funds are used only for allowable activities;
 - b) Require that contractor invoices submitted to the agency identify whether the services being billed are for allowable VR or Supported Employment services;
 - c) Include the required contract monitoring criteria pursuant to the agency's monitoring procedures;
 - d) Provide for appropriate cost allocation and ensure costs are proportional to the benefit received by the VR and Supported Employment programs; and
 - e) Are consistent with Federal and State requirements, including the State's procurement policies; and
- 5.2.3 Develop and implement internal controls to ensure monitoring of contractors and vendors, as required by 2 CFR §200.328.

5.3 Inaccurate Financial Reporting

Issue: Does DBVI accurately report the financial results of all Federally-assisted activities in accordance with 34 CFR §361.12, 34 CFR §76.702, and 2 CFR §200.302. This area of review is included on pages 51 - 54 of the MTAG.

Requirements: In accordance with the Uniform Guidance at 2 CFR §200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. In addition, 34 CFR §76.702 requires States to use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds (see also 34 CFR §361.12).

The Office of Management and Budget (OMB) requires that grantees use the Federal Financial Report (SF-425) to report financial data for grant awards. RSA instructions for completing the form are detailed in Policy Directive (PD) RSA-PD-15-05, and require an accurate account of all Federal and non-Federal obligations and expenditures that were used to support the VR program. RSA uses the SF-425 data to monitor the financial status of the VR program and to assess grantee compliance with the fiscal requirements contained in the Act and its implementing regulations, 34 CFR part 76, and 2 CFR part 200. For example, RSA uses the SF-425 data to assess whether VR agencies met the match and MOE requirements, as well as other requirements related to record keeping and drawdowns (section 111(a) of the Rehabilitation Act; 34 CFR §§361.12, 361.60, and 361.62; 2 CFR part 200; and the Cash Management Improvement Act of 1990 (CMIA)). When a State does not submit timely and/or accurate SF-425s, RSA is not able to determine whether these requirements have been satisfied, thereby affecting its ability to protect the Federal interest. Therefore, the reports must be accurate and submitted timely. In addition, the Uniform Guidance at 2 CFR §200.62(a)(3) defines “internal control over compliance requirements for Federal awards” as a process implemented by a grantee that provides reasonable assurance that, among other things, that transactions are accurately recorded and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Analysis: RSA reviewed the agency’s written processes for development and submission of financial reports, including supporting documentation, to ensure the agency was accurately reporting the full financial results of all Federally-assisted activities in accordance with the Uniform Guidance.

Unliquidated Obligations

As indicated previously, DBVI has unobligated contracts in its case management system, meaning the amount of Federal funds to pay for the contract are “reserved” but not obligated in the agency’s financial system. In addition, fiscal staff do not have access to the case management system in order to determine the amount of the unobligated contracts, as necessary in order to assign them to the appropriate Federal awards in which the obligations were incurred. Therefore, these contracts are not reported as Federal unliquidated obligations on the SF-425, line 10f - Federal Share of Unliquidated Obligations. However, these contracts meet the definition of an obligation pursuant to 2 CFR §200.71 as they are promises to pay contractors on a fee-for-service basis for services that will be provided to VR clients, and therefore must be tracked and reported as unliquidated obligations. Liquidations of those obligations should be reported on the SF-425 for the Federal award to which the obligation should have been assigned. Nonetheless, as discussed previously, DBVI charges expenditures to the Federal award based upon the date of service for encumbrances in the State accounting system and the date of invoice for authorizations in the case management system, not to the Federal award to which the obligation should be assigned. It is important that the agency account for the non-Federal unliquidated obligations in order to ensure it has met its match and MOE requirements.

Non-Federal Share

As stated previously, due to DBVI's failure to assign expenditures according to the date of obligation and consistent with the award's period of performance, some non-Federal expenditures reported as match for a particular Federal award could have been obligated outside of the FFY of appropriation for that award. As a result, RSA cannot determine, with certainty at this time, whether the agency has met its match and MOE requirements for any given Federal award (34 CFR §§361.60 and 361.62). The problem caused by DBVI's failure to accurately account for non-Federal obligations and expenditures to a particular Federal award is compounded by the reclassification of expenditures. When agency staff reclassifies expenditures from Federal to non-Federal, or non-Federal to Federal, staff are not tying the original expenditure back to the date of obligation, but rather the date of services or date of payment for case management invoices. As a result, DBVI is unable to demonstrate that reclassified expenditures were within the period of performance for the Federal award to which the costs were assigned. Consequently, DBVI cannot ensure that its SF-425s report accurate Federal and non-Federal expenditures for any given Federal award.

Pre-employment Transition Service Expenditure Reporting

Additionally, while reviewing the supporting documentation for the non-Federal VR expenditures, RSA found that the agency was reporting both non-Federal and Federal expenditures for the provision of pre-employment transition services all as being Federal expenditures. In so doing, DBVI was reporting both Federal and non-Federal expenditures for the provision of pre-employment transition services as meeting the requirement to reserve and expend not less than 15 percent of its Federal allotment for such services. As stated in the FFY 2016 grant award notification attachment, for the period of performance beginning October 1, 2015:

“[G]iven the new requirement at section 110(d)(1), a State must reserve at least 15 percent of its State allotment, under the State Vocational Rehabilitation Services (VR) grant (CFDA 84.126A), for the provision of pre-employment transition services under section 113 of the Rehabilitation Act. The State allotment, which forms the basis for the reservation of these funds, refers to the funds awarded pursuant to section 110(a) of the Rehabilitation Act, as well as any funds received during reallocation in accordance with section 110(b) of the Rehabilitation Act.”

The statutory language makes it clear that the basis for the reservation of funds is the Federal grant award allotment as of the end of the year of appropriation. Therefore, any funds reported as meeting the requirement must be Federal – not non-Federal -- funds expended for the provision of pre-employment transition services to students with disabilities. By including non-Federal expenditures incurred for the provision of pre-employment transition services on its SF-425s, which make clear that only Federal expenditures should be reported, DBVI cannot ensure that it is submitting accurate financial reports as it is required to do.

Internal Controls

RSA reviewed supporting documentation for the SF-425 reports submitted by DBVI for FFYs 2015 and 2016. The supporting documentation showed a large number of expenditures reclassified to meet Federal or program requirements as described above. RSA found that DBVI has not amended previous SF-425 reports to reflect an increase or decrease in the amount of expenditures previously reported due to reclassifications. For example, when the agency reclassifies Federal funds to program income, it is not amending previous reports to reflect the decrease in Federal expenditures and an increase to program income. In particular, the 4th quarter and final reports must be amended to reflect accurate expenditures after funds are reclassified in order to ensure accurate accounting for match, maintenance of effort, and grant expenditures. Therefore, when reclassifications occur, agencies must amend the 4th quarter and final SF-425 reports to accurately account for all expenditures, including changes resulting from reclassifications.

During the review of non-Federal expenditures, RSA identified calculation process errors that resulted in inaccurate reporting on the agency's SF-425s. In addition, some non-Federal expenditures assigned to a Federal award were not allowable as match for that particular Federal award due to the reclassification. For example, a review of reclassifications of non-Federal expenditures for the 4th quarter FFY 2016 VR SF-425 includes reclassified Federal expenditures to the non-Federal share in which the transaction date, and subsequently the original obligation occurred before the period of performance. Additionally, the agency reclassified FFY 2015 expenditures for the 4th quarter VR SF-425 that were obligated in the case management system, and subsequently cannot demonstrate when the original obligation for service occurred. The agency's internal controls were not sufficient to identify such inaccuracies prior to submission of the SF-425 reports.

Conclusion: DBVI did not satisfy the requirements in 34 CFR §361.12, 34 CFR §76.702, and 2 CFR §200.302 to accurately account for and report the financial results of all Federally-assisted activities, as the agency was not accurately reporting all Federal and non-Federal obligations and expenditures incurred by the agency. Additionally, the agency did not have sufficient internal controls to ensure all Federal reports accurately account for Federal and non-Federal obligations and expenditures in the VR and supported employment programs. As a result, RSA cannot determine, with certainty at this time, whether the agency satisfied financial requirements related to match, MOE, carryover of funds, and the reservation of funds for the provision of pre-employment transition services. Moreover, the reporting of inaccurate non-Federal expenditures for match purposes also could raise questions of whether the costs were allowable.

Corrective Actions: RSA requires that DBVI:

- 5.3.1 Update and implement policies and procedures to accurately report Federal and non-Federal expenditures and obligations to the correct Federal award;
- 5.3.2 Revise and resubmit the SF-425 reports for FFYs 2015 and 2016 to accurately report Federal and non-Federal expenditures and obligations; and

5.3.3 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal reporting requirements.

5.4 Incorrect Assignment of Personnel Costs to the VR Program

Issue: Did DBVI meet personnel cost allocation requirements in 2 CFR §§200.430 and 200.431. This area of review is included on page 53 of the MTAG.

Requirements: In accordance with Uniform Guidance in 2 CFR §200.430(i)(1)(vii), charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and must, among other things, support the distribution of the employee’s salaries or wages among specific activities or cost objectives if the employee works on more than one Federal award. In addition, 2 CFR §200.431(b)(2) states that the cost of fringe benefits is allowable if, among other things, the costs are equitably allocated to all related awards, including Federal awards. The Uniform Guidance at 2 CFR §200.62(a)(3) also defines “internal control over compliance requirements for Federal awards” as being a process that ensures, among other things, that transactions are accurately recorded and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Analysis: RSA reviewed the agency’s written processes and a sample of timesheets to ensure the agency was assigning personnel costs, including fringe benefits, in accordance with the Uniform Guidance in 2 CFR part 200. Agency procedures state that VR staff allocate time based upon the number of hours worked on each cost objective. In addition, the procedures indicate that fringe benefits for staff are allocated in proportion to the hours worked on each cost objective. However, RSA determined personnel costs related to holiday, vacation and sick leave were not allocated correctly, as described further below.

DBVI administers multiple programs, including the VR, State Independent Living Services, Supported Employment, and Independent Living Services for Older Individuals Who Are Blind (OIB) programs. However, based upon RSA review of sample timesheets provided by DBVI, holiday, vacation and sick time were not allocated in proportion to the hours worked on each cost objective for agency staff. Staff who allocated direct time to multiple cost objectives still charged holiday, vacation and sick time to the VR program. If the agency allocates additional time between other Federally administered programs, RSA was not provided a sample of such timesheets.

Conclusion: As a result of this analysis, DBVI did not satisfy the personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 200.431), as the agency did not have sufficient internal controls to ensure the proper assignment of holiday, vacation, and sick leave expenditures to the various programs in accordance with the amount of time spent working on the cost objective. The costs charged to the VR program that were not in accordance with the Uniform Guidance represent questioned VR program costs.

Corrective Actions: RSA requires that DBVI:

- 5.4.1 Cease using VR funds to pay for personnel costs that must be allocated to other cost objectives;
- 5.4.2 Revise and implement policies and procedures to correctly assign personnel costs, including fringe benefits, to the correct cost objectives;
- 5.4.3 Revise SF-425 reports to reflect accurate expenditures and ensure accurate reporting of personnel costs in future submissions; and
- 5.4.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with personnel cost allocation requirements.

5.5 Prior Approval Requirements Not Met

Issue: Did DBVI meet the prior approval requirements in 2 CFR §200.407. This area of review is included on page 53 of the MTAG.

Requirements: The Uniform Guidance at 2 CFR §200.407, includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 CFR §200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 CFR §200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 CFR part 200 ([Federal Register notice 80 FR 67261](#)). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part:

“The prior approval requirements listed in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 CFR part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 CFR 200 subpart E).”

In addition, information regarding the requirements in 2 CFR part 200 was communicated to grantees via RSA’s listserv on September 23, 2015.

Analysis: RSA requested the agency’s written policies, procedures or processes that ensure the agency was meeting the prior approval requirements when applicable. DBVI informed RSA that no such processes had been developed. To determine whether the lack of processes resulted in non-compliance with the prior approval requirements, RSA reviewed contracts provided by the

agency. RSA found a contract where equipment purchased, specifically software and intellectual equipment, exceeded the State's threshold for classification of equipment at \$5,000, and was charged directly to the award without prior approval from RSA. In another contract, RSA found the agency charged participant support costs for SRC staff to attend a conference and did not obtain prior approval (2 CFR §§200.75 and 200.456).

Conclusion: As a result of the analysis, DBVI did not meet the prior approval requirements pursuant to the Uniform Guidance (2 CFR §200.407).

Corrective Actions: RSA requires that DBVI:

5.5.1 Develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

5.6 Insufficient Internal Controls – Assignment of Supported Employment Obligations and Expenditures to the Correct Federal Award

Issue: Does DBVI assign obligations and expenditures to the correct Federal award in accordance with 34 CFR §361.12; 2 CFR §§200.77, 200.302, 200.303(a), 200.309; and 34 CFR §76.702; and is the agency in compliance with Federal requirements (34 CFR §363.23). This area of review is included on pages 52 and 53 of the MTAG.

Requirements: As a recipient of Federal Supported Employment funds, DBVI must have procedures that ensure the proper and efficient administration of its Supported Employment programs and enable DBVI to carry out all required functions, including financial reporting (34 CFR §361.12). In accordance with the Uniform Guidance in 2 CFR §200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of Federal award. The Uniform Guidance, at 2 CFR §200.302(b)(1), requires the financial management system of each non-Federal entity to provide for the following: identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In addition, 34 CFR §76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds.

Each grant award has a defined "period of performance," which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 CFR §200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 CFR §200.309, see also 34 CFR §§76.703 and 76.709). Grantees must implement internal controls necessary to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are

managing the award in compliance with Federal requirements (2 CFR §200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for DBVI to correctly account for Supported Employment program funds so that RSA can be assured that the agency has satisfied requirements for, among other things, match (34 CFR §363.23) and the reservation and expenditure of Supported Employment program funds for the provision of supported employment services, including extended services, to youth with the most significant disabilities (34 CFR §363.22).

Analysis: As mentioned previously, the agency reclassifies expenditures. In particular, the agency reclassified expenditures between DBVI's and DVR's Federal Supported Employment program awards. DVR reclassified \$49,287.85 of its Federal FFY 2015 Supported Employment funds to pay for Supported Employment program expenditures incurred by DBVI in the provision of such services to individuals with the most significant disabilities who were eligible for those services from DBVI, not DVR. Both DBVI and DVR, as separate DSUs for the VR program in Maine, must submit separate VR services portions of the Maine Unified State Plan that includes a Supported Employment Supplement pursuant to section 101(a)(22) of the Act. As such, DBVI assures that it will only use Supported Employment program funds allotted to it to provide authorized services to eligible individuals in accordance with its own VR services portion of the Unified State Plan and Supported Employment supplement (34 CFR §363.11(g)(1)). According to its VR services portion of the Unified State Plan, including its Supported Employment Supplement, DBVI is the sole State agency designated pursuant to section 101(a)(2)(A)(i) of the Rehabilitation Act to provide services to individuals who are blind or visually impaired. Conversely in its VR services portion of the Unified State Plan, including its Supported Employment Supplement, DVR makes clear that it is the sole State agency designated to provide services to individuals with all other disabilities. This means that only DBVI may use Supported Employment grant funds allotted to it to provide such services to blind and visually-impaired individuals, and DVR may use Supported Employment grant funds allotted to it to serve only those individuals with all other disabilities.

By using its own Supported Employment grant funds to pay for expenditures incurred under the DBVI VR services portion of the Unified State Plan and Supported Employment supplement, DVR failed to ensure that its Federal funds were only used for allowable purposes under its own State plan, namely the provision of supported employment services for DVR-eligible individuals with the most significant disabilities. There is no authority under the Act or its implementing regulations for the DSUs to transfer Federally administered grant award funds between them without formally requesting that RSA transfer Federal funds from one grant award to another. The agency did not have sufficient internal controls to ensure Federal Supported Employment funds were spent only for allowable services outlined in its approved State plan.

RSA also reviewed the agency's supporting documentation for the non-Federal share required by section 603 of the Rehabilitation Act for the provision of supported employment services, including extended services, for youth with the most significant disabilities under the Supported Employment program. Supporting documentation for expenditures reported as the non-Federal share for the Supported Employment program showed the agency had reclassified Federal

Supported Employment expenditures to non-Federal expenditures in order to meet the match requirement. During on-site monitoring, DBVI informed RSA it could not tie the amount of funds reclassified to meet the match back to the original obligations or expenditures, specifically for authorizations occurring from the case management system. For obligations authorized in the State's accounting system, expenditures are liquidated from the Federal grant award to which the obligation was assigned based upon the date of service. Consequently, the agency is unable to demonstrate whether the reclassified expenditures met the match requirements for the Supported Employment program to be spent solely on the provision of services to youth with the most significant disabilities, including extended services, and not on adults in supported employment. As a result, DBVI did not meet the match requirement for the Federal Supported Employment program and subsequently was not entitled to the Federal funds it expended on youth with the most significant disabilities. Additionally, the agency could not ensure its SF-425s accurately report non-Federal share expenditures and obligations for the Supported Employment program.

Conclusion: DBVI did not satisfy the requirements in 34 CFR §361.12, 34 CFR §76.702, and 2 CFR §200.302 to accurately account for and report the financial results of all Federally-assisted activities, as the agency was not accurately accounting for all Federal and non-Federal obligations and expenditures incurred by the agency. Additionally, the agency did not have sufficient internal controls to ensure expenditures for non-Federal share were for allowable purposes in the Supported Employment program or within the applicable period of performance. As a result, RSA cannot determine, with certainty at this time, whether the agency satisfied financial requirements related to match, carryover of funds, and the reservation of funds for the provision of supported employment services, including extended services, to youth with the most significant disabilities. Moreover, the reporting of inaccurate non-Federal expenditures for match purposes also could raise questions of whether the costs were allowable.

Corrective Actions: RSA requires that DBVI:

- 5.6.1 Cease transferring Federal funds between DVR and DBVI without formally requesting the transfer from RSA;
- 5.6.2 Revise and implement policies and procedures to accurately report Federal and non-Federal expenditures and obligations to the correct Federal award;
- 5.6.3 Revise and resubmit the SF-425 reports for FFYs 2015 and 2016 to accurately report Federal and non-Federal expenditures and obligations; and
- 5.6.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal reporting requirements.

D. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to DBVI as described below.

Internal Controls

RSA provided technical assistance to DBVI regarding the definition of and requirements for internal controls. RSA reviewed the requirements for internal controls in the Uniform Administrative Requirements at 2 CFR §§200.302(b)(4) and 200.303. In addition to discussing the definition of internal controls, RSA reviewed each item that the non-Federal entity must adhere to in 2 CFR §200.303 and discussed what constitutes good internal controls. The agency must have written guidance for establishing and maintaining effective internal control over the Federal award available to staff at all levels for their reference in order for internal controls to work. Good internal control includes a developed process that is used to test and verify that the internal controls work for the agency, and they must include a process used to take action when instances of non-compliance are identified.

Assigning Obligations and Expenditures to the Correct Federal Award

RSA provided technical assistance to DBVI regarding agency internal controls to ensure accurate Federal reporting and accounting of Federal and non-Federal expenditures. As required in 2 CFR §200.303(a) the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. RSA provided technical assistance to the agency regarding their process of paying for expenditures. As described in Section 5-C of this report, the agency is not liquidating expenditures with the same Federal award in which the funds are obligated. RSA and DBVI reviewed the requirements in 34 CFR §76.707 that detail when an obligation is incurred for specific transactions. RSA and the agency reviewed this requirement along with the FAQ document issued on March 22, 2017 regarding the period of performance ([RSA: Period of Performance for Formula Grant Awards FAQs](#)).

With these requirements in mind RSA and DBVI discussed adjusting agency accounting practices to ensure obligations and liquidations are accounted for with the same Federal award. RSA and DBVI discussed in detail the different transactions in order to determine when an obligation occurs based upon the type of transaction. Technical assistance was provided regarding tracing the funds at the time of encumbrance in the financial system, and determining how to obtain this information in the case management system. Additionally, RSA and DBVI discussed multi-year contracts and the encumbrance of Federal funds for these types of contracts. This included reviewing the State's policies regarding procurement processes to ensure that whatever method the agency employs would be in compliance with both State and Federal requirements. DBVI and RSA discussed the contracts with CRPs that are currently not encumbered in the financial system in order to determine what constitutes an obligation under these agreements. Using its own State purchasing requirements (2 CFR §200.317) and the requirements regarding obligations in the Uniform Administrative Requirements (34 CFR §76.707), the authorization of a service would constitute the obligation of funds in DBVI's CRP contracts.

Federal Reporting

RSA provided DBVI with technical assistance related to accounting for expenditures on the SF-425 reports, specifically program income (34 CFR §361.63(c)(1)) and the requirement to draw program income prior to drawing Federal funds (34 CFR §361.63(c)(3)(iii)). As the agency reclassifies previous Federal expenditures as program income when received, the agency must have strong internal control processes in place to ensure Federal funds are not drawn down and spent before those reclassifications occur. RSA suggested the agency develop written internal control procedures to ensure it has a system in place that demonstrates the expenditure of program income prior to the drawdown of Federal funds. Some States manage the process by having a separate account. When the program income is received, the funds are transferred to that account. If there is a positive balance in that account, no additional Federal funds are drawn before the program income in the additional account has been spent. Additionally, some States transfer the program income into the Federal account. With this practice, any future Federal draws would be automatically reduced by the amount of program income received. If there is a positive balance of Federal funds in the account, those funds are used before drawing in additional Federal funds for reimbursement.

Match/MOE

RSA provided DBVI with technical assistance related to accounting for non-Federal share as defined in 34 CFR §361.60(b). The majority of DBVI's non-Federal share used for match was appropriated to the agency by the State of Maine. The agency generally spends the non-Federal share first in order to ensure the match requirements are met by the end of the year of appropriation (section 19(a)(1) of the Rehabilitation Act). RSA and DBVI discussed the importance of tracking the liquidation of those obligations to ensure the match requirement is still met if some of those obligations fall off the books.

Prohibition Against Subgranting

RSA provided technical assistance to DBVI regarding the prohibition against subgranting Federal awards made under the VR, Supported Employment, and Client Assistance programs. Language in one of the contracts appeared to suggest the agency was subgranting Federal VR funds. Although DBVI indicated that this was not the case, it was not clear in the contract and RSA discussed updating the contract to ensure it was clear that the agency was not subgranting the Federal funds.

A State agency may not subgrant awards made under the Rehabilitation Act, for the VR, Supported Employment, and Client Assistance programs. EDGAR at 34 CFR §76.50(b) states that the authorizing statute determines the extent to which a State may: 1) use grant funds directly; and 2) make subgrants to eligible applicants. This means that the authorizing statute must specifically permit subgranting in order for the subgranting of Federal funds to be permissible. Because neither the Act nor its implementing program regulations specifically permit subgranting under either the VR, Supported Employment, or Client Assistance programs, such subgranting is not permitted.

Personnel Costs

RSA provided technical assistance to DBVI regarding personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 200.431). Even though agency policy indicated that VR staff must allocate holiday, vacation and sick time in proportion to the hours worked on each cost objective, staff who allocated direct time to multiple cost objectives still charged holiday, vacation and sick time to the VR program. RSA and the agency discussed the importance of internal controls to ensure the agency implements its policies and procedures and develop a process to evaluate current effectiveness of implemented policy. RSA and DBVI discussed evaluating and updating policies for personnel services to ensure accurate implementation as well as consistency among agency staff.

Prior Approval

RSA provided technical assistance to DBVI regarding prior approval requirements in the Uniform Guidance (2 CFR §200.407). RSA shared the clause attached to the FFY 2016 Grant Award Notices that specified the history of prior approval requirements for grantees and the changes that occurred with the Department's adoption of the Uniform Administrative Requirements. RSA shared the US Government Publishing office [website](#) for the electronic Code of Federal Regulations. RSA reviewed the list of activities outlined in 2 CFR §200.407 that may require prior approval and reviewed the requirements under each activity with DBVI to determine if prior approval was applicable for its grant awards. Under each activity, RSA and the agency discussed possible costs, with specific examples, that may require prior approval from RSA. RSA reviewed the requirement for agencies to have written policies and procedures in place (34 CFR §361.50 and 2 CFR §200.302(b)(7)), and discussed what the policies and procedures related to prior approval should include. RSA and DBVI discussed that a policy or procedure for prior approval should be able to address:

- The process the agency has for obtaining prior approval;
- The process fiscal staff and contract staff use to determine if a cost should have received prior approval;
- Who in the agency needs to be aware of prior approval requirements and who determines when prior approval is required; and
- Who compiles the requests with applicable information and sends them to RSA.

Lastly, RSA provided guidance as to what information should be included with requests for prior approval, such as the applicable regulation, what the agency is seeking prior approval for, the Federal award the costs will be charged to, the justification for the cost, if necessary, and the anticipated duration of useful life. This list is an example of information the agency should consider including in the request for prior approval, but it is not exhaustive.

DBVI has not requested additional technical assistance.

SECTION 6: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION

A. Nature and Scope

The U.S. Department of Education and the U.S. Department of Labor (collectively, the Departments) issued the WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) to implement jointly administered activities authorized by title I of WIOA. These jointly-administered regulations apply to all core programs of the workforce development system established by title I of WIOA and are incorporated into the VR program regulations through subparts D, E, and F of 34 CFR part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs by compelling unified strategic planning requirements, common performance accountability measures, and requirements governing the one-stop delivery system. In so doing, WIOA places heightened emphasis on coordination and collaboration at the Federal, State, local, and tribal levels to ensure a streamlined and coordinated service delivery system for job seekers, including those with disabilities, and employers.

Under WIOA, the workforce development system consists of the following six core programs:

- Adult, Dislocated Worker, and Youth programs, authorized under title I;
- Adult Education and Family Literacy Act (AEFLA) program, authorized under title II;
- Employment Service program authorized under the Wagner-Peyser Act, as amended by title III; and
- VR program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV.

Through this focus area, RSA:

- Assessed DBVI'S progress toward fulfilling its role as one of the core programs in the workforce development system;
- Identified areas where DBVI'S partnership and collaboration with other core programs should be strengthened; and
- Provided technical assistance to DBVI to assist in implementing the Joint WIOA Final Rule.

This focus area consists of the following topical areas: Governance, Unified or Combined State Plans, One-Stop Operations, and Performance Accountability. To gather information pertinent to these topics, RSA reviewed the Program Year (PY) 2016 Unified State Plan and sample Memoranda of Understanding and Infrastructure Funding Agreements related to the one-stop service delivery system, as available. Review teams met with the DBVI Director, BRS Director,

DBVI regional management staff, Maine DOL Commissioner, DOL management staff other DOL staff as well as representatives of the Maine State Workforce Development Board, Local Workforce Development Boards (LWDB) partners and One-Stop Operators.

B. Overview

RSA reviewed DBVI's progress and status in meeting its role as a WIOA core program and required partner under the Joint WIOA Final Rule at 20 CFR part 678 (subpart F of 34 CFR part 361). RSA found that DBVI is meeting substantially the intent and spirit of the requirements outlined by WIOA in terms of ensuring that VR is participating and collaborating within the process. DBVI also participates in deliberation and development of policies regarding workforce development activities for the State of Maine through the State and local workforce development boards as well as participation and involvement with State plan development and implementation. Through this participation, DBVI ensures that the one-stop delivery system is accessible physically and programmatically to individuals with disabilities and fulfills the requirement for direct linkage access to VR services within the one-stop centers.

Governance

State Workforce Development Board (SWDB)

The SWDB plays a key role in leading a State's implementation of WIOA, which requires aligning investments in job training, integrating service delivery across programs, and ensuring that workforce investments are job-driven and match employers with skilled workers. The Maine SWDB is known as the Maine State Workforce Board (SWB) and DBVI is represented by the Commissioner of the Maine DOL, the DSA. The SWB has several committees, including the Commission on Disability and Employment.

Local Workforce Development Board (LWDB)

Maine has three LWDBs established to represent each region: Central/Western Workforce Investment Board, Coastal Counties Workforce Board, and Northwestern Workforce Development Board. DBVI confirmed that the requirements of local workforce board representation as outlined by 20 CFR §679.320(d)(3)(iii) are being met.

State Plan Development and Implementation

While DBVI indicated that there are no written policies related to development of the Unified State Plan, Maine DOL staff and DBVI described a process of ongoing meetings with core program partners for operational planning as part of the Unified State plan process. DBVI also indicated that collaborative meetings with core partners are scheduled around the upcoming two-year plan modification set for program year (PY) 2018. DBVI provides input to the development of the State Planning process through participation on the Program Policy committee of the SWDB, which reportedly meets on a regular quarterly schedule, but met monthly during the

initial roll out of the Unified State Plan development. The Maine Unified State Plan is available on the DOL website as well as DBVI's direct linked website in accessible format.

During conference calls prior to the monitoring visit and on-site discussions, DOL, BRS and DBVI outlined ongoing planning activities and described collaboration and strategic planning processes that included detailed weekly, monthly and ongoing semi-annual meetings of all required core partners. DOL staff provided RSA with a copy of the spread sheet tracking system used for identifying the status of progress for each stated objective and goal in the Unified State Plan. At the time of RSA's on-site review, most of the stated objectives were showing a status of "In Process," with two items indicated as "Not started" and three other areas listed as "Progress unknown."

One-Stop Delivery System

Access to VR Services in One-Stop Centers

In accordance with 34 CFR §361.420, and 34 CFR §463.420, each required one-stop partner program must provide access to its programs or activities. Ideally, the one-stop delivery system should bring together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals with disabilities. Currently, Maine has three regions/LWDBs with 12 Career Centers (one-stop centers) across the State.

VR agency staff are co-located in all one-stop center locations and provide VR services directly. DBVI does not provide any specific direct linkage connections for VR services within the one-stop centers except for deaf and hard of hearing individuals who are provided access directly with VR counselors through video conferencing to facilitate VR referrals and discussion.

Memoranda of Understanding

In accordance with 34 CFR §361.420, and 34 CFR §463.420, each required one-stop partner program must enter an MOU that meets the requirements of 34 CFR §361.500(b) and 34 CFR §463.500(b) with the LWDB relating to the operation of the one-stop delivery network. At the time of the on-site visit, DBVI and DOL staff reported that current MOUs related to the one-stop delivery system are under development with proposed completion dates no later than July 2017.

Infrastructure Costs

In accordance with 34 CFR §361.420(b)(2)(i) each required partner must use a portion of funds made available to the partner's program to jointly fund the one-stop infrastructure through contributions that are based upon a reasonable cost allocation methodology by which infrastructure costs are charged to each partner based upon proportionate use and relative benefit received. At the time of the visit DBVI indicated it was still determining the cost allocation methodology in order to appropriately assign infrastructure costs chargeable to the VR program.

The agency was using previous agreements to determine possible allowable costs chargeable to the VR program.

Accessibility

Maine's Unified State Plan stated that core partners will strive for a statewide universal design approach that eliminates barriers to facilities, materials and services, through coordinated activities that will include appropriate and meaningful assessments of participants' needs including the needs for participants with disabilities.

DBVI indicated that BRS has an Americans with Disabilities Act (ADA) coordinator that is always in the process of evaluating whether locations at the respective one-stop centers are physically and programmatically accessible. Furthermore, brochures and informational packets provided to RSA while on-site highlighted other responsibilities of the States ADA coordinator to help clarify the agency's progress in meeting this requirement. No additional information was provided on the current status of physical and programmatic accessibility of the States one stop centers.

Performance Accountability

Performance Data Collection and Reporting

The State performance report required by Section 116(d)(2) of WIOA and 34 CFR §361.160 must be submitted annually using the template developed by DOL and the Department of Education. For VR specific standards, RSA recently updated the RSA-911 to include the primary indicators of performance identified in 34 CFR §361.155, to include effectiveness in serving employers. In accordance with RSA Technical Assistance Circular (TAC) 17-01, *Performance Accountability Guidance for Workforce Innovation and Opportunity Act Title I, Title II, Title III and Title IV Core Programs*, States must select two of three approaches while participating in a pilot program to measure the effectiveness in serving employers. At the time of the on-site visit, Maine had not identified its measures for effectiveness in serving employers; however, the SWB indicated that survey activities were being implemented.

Additionally, in accordance with WIOA section 116(b)(3)(A)(ii) and 34 CFR §361.160(a)(1)(ii), annual reporting should include the total number of participants who are co-enrolled in any of the programs in WIOA. In accordance with RSA Policy Directive (PD) 16-04, *Revision of PD 14-01 instructions for the completion of the Case Service Report (RSA-911) for the State Vocational Rehabilitation Services Program and the State Supported Employment Services Program*, the due date for the submission of RSA-911 data for the first three quarters of FFY 2017 was August 31, 2017. Additionally, DBVI is expected to begin collection data on July 1, 2017, on open case data, with the first quarterly report using PD-16-04, due on November 15, 2017.

DBVI's efforts to address the requirements for reporting the WIOA common performance indicators are focused in two primary areas. First, while DBVI has access to Maine's quarterly unemployment insurance (UI) wage data, it does not yet have access to interstate quarterly UI wage data. Maine is waiting for the State Wage Information System (SWIS) agreement to be completed by the Federal Departments of Labor and Education, and once it is released will pursue signing that agreement. Second, DBVI converted to a commercially available case management system approximately three years ago, supported by the vendor, who is also developing a series of updates encompassing the changes in the RSA-911, which will provide DBVI the ability to capture and report the new data elements required to report on the WIOA performance measures. These data element updates were expected to be in place prior to the beginning of data collection under the new RSA-911 on July 1, 2017. Similarly, the additional reporting capability should be available prior to the due date for the first quarterly report on November 15, 2017.

In the State of Maine, core programs (Title I, II, & III) utilize separate case management systems and, at the time of the review, did not have a mechanism for co-enrollment.

Performance Data Sharing

Section 116 of WIOA establishes performance accountability measures that apply across the core programs to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served by those programs. The performance accountability measures encourage States to work collaboratively on measures shared across the workforce development system. In calculating the performance accountability measures, VR agencies need to develop data sharing agreements with various entities to obtain information on employment status, wages, and credential attainment, in addition to developing mechanisms for sharing data for the "effectiveness in serving employers" measure.

DBVI uses its case management system to generate the quarterly RSA-911 report that is in turn used to generate the WIOA Annual Performance report. The employment data is obtained through a data matching process with both state UI wage data and wage information contained in the Social Security Administration data warehouse. The agency is currently working on a data sharing agreement to obtain interstate UI wage data.

Workforce partners in Maine cannot currently create an unduplicated count of individuals served, as they are unable to identify shared cases across all programs. Maine's goal is to develop a computer application that would bridge the individual case management systems and enable identification of shared consumers.

C. Analysis of Performance and Observations

RSA's review of the performance of DBVI in this focus area did not result in the identification of observations and recommendations.

D. Findings and Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area did not result in the identification of corrective actions to improve performance.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to DBVI as described below.

Shared Costs in the one-stop delivery system MOU

RSA provided technical assistance to DBVI regarding the requirements of the MOU for the one-stop delivery system, specifically related to funding the costs of the services and the operating costs of the system as defined in 34 CFR §361.500(b)(2). The MOU is the product of local discussion and negotiation, and is an agreement developed and executed between the LWDB and the one-stop partners, with the agreement of the chief elected official and the one-stop partners, relating to the operation of the one-stop delivery system in the local area. The MOU must include a description of services to be provided through the one-stop delivery system, including the manner in which the services will be coordinated and delivered through the system; and agreement on funding the costs of the services and the operating costs of the system, including: funding of infrastructure costs of one-stop centers in accordance with 34 CFR §§361.700 through 361.755; and funding of the shared services and operating costs of the one-stop delivery system described in 34 CFR §361.760.

RSA and DBVI discussed the differences and requirements for shared costs defined at 34 CFR §361.760 and infrastructure costs defined in 34 CFR §361.700. Infrastructure costs are non-personnel costs that are necessary for the general operation of the one-stop facility. Shared costs are additional costs relating to the operation of the one-stop delivery system. These other costs must include applicable career services and may include other costs, including shared services.

Shared services' costs may include the costs of shared services that are authorized for and may be commonly provided through the one-stop partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other one-stop partners, and business services. Shared operating costs may also include shared costs of the LWDB's functions. Contributions to the additional costs related to operation of the one-stop delivery system may be cash, non-cash, or third-party in-kind contributions, consistent with how these are described in 34 CFR §361.720(c). Shared costs must be allocated according to the proportion of benefit received by each of the partners,

consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles in 2 CFR part 200 (or any corresponding similar regulation or ruling) requiring that costs are allowable, reasonable, necessary, and allocable. Any shared costs agreed upon by the one-stop partners must be included in the MOU.

At the time of the on-site visit, DBVI was developing shared cost agreements and provided RSA with a copy of a contract agreement regarding receptionist costs to be shared by the agency and the Maine DOL at a one-stop facility. RSA and the agency reviewed the contract agreement and determined that these expenditures fall within the requirements of shared services and shared costs in 34 CFR §361.760(b); therefore, these costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements.

State Workforce Development Board Representation:

DVR and DBVI, which administer the VR program – one of the core partner workforce development programs – that is authorized under the Act, as amended by title IV of WIOA, are both housed in the Maine DOL, which also houses other core partners in the workforce development system that are authorized under titles I and III of WIOA. The Maine DOL is overseen by a Commissioner, with each of the programs housed within that Department administered by a director specific to that program. During RSA's on-site monitoring of the VR program, RSA learned that DVR and DBVI are both represented on the State Workforce Development Board (State Board) by the Commissioner of the Maine DOL, who also represents other core workforce partner programs, namely the Adult, Dislocated Worker, Youth, and Wagner-Peyser Employment Services programs.

Section 101(b)(1)(C)(iii)(I)(aa) of WIOA requires that the State Board be comprised of, among others, representatives from “the lead State officials with primary responsibility for the core programs” (see also 20 CFR §679.110(b)(3)(iii)(A)(1)). The preamble to the final regulations explains further that 20 CFR §679.110(b)(3)(iii)(A)(1)(i) through (iii) were modified for purposes of the final regulations to make clear that the title IV VR program must be represented by a single, unique representative, whereas one representative (e.g., the Commissioner of the Maine DOL) may represent the Adult, Dislocated Worker, Youth, and Wagner-Peyser Employment Services programs (see 81 FR 56072, 56074 (Aug. 19, 2016)).

This policy position by the U.S. Department of Labor (DOL), as expressed in the preamble to the final regulations, is consistent with 20 CFR §679.110(e), which requires that State Board members representing core programs, such as the VR program, be individuals who have optimum policy-making authority for the core program that they represent. Pursuant to 20 CFR §679.120(a):

(a) A representative with “optimum policy-making authority” is an individual who can reasonably be expected to speak affirmatively on behalf of the entity he or she represents and to commit that entity to a chosen course of action.

The director of DVR or the director of DBVI would be the only individuals who would have optimum policy-making authority for the VR program, as described in 20 CFR §679.120(a). Such position is consistent with 34 CFR §361.13(c)(1), which specify certain functions that are the sole responsibility of the VR agency, including development and implementation of policies, allocation and expenditure of VR funds, and participation as a partner in the workforce development system. This would include the VR program's participation on the State Board pursuant to 20 CFR §679.110(b)(3)(iii)(A)(1)(iii) and 20 CFR §679.120(a). The VR program director does not have the authority to delegate this authority to another entity or individual (34 CFR §361.13(c)(2)). In other words, neither the DVR nor the DBVI director has the authority to delegate to the commissioner of the Maine DOL the authority to represent the VR program on the Maine State Board. To do so would also be delegating the authority to commit the VR program to particular courses of action with respect to the development and implementation of policies and the allocation and expenditure of VR funds on behalf of the VR program, which is one of the core partner programs in the workforce development system. None of these authorities can be delegated to another individual, including the head of the DSA overseeing DVR and DBVI. Therefore, the Maine State Board has failed to comply with section 101(b) of WIOA and 20 CFR §679.110(b)(3)(iii)(A)(1)(iii) of its implementing regulations by having the Commissioner of the Maine DOL represent the VR program on the Maine State Board. After consultation with DOL on this matter, RSA recommends that Maine revise its State Board composition by appointing either the DVR or DBVI director to the State Board to represent the VR program. As such, this VR program representative would be in addition to the representatives of the other core partners. Enforcement of this matter falls under the jurisdiction of the U.S. Department of Labor.

DBVI has not requested additional technical assistance in this focus area.

APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES

This appendix contains the program and fiscal performance data tables (referenced in Appendices C, D, E, and I of the Federal FY 2017 Monitoring and Technical Assistance Guide) used throughout the review. Data were drawn from the RSA-113, the RSA-911, and SF-425. The RSA-113 report is a quarterly submission that provides cumulative information at the end of the Federal fiscal year. The data from the RSA-113 cover both open and closed cases as reported to RSA at the end of the Federal fiscal year. The RSA-911 contains only information on cases closed during the Federal fiscal year covered by the report and does not include information related to those cases remaining open in the next Federal fiscal year.

Table 3.1 ME-B Case Status Information, Exit Status, and Employment Outcomes for All Individuals - FFYs 2014-2016

Performance category	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total applicants	222		166		130		13,720	
Total eligible individuals	248		184		155		12,357	
Agency implementing order of selection	No		No		No		-	
Individuals on order of selection waiting list at year-end	0		0		0		60	
Individuals in plan receiving services	481		435		396		35,064	
Percent accepted for services who received no services		13.3%		7.1%		16.1%		10.40%
Exited as applicants	18	8.5%	12	7.7%	17	8.3%	2,209	17.4%
Exited trial experience/extended evaluation					1	0.5%	62	0.5%
Exited with employment	116	54.5%	89	57.1%	112	54.4%	5,994	47.3%
Exited without employment	46	21.6%	42	26.9%	51	24.8%	3,117	24.6%

Performance category	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Exited from OOS waiting list							12	0.1%
Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	33	15.5%	13	8.3%	25	12.1%	1,275	10.1%
Total received services	162	76.1%	131	84.0%	163	79.1%	9,111	71.9%
Employment rate		71.6%		67.9%		68.7%		65.8%
Competitive employment outcomes	45	38.8%	30	33.7%	27	24.1%	5,177	86.4%
Supported employment outcomes							152	2.5%
Average hourly earnings for competitive employment outcomes	\$14.61		\$15.06		\$16.02		\$15.61	
Average hours worked for competitive employment outcomes	28.18		23.77		25.85		31.2	
Median hourly earnings for competitive employment outcomes	\$10.78		\$12.30		\$13.50		\$11.73	
Median hours worked for competitive employment outcomes	30		20		25		35.0	
Quarterly median earnings	\$4,160		\$3,087.50		\$4,420.0		\$4,927.00	

Data sources: RSA-911, RSA 113

Table 3.2.a ME-B VR Training Services Provided for Individuals Served - FFYs 2014-2016

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	162		131		163		9,111	
College or university training	0	0.0%	0	0.0%	0	0.0%	127	1.4%
Four-year or university training	0	0.0%	0	0.0%	0	0.0%	918	10.1%
Junior or community college training	0	0.0%	0	0.0%	0	0.0%	293	3.2%
Occupational or vocational training	2	1.2%	4	3.1%	4	2.5%	1,137	12.5%
On-the-job training	0	0.0%	0	0.0%	2	1.2%	265	2.9%
Apprenticeship training	0	0.0%	0	0.0%	0	0.0%	12	0.1%
Basic academic remedial or literacy training	0	0.0%	1	0.8%	0	0.0%	148	1.6%
Job readiness training	2	1.2%	2	1.5%	2	1.2%	1,082	11.9%
Disability-related skills training	52	32.1%	47	35.9%	34	20.9%	4,075	44.7%
Miscellaneous training	7	4.3%	6	4.6%	4	2.5%	1,070	11.7%

Data source: RSA-911

Table 3.2.b ME-B VR Career Services Provided for Individuals Served - FFYs 2014-2016

Career Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	162		131		163		9,111	
Assessment	12	7.4%	19	14.5%	19	11.7%	6,028	66.2%
Diagnosis and treatment of impairment	68	42.0%	105	80.2%	125	76.7%	5,970	65.5%
Vocational rehab counseling and guidance	70	43.2%	122	93.1%	155	95.1%	7,735	84.9%
Job search assistance	2	1.2%	0	0.0%	0	0.0%	955	10.5%
Job placement assistance	19	11.7%	22	16.8%	33	20.2%	1,412	15.5%

Career Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
On-the-job supports-short term	0	0.0%	0	0.0%	14	8.6%	915	10.0%
On-the-job supports-SE	0	0.0%	0	0.0%	0	0.0%	288	3.2%
Information and referral services	0	0.0%	1	0.8%	0	0.0%	1,582	17.4%
Benefits counseling	0	0.0%	0	0.0%	0	0.0%	257	2.8%
Customized employment services	0	0.0%	0	0.0%	0	0.0%	43	0.5%

Data source: RSA-911

Table 3.2.c ME-B VR Other Services Provided for Individuals Served - FFYs 2014-2016

Other Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	162		131		163		9,111	
Transportation	11	6.8%	24	18.3%	20	12.3%	3,676	40.3%
Maintenance	7	4.3%	6	4.6%	8	4.9%	2,309	25.3%
Rehabilitation technology	39	24.1%	52	39.7%	48	29.4%	5,976	65.6%
Reader services	0	0.0%	2	1.5%	1	0.6%	231	2.5%
Interpreter services	0	0.0%	1	0.8%	2	1.2%	140	1.5%
Personal attendant services	0	0.0%	0	0.0%	0	0.0%	81	0.9%
Technical assistance services	23	14.2%	24	18.3%	15	9.2%	194	2.1%
Other services	0	0.0%	0	0.0%	112	68.7%	3,526	38.7%

Data source: RSA-911

Table 3.3.a ME-B Outcomes by Type of Impairment - FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment outcomes	111	98.2%	88	100.0%	110	98.2%	5,795	99.8%
Visual - Without employment outcomes	46	100.0%	42	100.0%	49	96.1%	3,093	99.8%
Auditory and Communicative - Employment outcomes		0.0%		0.0%		0.0%	1	.0%
Auditory and Communicative - Without employment outcomes		0.0%		0.0%		0.0%	1	.0%
Physical - Employment outcomes	2	1.8%		0.0%	1	0.9%	6	.1%
Physical - Without employment outcomes		0.0%		0.0%	1	2.0%	4	.1%
Intellectual and Learning disability - Employment outcomes		0.0%		0.0%		0.0%	3	.1%
Intellectual and Learning disability - Without employment outcomes		0.0%		0.0%	1	0.9%	1	.0%
Psychosocial and psychological - Employment outcomes		0.0%		0.0%	1	2.0%		
Psychosocial and psychological - Without employment outcomes		0.0%		0.0%		0.0%	1	.0
Total served - Employment outcomes	113	100.0%	88	100.0%	112	100.0%	5,805	100.0%
Total served - Without employment outcomes	46	100.0%	42	100.0%	51	100.0%	3,100	100.0%

Data source: RSA-911

Table 3.3.b ME-B All Individuals Served by Type of Impairment FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Individuals served	157	98.7%	130	100.0%	159	97.5%	8,888	99.8%
Auditory and Communicative - Individuals served	0	0.0%	0	0.0%	0	0.0%	2	.0
Physical - Individuals served	2	1.3%	0	0.0%	2	1.2%	10	.1%
Intellectual and Learning disability - Individuals served	0	0.0%	0	0.0%	2	1.2%	4	.0
Psychosocial and psychological	0	0.0%	0	0.0%	0	0.0%	1	.0
Total individuals served	159	100.0%	130	100.0%	163	100.0%	8,905	100.0

Data source: RSA-911

Table 3.3.c ME-B Employment Rate by Type of Impairment - FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment rate		70.7%		67.7%		69.2%		65.2%
Auditory and Communicative - Employment rate								50.0%
Physical - Employment rate		100.0%				50.0%		60.0%
Intellectual and Learning disability - Employment rate								75.0%
Psychosocial and psychological – Employment rate								0%
Total served - Employment rate		71.1%		67.7%		68.7%		65.2%

Data source: RSA-911

Table 3.4.a ME-B Elapsed Time from Application to Eligibility for All Individuals Served - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	156	80.0%	118	81.9%	150	79.8%	9,319	89.6%
61 – 90 days	20	10.3%	13	9.0%	16	8.5%	535	5.1%
91 – 120 days	9	4.6%	4	2.8%	13	6.9%	209	2.0%
121 – 180 days	6	3.1%	7	4.9%	3	1.6%	156	1.5%
181 – 365 days	3	1.5%	2	1.4%	4	2.1%	108	1.0%
More than 1 year	1	0.5%		0.0%	2	1.1%	71	.7%
Total eligible	195	100.0%	144	100.0%	188	100.0%	10,398	100.0%

Data source: RSA-911

Table 3.4.b ME-B Elapsed Time from Eligibility to IPE for All Individuals Served - FFYs 2014-2016 (revised)

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 90 days	122	75.3%	99	75.6%	120	73.6%	7,467	82.0%
More than 90 days	40	24.7%	32	24.4%	43	26.4%	1,644	18.0%
Total served	162	100.0%	131	100.0%	163	100.0%	9,111	100.0%

Data source: RSA-911

Table 3.4.c ME-B Elapsed Time from IPE to Closure for All Individuals Served - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	6	3.7%	1	0.8%	1	0.6%	170	1.9%
4 – 6 months	3	1.9%	8	6.1%	13	8.0%	1,034	11.3%
7 – 9 months	9	5.6%	17	13.0%	13	8.0%	1,122	12.3%
10 – 12 months	20	12.3%	21	16.0%	23	14.1%	967	10.6%
13 - 24 months	55	34.0%	47	35.9%	66	40.5%	2,162	23.7%
25 – 36 months	26	16.0%	16	12.2%	23	14.1%	1,147	12.6%
37 – 60 months	26	16.0%	8	6.1%	15	9.2%	1,092	12.0%
More than 5 years	17	10.5%	13	9.9%	9	5.5%	1,417	15.6%
Total served	162	100.0%	131	100.0%	163	100.0%	9,111	100.0%

Data source: RSA-911

Table 3.5.a ME-B Standard Occupational Classification (SOC) Codes for All Individuals Served with Employment Outcomes - FFYs 2014-2016

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)					1	0.9%	44	0.7%
Arts, Design, Entertainment, Sports, and Media (27-0000)	3	2.6%	1	1.1%			167	2.8%
Building and Grounds Cleaning and Maintenance (37-0000)	2	1.7%			2	1.8%	281	4.7%

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Business and Financial Operations Occupations (13-0000)	2	1.7%			1	0.9%	171	2.9%
Community and Social Services Occupations (21-0000)	2	1.7%	2	2.2%	2	1.8%	245	4.1%
Computer and Mathematical Occupations (15-0000)	3	2.6%	1	1.1%			114	1.9%
Constructive and Extraction Occupations (47-0000)			1	1.1%			150	2.5%
Education, Training, and Library Occupations (25-0000)	4	3.4%	4	4.5%	1	0.9%	407	6.8%
Farming, Fishing, and Forestry Occupations(45-0000)	1	0.9%			1	0.9%	35	.6%
Food Preparation and Serving Related Occupations (35-0000)	6	5.2%	2	2.2%	3	2.7%	334	5.6%
Healthcare Practitioners and Technical Occupations (29-0000)			1	1.1%	1	0.9%	153	2.6%
Healthcare Support Occupations (31-0000)	2	1.7%	1	1.1%			206	3.4%
Homemaker*	70	60.3%	58	65.2%	84	75.0%	703	11.7%
Installation, Maintenance, and Repair Occupations (49-0000)	1	0.9%	2	2.2%			199	3.3%
Legal Occupations (23-0000)					1	0.9%	52	.9%
Life, Physical, and Social Science Occupations (19-0000)							41	.7%
Management Occupations (11-0000)	4	3.4%	1	1.1%	2	1.8%	326	5.4%
Military Specific Occupations (55-0000)								
Office and Administrative Support Occupations (19-0000)	10	8.6%	6	6.7%	5	4.5%	956	15.9%

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Personal Care and Service Occupations (39-0000)					2	1.8%	234	3.9%
Production Occupations (51-0000)	1	0.9%	3	3.4%	1	0.9%	399	6.7%
Protective Service Occupations (33-0000)							58	1.0%
Randolph-Sheppard vending facility clerk*							1	0.0%
Randolph-Sheppard vending facility operator*	2	1.7%	2	2.2%			60	1.0%
Sales and Related Occupations (41-0000)	2	1.7%	3	3.4%	2	1.8%	407	6.8%
Transportation and Material Moving Occupations (53-0000)					2	1.8%	245	4.1%
Unpaid Family Worker*	1	0.9%	1	1.1%	1	0.9%	5	0.1%
Total employment outcomes	116	100.0%	89	100.0%	112	100.0%	5,993	100.0%

Data source: RSA-911

Table 3.5.b ME-B Standard Occupational Classification (SOC) Codes Median Hourly Earnings for All Individuals Served with Employment Outcomes - FFYs 2014-2016

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)					\$13.50		\$21.81	
Arts, Design, Entertainment, Sports, and Media (27-0000)	\$12.00		\$12.00				\$14.32	

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Building and Grounds Cleaning and Maintenance (37-0000)	\$8.00				\$9.63		\$9.50	
Business and Financial Operations Occupations (13-0000)	\$16.54				\$25.00		\$17.00	
Community and Social Services Occupations (21-0000)	\$13.96		\$12.36		\$15.78		\$16.96	
Computer and Mathematical Occupations (15-0000)	\$42.80		\$7.51				\$20.00	
Constructive and Extraction Occupations (47-0000)			\$15.00				\$13.00	
Education, Training, and Library Occupations (25-0000)	\$18.18		\$19.85		\$14.43		\$16.13	
Farming, Fishing, and Forestry Occupations(45-0000)	\$12.03				\$11.06		\$10.20	
Food Preparation and Serving Related Occupations (35-0000)	\$8.38		\$7.50		\$7.67		\$9.00	
Healthcare Practitioners and Technical Occupations (29-0000)			\$20.00		\$52.00		\$19.70	
Healthcare Support Occupations (31-0000)	\$9.77		\$20.00				\$10.31	
Homemaker*								
Installation, Maintenance, and Repair Occupations (49-0000)	\$8.50		\$9.45				\$10.50	
Legal Occupations (23-0000)					\$30.30		\$27.40	
Life, Physical, and Social Science Occupations (19-0000)							\$21.35	
Management Occupations (11-0000)	\$9.00		\$30.00		\$17.50		\$16.93	
Military Specific Occupations (55-0000)								

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Office and Administrative Support Occupations (19-0000)	\$11.25		\$10.85		\$17.00		\$11.00	
Personal Care and Service Occupations (39-0000)					\$18.35		\$9.45	
Production Occupations (51-0000)	\$15.00		\$11.00		\$10.00		\$9.53	
Protective Service Occupations (33-0000)							\$11.00	
Randolph-Sheppard vending facility clerk*							\$8.00	
Randolph-Sheppard vending facility operator*	\$22.43		\$28.58				\$15.00	
Sales and Related Occupations (41-0000)	\$17.03		\$11.00		\$10.00		\$10.00	
Transportation and Material Moving Occupations (53-0000)					\$9.56		\$11.00	
Unpaid Family Worker*								
Total employment outcomes	\$10.78		\$12.30		\$13.50		\$11.55	

Data source: RSA-911

Table 4.1 ME-B Case Status Information, Exit Status, Outcomes, and Quality Employment Outcomes for All Individuals with Disabilities under Age 25 at Exit - FFYs 2014-2016

Individuals with Disabilities under Age 25 at Exit	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total cases closed	27		17		16		1,711	
Exited as an applicant	2	7.41%	2	11.76%	3	18.75%	374	21.86%

Individuals with Disabilities under Age 25 at Exit	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Exited during or after trial work experience/extended evaluation							10	0.58%
Exited without employment after IPE, before services							25	1.46%
Exited from order of selection waiting list							1	0.06%
Exited without employment after eligibility, before IPE	10	37.04%	4	23.53%	2	12.50%	233	13.62%
Exited with employment	9	33.33%	6	35.29%	5	31.25%	518	30.27%
Exited without employment	6	22.22%	5	29.41%	6	37.50%	550	32.14%
Employment rate	60.00%		54.55%		45.45%		48.50%	
Supported employment outcomes							23	4.44%
Competitive employment outcomes	9	100.00%	3	50.00%	5	100.00%	501	96.72%
Average hourly earnings for competitive employment outcomes	\$13..68		\$ 9.90		\$ 9.71		\$13.05	
Average hours worked per week for competitive employment outcomes	29		16		28		31.42	
Competitive employment outcomes at 35 or more hours per week	4	44.44%	1	16.67%	3	60.00%	240	46.33%
Competitive employment outcomes meeting SGA	3	33.33%	1	16.67%	1	20.00%	185	35.71%
Competitive employment outcomes with employer- provided medical insurance	4	44.44%	1	16.67%	1	20.00%	132	25.48%

Data source: RSA-911

Table 4.2. ME-B Select VR Services Provided for Individuals with Disabilities under Age 25 at Exit-FFYs 2014-2016

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	15		11		11		1,066	
College or university training	0	0.00%	0	0.00%	0	0.00%	27	2.50%
Four-year or university training	0	0.00%	0	0.00%	0	0.00%	330	31.00%
Junior or community college training	0	0.00%	0	0.00%	0	0.00%	94	8.80%
Occupational or vocational training	0	0.00%	0	0.00%	1	9.10%	273	25.60%
On-the-job training	0	0.00%	0	0.00%	0	0.00%	56	5.30%
Apprenticeship training	0	0.00%	0	0.00%	0	0.00%	3	0.30%
Basic academic remedial or literacy training	0	0.00%	0	0.00%	0	0.00%	55	5.20%
Job readiness training	0	0.00%	0	0.00%	1	9.10%	276	25.90%
Disability-related skills training	3	20.00%	3	30.00%	1	9.10%	576	54.00%
Miscellaneous training	1	6.70%	3	30.00%	1	9.10%	260	24.40%
Assessment	0	0.00%	5	50.00%	6	54.50%	777	72.90%
Diagnosis and treatment of impairment	4	26.70%	6	60.00%	6	54.50%	563	52.80%
Vocational rehab counseling and guidance	7	46.70%	9	90.00%	10	90.90%	898	84.20%
Job search assistance	1	6.70%	0	0.00%	0	0.00%	165	15.50%
Job placement assistance	5	33.30%	6	60.00%	6	54.50%	183	17.20%
On-the-job supports-short term	0	0.00%	0	0.00%	3	27.30%	178	16.70%
On-the-job supports-SE	0	0.00%	0	0.00%	0	0.00%	49	4.60%
Information and referral services	0	0.00%	0	0.00%	0	0.00%	188	17.60%
Benefits counseling	0	0.00%	0	0.00%	0	0.00%	30	2.80%
Customized employment services	0	0.00%	0	0.00%	0	0.00%	7	0.70%
Transportation	2	13.30%	5	50.00%	3	27.30%	565	53.00%
Maintenance	0	0.00%	1	10.00%	1	9.10%	518	48.60%

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Rehabilitation technology	5	33.30%	4	40.00%	3	27.30%	765	71.80%
Reader services	0	0.00%	1	10.00%	0	0.00%	38	3.60%
Interpreter services	0	0.00%	0	0.00%	0	0.00%	33	3.10%
Personal attendant services	0	0.00%	0	0.00%	0	0.00%	30	2.80%
Technical assistance services	2	13.30%	2	20.00%	1	9.10%	12	1.10%
Other services	0	0.00%	0	0.00%	8	72.70%	571	53.60%

Data source: RSA-911

Table 4.3.a ME-B Outcomes by Type of Impairment for Individuals with Disabilities under Age 25 at Exit - FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment outcomes	8	100%	5	100%	5	100%	509	99.41%
Visual - Without employment outcomes	6	100%	5	100%	6	100%	547	99.82%
Auditory and Communicative - Employment outcomes								
Auditory and Communicative - Without employment outcomes								
Physical - Employment outcomes							2	0.39%
Physical - Without employment outcomes							1	0.18%
Intellectual and Learning disability - Employment outcomes							1	0.20%
Intellectual and Learning disability - Without employment outcomes								
Psychosocial and psychological -								

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Employment outcomes								
Psychosocial and psychological - Without employment outcomes								
Total served - Employment outcomes	8	100%	5	100%	5	100%	512	100%
Total served - Without employment outcomes	6	100%	5	100%	6	100%	548	100%

Data source: RSA-911

Table 4.3.b ME-B All Individuals Served by Type of Impairment for Individuals with Disabilities under Age 25 at Exit FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Individuals served	14	100%	10	100%	11	100%	1,056	99.06%
Auditory and Communicative - Individuals served								
Physical - Individuals served							3	0.28%
Intellectual and Learning disability - Individuals served							1	0.09%
Psychosocial and psychological								
Total individuals served	14	100%	10	100%	11	100%	1,066	100.00%

Data source: RSA-911

Table 4.3.c ME-B Employment Rate by Type of Impairment for Individuals with Disabilities under Age 25 at Exit - FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment rate		57.10%		50.00%		45.50%		48.20%
Auditory and Communicative - Employment rate								
Physical - Employment rate								66.67%
Intellectual and Learning disability - Employment rate								100.00%
Psychosocial and psychological – Employment rate								
Total served - Employment rate		57.10%		50.00%		45.50%		48.30%

Data source: RSA-911

Table 4.4.a ME-B Elapsed Time from Application to Eligibility for All Individuals for Individuals with Disabilities under Age 25 at Exit - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	16	64.00%	11	73.33%	8	61.54%	1,136	86.45%
61 – 90 days	4	16.00%	1	6.67%	2	15.38%	75	5.71%
91 – 120 days	2	8.00%	2	13.33%	2	15.38%	37	2.82%
121 – 180 days	2	8.00%	1	6.67%		0.00%	32	2.44%
181 – 365 days	1	4.00%		0.00%	1	7.69%	17	1.29%
More than 1 year		0.00%		0.00%		0.00%	17	1.29%
Total eligible	25		15		13		1,314	100.00%

Data source: RSA-911

Table 4.4.b ME-B Elapsed Time from Eligibility to IPE for Individuals with Disabilities under Age 25 at Exit - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	6	40.00%	7	63.64%	6	54.55%	724	67.79%
4-6 months	2	13.33%	2	18.18%	1	9.09%	107	10.02%
7-9 months	1	6.67%	1	9.09%		0.00%	45	4.21%
10-12 months	1	6.67%		0.00%		0.00%	26	2.43%
More than 12 months	5	33.33%	1	9.09%	4	36.36%	166	15.54%
Total served	15		11		11		1,068	

Data source: RSA-911

Table 4.4.c ME-B Elapsed Time from IPE to Closure for Individuals with Disabilities under Age 25 at Exit Served - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	1	6.67%		0.00%	1	9.09%	16	1.51%
4 – 6 months		0.00%		0.00%	1	9.09%	56	5.29%
7 – 9 months		0.00%	1	9.09%		0.00%	67	6.33%
10 – 12 months		0.00%	1	9.09%		0.00%	46	4.34%
13 - 24 months		0.00%	3	27.27%	1	9.09%	158	14.92%
25 – 36 months	3	20.00%	2	18.18%	2	18.18%	128	12.09%
37 – 60 months	3	20.00%	1	9.09%	3	27.27%	179	16.90%
More than 5 years	8	53.33%	3	27.27%	3	27.27%	409	38.62%
More than 10 years		0.00%		0.00%		0.00%		0.00%
Total served	15		11		11		1,059	

Data source: RSA-911

Table 4.5.a ME-B Standard Occupational Classification (SOC) Codes for Individuals with Disabilities under Age 25 at Exit with Employment Outcomes - FFYs 2014-2016

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)		0.00%		0.00%		0.00%	7	1.35%
Arts, Design, Entertainment, Sports, and Media (27-0000)	1	11.11%		0.00%		0.00%	32	6.19%
Building and Grounds Cleaning and Maintenance (37-0000)		0.00%		0.00%	1	20.00%	19	3.68%
Business and Financial Operations Occupations (13-0000)		0.00%		0.00%		0.00%	18	3.48%
Community and Social Services Occupations (21-0000)	1	11.11%	1	16.67%		0.00%	12	2.32%
Computer and Mathematical Occupations (15-0000)		0.00%		0.00%		0.00%	19	3.68%
Constructive and Extraction Occupations (47-0000)		0.00%		0.00%		0.00%	7	1.35%
Education, Training, and Library Occupations (25-0000)	3	33.33%		0.00%		0.00%	42	8.12%
Farming, Fishing, and Forestry Occupations(45-0000)		0.00%		0.00%		0.00%	3	0.58%
Food Preparation and Serving Related Occupations (35-0000)		0.00%	2	33.33%	2	40.00%	37	7.16%
Healthcare Practitioners and Technical Occupations (29-0000)		0.00%		0.00%		0.00%	16	3.09%
Healthcare Support Occupations (31-0000)	1	11.11%		0.00%		0.00%	13	2.51%
Homemaker*		0.00%	3	50.00%		0.00%	15	2.90%

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Installation, Maintenance, and Repair Occupations (49-0000)		0.00%		0.00%		0.00%	18	3.48%
Legal Occupations (23-0000)		0.00%		0.00%		0.00%	3	0.58%
Life, Physical, and Social Science Occupations (19-0000)		0.00%		0.00%		0.00%	6	1.16%
Management Occupations (11-0000)		0.00%		0.00%		0.00%	17	3.29%
Military Specific Occupations (55-0000)		0.00%		0.00%		0.00%		0.00%
Office and Administrative Support Occupations (19-0000)	2	22.22%		0.00%	1	20.00%	99	19.15%
Personal Care and Service Occupations (39-0000)		0.00%		0.00%		0.00%	33	6.38%
Production Occupations (51-0000)		0.00%		0.00%		0.00%	31	6.00%
Protective Service Occupations (33-0000)		0.00%		0.00%		0.00%	3	0.58%
Randolph-Sheppard vending facility clerk*		0.00%		0.00%		0.00%		0.00%
Randolph-Sheppard vending facility operator*		0.00%		0.00%		0.00%	2	0.39%
Sales and Related Occupations (41-0000)	1	11.11%		0.00%	1	20.00%	48	9.28%
Transportation and Material Moving Occupations (53-0000)		0.00%		0.00%		0.00%	17	3.29%
Unpaid Family Worker*		0.00%		0.00%		0.00%		0.00%
Total employment outcomes	9		6		5		517	

Data source: RSA-911

Table 4.5.b ME-B Standard Occupational Classification (SOC) Codes Median Hourly Earnings for Individuals with Disabilities under Age 25 at Exit with Employment Outcomes - FFYs 2014-2016

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)							\$16.58	
Arts, Design, Entertainment, Sports, and Media (27-0000)	\$15.00						\$11.30	
Building and Grounds Cleaning and Maintenance (37-0000)					\$9.00		\$9.00	
Business and Financial Operations Occupations (13-0000)							\$14.40	
Community and Social Services Occupations (21-0000)	\$13.50		\$14.73				\$12.00	
Computer and Mathematical Occupations (15-0000)							\$14.41	
Constructive and Extraction Occupations (47-0000)							\$11.67	
Education, Training, and Library Occupations (25-0000)	\$16.35						\$10.95	
Farming, Fishing, and Forestry Occupations(45-0000)							\$10.00	
Food Preparation and Serving Related Occupations (35-0000)			\$7.50		\$8.08		\$8.75	
Healthcare Practitioners and Technical Occupations (29-0000)							\$13.00	
Healthcare Support Occupations (31-0000)	\$8.75						\$10.50	
Homemaker*								

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Installation, Maintenance, and Repair Occupations (49-0000)							\$10.00	
Legal Occupations (23-0000)							\$13.06	
Life, Physical, and Social Science Occupations (19-0000)							\$14.00	
Management Occupations (11-0000)							\$12.30	
Military Specific Occupations (55-0000)							\$10.00	
Office and Administrative Support Occupations (19-0000)	\$7.75				\$14.40		\$9.00	
Personal Care and Service Occupations (39-0000)							\$9.00	
Production Occupations (51-0000)							\$10.00	
Protective Service Occupations (33-0000)							\$10.12	
Randolph-Sheppard vending facility clerk*								
Randolph-Sheppard vending facility operator*								
Sales and Related Occupations (41-0000)	\$24.05				\$9.00		\$9.00	
Transportation and Material Moving Occupations (53-0000)							\$9.33	
Unpaid Family Worker*								
Total employment outcomes	\$13.50		\$7.50		\$9.00		\$9.35	

Data source: RSA-911

Table 4.6. ME-B Source of Referral for Individuals with Disabilities under Age 25 at Exit with Employment Outcomes – FFYs 2014-2016

Referral Sources	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
American Indian VR Services Program		0.00%		0.00%		0.00%	1	0.06%
Centers for Independent Living		0.00%		0.00%		0.00%	2	0.12%
Child Protective Services		0.00%		0.00%		0.00%		0.00%
Community Rehabilitation Programs	2	7.41%	2	11.76%	1	6.25%	31	1.83%
Consumer Organizations or Advocacy Groups		0.00%		0.00%		0.00%	3	0.18%
Educational Institutions (elementary/secondary)	5	18.52%	4	23.53%	7	43.75%	440	25.97%
Educational Institutions (post-secondary)	3	11.11%	1	5.88%		0.00%	53	3.13%
Employers		0.00%		0.00%		0.00%	3	0.18%
Faith Based Organizations		0.00%		0.00%		0.00%		0.00%
Family/Friends		0.00%		0.00%	1	6.25%	128	7.56%
Intellectual and Developmental Disabilities Providers		0.00%		0.00%		0.00%	1	0.06%
Medical Health Provider (Public or Private)	2	7.41%		0.00%		0.00%	158	9.33%
Mental Health Provider (Public or Private)		0.00%		0.00%		0.00%	24	1.42%
One-stop Employment/Training Centers		0.00%	1	5.88%		0.00%	3	0.18%
Other Sources	10	37.04%	7	41.18%	4	25.00%	229	13.52%
Other State Agencies		0.00%	1	5.88%		0.00%	25	1.48%
Other VR State Agencies		0.00%		0.00%	1	6.25%	127	7.50%
Public Housing Authority		0.00%		0.00%		0.00%		0.00%

Referral Sources	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Self-referral	4	14.81%	1	5.88%	2	12.50%	452	26.68%
Social Security Administration (Disability Determination Service or District office)		0.00%		0.00%		0.00%	5	0.30%
State Department of Correction/Juvenile Justice		0.00%		0.00%		0.00%		0.00%
State Employment Service Agency		0.00%		0.00%		0.00%	1	0.06%
Veteran's Administration		0.00%		0.00%		0.00%		0.00%
Welfare Agency (State or local government)	1	3.70%		0.00%		0.00%	8	0.47%
Worker's Compensation								0.00%

Data source: RSA-911

Table 4.7. ME-B Reason for Closures for Individuals with Disabilities under Age 25 at Exit with Employment Outcomes – FFYs 2014-2016

Reason for Closure	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Achieved employment outcome	9	34.62%	6	35.29%	5	31.25%	518	33.94%
Unable to locate or contact	8	30.77%	6	35.29%	5	31.25%	421	27.59%
Transportation not feasible or available		0.00%		0.00%		0.00%	2	0.13%
Does not require VR services		0.00%		0.00%	4	25.00%	30	1.97%
Extended services not available	1	3.85%		0.00%		0.00%		0.00%
All other reasons	1	3.85%	1	5.88%		0.00%	150	9.83%
Extended employment		0.00%		0.00%		0.00%	1	0.07%

Reason for Closure	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Individual in institution, other than a prison or jail		0.00%		0.00%		0.00%	3	0.20%
Individual is incarcerated in a prison or jail		0.00%		0.00%		0.00%	4	0.26%
Disability too significant to benefit from VR services		0.00%	1	5.88%	1	6.25%	25	1.64%
No longer interested in receiving services or further services	7	26.92%	3	17.65%	1	6.25%	361	23.66%
Death		0.00%		0.00%		0.00%	11	0.72%

Data source: RSA-911

Table 6.1 Maine-Blind (ME-B) VR Resources and Expenditures—FFYs 2014–2016

VR Resources and Expenditures	2014	2015	2016*
Total program expenditures	\$5,676,628	\$4,260,080	\$3,703,333
Federal expenditures	\$4,438,957	\$3,352,683	\$2,766,897
State agency expenditures (4 th quarter)	\$1,237,671	\$907,397	\$936,436
State agency expenditures (latest/final)	\$1,237,671	\$907,397	\$936,436
Federal formula award amount	\$2,810,652	\$2,817,912	\$2,931,006
MOE penalty from prior year	-	-	-
Federal award amount relinquished during reallocation	-	-	-
Federal award amount received during reallocation	\$1,628,305	\$534,771	\$528,971
Federal funds transferred from State VR agency	-	-	-
Federal funds transferred to State VR agency	-	-	-
Federal award amount (net)	\$4,438,957	\$3,352,683	\$3,459,977
Federal award funds deobligated	-	-	-
Federal award funds used	\$4,438,957	\$3,352,683	\$3,459,977
Percent of formula award amount used	157.93%	118.98%	118.05%
Federal award funds matched but not used	-	\$0	-

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.2 Maine-Blind (ME-B) Non-Federal Share and Maintenance of Effort—FFYs 2014–2016

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2014	2015	2016*
Match required per net award amount	\$1,201,395	\$907,397	\$936,436
Match provided (actual)	\$1,237,671	\$907,397	\$936,436
Match difference**	-\$36,276	-	\$0
Federal funds matched (actual)	\$4,572,991	\$3,352,683	\$3,459,977
Percent Federal funds matched	103.02%	100.00%	100.00%
Match from State appropriation	\$936,436	\$907,397	\$936,436
Percent match from State appropriation	75.66%	100.00%	100.00%
Match from Third-Party Cooperative Arrangements (TPCA)	\$0	\$0	\$0

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2014	2015	2016*
Percent match from TPCAs	0.00%	0.00%	0.00%
Match from Randolph-Sheppard program	\$0	\$0	\$0
Percent match from Randolph-Sheppard Program	0.00%	0.00%	0.00%
Match from interagency transfers	\$0	\$0	\$0
Percent match from interagency transfers	0.00%	0.00%	0.00%
Match from other sources	\$301,235	\$0	\$0
Percent match from other sources	24.34%	0.00%	0.00%
MOE required	\$935,386	\$907,320	\$936,513
MOE: Establishment/construction expenditures	\$301,235	-	-
MOE actual	\$936,436	\$907,397	\$936,436
MOE difference**	-\$1,050	-\$77	\$77

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

** A positive amount indicates a deficit. A negative amount indicates a surplus.

Table 6.3 Maine-Blind (ME-B) Program Income and Carryover—FFYs 2014–2016

Program Income and Carryover	2014	2015	2016*
Program income received	\$27,853	\$35,722	\$445,614
Program income disbursed	\$27,853	\$35,722	\$445,614
Program income transferred	-	-	\$217,987
Program income used for VR program	\$27,853	\$35,722	\$227,627
Federal grant amount matched	\$4,438,957	\$3,352,683	\$3,459,977
Federal expenditures and unobligated funds 9/30	\$2,774,270	\$2,905,832	\$2,766,897
Carryover amount	-	\$391,338	\$172,204
Carryover as percent of award	0.00%	11.67%	4.98%

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.4 Maine-Blind (ME-B) RSA-2 Expenditures—FFYs 2014–2016*

RSA-2 Expenditures	2014	2015	2016
Total expenditures	\$4,212,544	\$5,691,251	\$4,579,360

RSA-2 Expenditures	2014	2015	2016
Administrative costs	\$1,250,777	\$1,426,005	\$1,099,520
Administration as Percent expenditures	29.69%	25.06%	24.01%
Purchased services expenditures	\$579,123	\$1,370,649	\$1,741,214
Purchased services as a Percent expenditures	13.75%	24.08%	38.02%
Services to groups	\$536,309	\$1,329,755	\$119,702
Services to groups percentage	12.73%	23.36%	2.61%

*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports.

APPENDIX B: DOCUMENTATION REVIEW RESULTS

Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	10	20	33.3%	66.7%
Date of Eligibility Determination	29	1	96.7%	3.3%
Date of IPE	29	1	96.7%	3.3%
Start Date of Employment in Primary Occupation at Exit or Closure	30	0	100%	0%
Weekly Earnings at Exit or Closure	30	0	100%	0%
Employment Status at Exit or Closure	30	0	100%	0%
Type of Exit or Closure	30	0	100%	0%
Date of Exit or Closure	30	0	100%	0%

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	9	30%
Files with documentation missing for two or more data elements	1	3.3%
Files with no required documentation	0	0%

APPENDIX C: AGENCY RESPONSE

A. Overview

This appendix contains DBVI's responses to recommendations and corrective actions identified in the monitoring, along with DBVI's requests for technical assistance to address them, and RSA's responses, as appropriate.

For corrective actions to improve program and fiscal performance, as well as to improve administration of the VR program, DBVI must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete each corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the corrective action has been resolved. RSA anticipates that the corrective action plan can be developed and submitted online using the RSA website at rsa.ed.gov within 45 days from the issuance of this report. RSA is available to provide technical assistance to enable DBVI to develop the plan and undertake the corrective actions.

For recommendations to improve program and fiscal performance as well as to improve administration of the VR program, DBVI will report to the review team, on a quarterly basis, progress on the implementation of recommendations.

B. Agency Responses

Recommendations

RSA recommends that DBVI:

2.1 Applicants and Eligible Individuals

- 2.1.1 Conduct an analysis of the reasons for the decline in applicants and eligible individuals, including outreach strategies, sources of referrals, and collaboration with other agencies and organizations;
- 2.1.2 Based on the information obtained through this analysis, develop strategies and goals with measurable targets to increase the number of applicants for the VR program; and
- 2.1.3 Ensure VR counselors are engaging potentially eligible students with disabilities as well as engaging youth who may be seeking subminimum-wage jobs to inform them of the availability of VR services to assist them in achieving quality competitive integrated employment.

Agency Response: DBVI works closely with its service providers, schools and other state agencies to identify and reach individuals with visual impairments who might benefit from DBVI services. DBVI also gets assistance from the Department's communications director to

use a range of media, including news releases, to increase the public visibility of DBVI. In addition, the SRC has an outreach committee, which includes DBVI staff and meets at least bi-monthly and participated in numerous activities to increase referrals, including the following:

- DBVI sent a letter to eye doctors and reviewed the registry of blindness cards;
- Worked with Maine 211, an information and referral system, to update information and ensure that DBVI would come to the top based upon key term searches;
- Provided training to Career Center staff on where to direct calls;
- Reviewed Consumer Satisfaction survey and made recommendations that would be considered for implementation the next fiscal year;
- Updated AFB and Vision Aware web pages; and
- Reached out to social workers through community blindness rehabilitation network.

Technical Assistance: DBVI does not request technical assistance.

2.2 VR Services Provided

- 2.2.1 Continue to implement current strategies and develop new strategies to introduce and provide postsecondary education training, including graduate training in the STEM fields, as appropriate; and
- 2.2.2 Identify, explore, and increase the use of apprenticeship, vocational, and occupational training to increase the provision of these services to individuals who are blind or visually impaired, and monitor the provision of these services.

Agency Response: DBVI has implemented new strategies to increase the use of apprenticeship, vocational and occupational training through the provision of Expanded Core Curriculum (ECC) activities and various summer programs over the year.

ECC activities are focused on vocational exploration and experiential learning. These activities incorporate blindness training around orientation and mobility instruction, self-advocacy, activities of daily living, post-secondary planning and school to work planning. Collaboration between the local community colleges and Universities have allowed for DBVI participants to connect with post-secondary staff to explore interested college paths.

VRC's have involved Workforce Investment opportunities through grant funding for STEM programs. We have capitalized on a DBVI consumer taking advantage of this opportunity for extensive training and internships which led to a successful outcome for 2017.

Technical Assistance: DBVI does not request technical assistance.

2.3 Employment Outcomes

- 2.3.1 Monitor performance related to employment outcomes to ensure that both the numbers and percentages improve after the closure of service records of remaining homemakers currently being served; and

- 2.3.2 Continue training with VR counselors and staff as the agency shifts to an emphasis on competitive integrated employment outcomes that are career-focused and maximize employment for individuals who are blind or visually impaired.

Agency Response: DBVI has now closed all service records of homemakers. DBVI is continuously monitoring the performance related to employment outcomes. DBVI continues with summer programs, to include internships and work experiences, for students with a disability to ensure that they are prepared for competitive, integrated employment as they enter the workforce.

DBVI meets quarterly with VR counselors and reviews policies and procedures at that time. Competitive, integrated employment is an agenda item at most every meeting.

VRCs are currently offering a two hour a week job club, for a group of consumers; some that have completed a program at the Rehab center clients and some that have not. Also, VRCs are developing relationships with employers through job development efforts and participating in various employment events throughout the year, including those for job seekers and employers.

Technical Assistance: DBVI does not request technical assistance.

2.4 Accuracy and Consistency of Reported Data

- 2.4.1 Identify the factors or practices leading to incorrect/inconsistent dates of application;
- 2.4.2 Update procedures and internal controls to ensure accurate data entry for dates of application;
- 2.4.3 Develop a monitoring process to ensure ongoing accuracy for dates of application; and
- 2.4.4 Develop a process to override the automatic population of dates in the case management system.

Agency Response:

DBVI has identified the practices leading to inconsistencies in the dates of application. There is a ticket (work order) put in to adapt the case management system to permanently remove the default date and ensure that the counselor manually enters the accurate date from the application form but until that time staff training and supervision will address data errors caused by using the default date.

DBVI does a quarterly case review for each caseload and the date of application is verified at each review. There will be continued monitoring for the accuracy of this date.

Technical Assistance: DBVI does not request technical assistance.

3.1 Employment Outcomes

- 3.1.1 Develop measurable goals and strategies to improve the agency's employment rate for individuals under the age of 25;

- 3.1.2 Explore strategies to maximize employment outcomes, including training, to assist VR counselors in promoting career-oriented rather than entry level employment and in supporting postsecondary training opportunities;
- 3.1.3 Emphasize the use of pre-employment transition services and projected vocational goals on an IPE for students with disabilities to encourage engagement in the VR process that will lead to quality employment outcomes; and
- 3.1.4 Consider ways to increase expectations of individuals and families for career and high quality employment opportunities such as providing benefits counseling and financial planning for individuals under the age of 25 and their families or representatives.

Agency Response:

DBVI is currently utilizing the Blindness Rehabilitation Specialist to begin the vocational conversation during the upper middle school years to help ease parents' concerns and to increase the VR application rate/potentially eligible category once they enter high school.

An additional strategy is to incorporate the Teacher for the Visually Impaired (TVI) in the discussion around pre-employment transition services with the student and family throughout the student's educational career. The TVI has an established relationship with the family and will assist DBVI staff in developing a rapport early on with the student and family which will decrease the amount of time to VR application.

VRCs will continue to utilize comprehensive assessment of rehabilitation needs information, client desires, vocational testing to determine the vocational goal. All summer programming for DBVI students are facilitated at a community college or University setting allowing the student to test that environment, tour the schools and to talk with college staff.

VRCs have participated in pre-employment transition services training and have had multiple opportunities to network and discuss the new regulations, within the Rehabilitation Act of 1973 as amended by WIOA, with their peers and supervisors.

Utilizing the Blindness Rehabilitation Specialist earlier in the process with the focus of vocational opportunities will allow the VRC to focus on vocational planning which will include the involvement of the Benefit Specialist.

Technical Assistance: DBVI does not request technical assistance.

3.2 VR Services Provided to Individuals under the Age of 25 at Exit

- 3.2.1 Given the focus on credential attainment in the WIOA performance measures, DBVI should emphasize and increase the provision of university training at both the undergraduate and graduate levels, as appropriate, and in keeping with the emphasis on career advancement and STEM careers; and
- 3.2.2 DBVI should develop strategies to increase the provision of junior or community college training, occupational or vocational training, and on-the-job training and develop

strategies to improve performance in these areas, particularly in those programs that will lead to credential attainment.

Agency Response: DBVI supports university training at both the undergraduate and graduate level when it is supported by the IPE and the client's strengths, priorities and interests. DBVI participates in a grant for STEM through Goodwill workforce called Making it in America grant.

We will continue to focus on the strategies in the DBVI VR section of the Unified State Plan for WIOA for this population as well as develop new strategies that will lead to credential attainment.

Technical Assistance: DBVI does not request technical assistance.

4.1 Inaccurately Reported Supported Employment Performance Data

- 4.1.1 Reevaluate and revise internal processes to ensure supported employment services and supported employment outcomes are implemented and reported correctly;
- 4.1.2 Review and revise reporting and coding instructions for identifying individuals in receipt of extended services, ongoing support services and supported employment services consistent with 34 CFR §§361.5(c)(19), 361.5(c)(37), and 361.5(c)54;
- 4.1.3 Identify the factors related to incorrect reporting of services and outcomes for individuals in need of and receiving supported employment services;
- 4.1.4 Develop and implement changes to address incorrect reporting of supported employment services and supported employment outcomes for individuals with the most significant disabilities; and
- 4.1.5 Implement internal controls that ensure accurate and complete data collection and reporting as well as financial accountability.

Agency Response: DBVI understands that the reporting was wrong on the Supported Employment closures prior to the new 911 report. The new adaptations should now show when DBVI closes an individual as employed with supports.

Technical Assistance: DBVI does not request technical assistance.

Corrective Actions to Improve Performance

2.1 Untimely Eligibility Determination

Corrective Action Steps: RSA requires that DBVI:

- 2.1.1 Comply with 34 CFR §361.41(b)(1) by making eligibility determinations within the required 60-day period;
- 2.1.2 Fully assess and identify the factors leading to eligibility determinations exceeding 60 days and develop and implement a plan to address and correct the identified factors;
- 2.1.3 Develop and implement internal controls, including a monitoring component, to ensure eligibility determination requirements are met; and

- 2.1.4 Substantially meet the 60-day eligibility determination requirement by reducing the time required for an eligibility determination to 60 days or less, or when appropriate, ensure a properly documented and approved eligibility determination extension is in place.

Agency Response: DBVI reviews this data monthly and researches anomalies. Please provide a definition of “substantially” in this instance. Is there a target percentage that is required to be met? When we reviewed data from April 1, 2017 until February 28, 2018, the percent that met the 60-day requirement was 88, which is an increase from any of the FFY years that were reviewed. DBVI will continue to monitor this and expects to see even more progress towards meeting this requirement.

Technical Assistance: DBVI does not request technical assistance.

2.2 Untimely Development of the IPE

Corrective Action Steps: RSA requires that DBVI:

- 2.2.1 Comply with 34 CFR §361.45(a)(1) and (e) to ensure IPEs are developed within the 90-day Federal time frame from date of eligibility determination;
- 2.2.2 Assess factors leading to untimely IPE development and develop and implement a plan to address these factors;
- 2.2.3 Evaluate current procedures for tracking and monitoring counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the development of internal control processes, use of case management tools, and supervisory review of, timely IPE development; and
- 2.2.4 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

Agency Response: DBVI has developed strategies to improve the VRC performance specific to timely IPE development. DBVI receives a monthly report which identifies any anomalies by region. DBVI then reviews by caseload and client to determine the reason for the delay. DBVI will continue to monitor and expects to make progress towards meeting this requirement.

Technical Assistance: DBVI does not request technical assistance.

5.1 Insufficient Internal Controls – Assignment of VR Obligations and Expenditures to the Correct Federal Award

Corrective Actions: RSA requires that DBVI:

- 5.1.1 Revise its financial data collection and analysis process so that DBVI can:
 - a) Ensure all Federal and non-Federal obligations (including administrative contracts and contracts maintained in the case management system) are properly accounted for and obligated to the correct FFY award in the agency’s financial management system;

- b) Account for all expenditures and accurately liquidate Federal and non-Federal expenditures from the correct FFY award based upon the correct assignment of obligations;
 - c) Ensure all reclassified expenditures are assigned to the correct FFY award based upon the date in which the obligation was incurred; and
 - d) Process Federal refunds to the appropriate Federal award based upon the FFY in which the obligation was incurred;
- 5.1.2 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance. These policies must address:
- a) The assignment of obligated Federal and non-Federal funds to the appropriate FFY award and the liquidation of such funds based upon the assignment of obligation;
 - b) The reclassification of expenditures to ensure all expenditures meet the requirements of the Federal award and are appropriately accounted for based upon the FFY in which the obligation was incurred;
 - c) The obligation of contracts in the financial management system to ensure liquidations are based upon the FFY in which the contracts were obligated; and
 - d) The refund process to ensure funds are credited to the appropriate Federal award based upon when the obligation was incurred; and
- 5.1.3 Develop and implement a written internal control process, as required in 2 CFR §200.303, including a monitoring component, that ensures sustained compliance with and correction of the specific areas identified in 5.1.1 and 5.1.2.

Agency Response: DBVI has consistently used the date of service to identify and charge the appropriate grant award. The date of service is also the basis used when determining which transactions could be reclassified to another funding source. The interpretation of the use of the obligation date is the basis of most of these fiscal findings and is a longstanding misinterpretation.

The new federal requirements for the pre-employment transition services were implemented before the details were finalized. As a result, there was a fair amount of ambiguity that did not allow for timely concise programming changes necessary in the case management system. A significant portion of the reclassification of expenditures is a direct result of these new regulations.

The case management system does not yet have the capability to link the CRP unencumbered contracts to the accounting system. DBVI and other state entities have worked on this project for at least two years. The case management system is limited to one grant award period at a time.

DBVI will establish and implement policies and procedures to ensure accurate assignment of obligations and to ensure accurate financial reporting going forward.

DBVI credits refunds to the appropriate grant award if the award is still open. The process to return a small dollar amount refund has many components. The cost of processing a small dollar amount refund to the federal government generally exceeds the amount of the refund. DBVI

deposits the refund as a credit to expenditures charged to the current grant where the funds are available to provide services to clients. It would be very helpful if the federal Office of Management and Budget would identify a dollar amount in the Uniform Guidance for refunds as it does for some of the other components of the Uniform Guidance.

DBVI will submit a corrective action plan.

RSA Response:

As a recipient of Federal grant award funds, the agency has provided an assurance in the State plan that they will comply with the Federal grant award requirements, and all terms and conditions associated with the award. The requirements specified in this finding represent Federal requirements for all VR grantees in accordance with the Uniform Administrative requirements, EDGAR, and the Rehabilitation Act. Agencies are responsible for ensuring all requirements are met as part of the acceptance of Federal funds.

As part of the agency's corrective action plan, updated policies and procedures will be required to ensure that findings identified in the monitoring report are addressed. Once the corrective action plan is developed, RSA will work with agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. Additionally, RSA recognizes the time and effort necessary to make the required adjustments and will work with the agency during the course of the corrective action plan, including providing technical assistance as necessary, to ensure all steps required in the corrective action items are addressed.

The finding and the required corrective action items remain unchanged.

Technical Assistance: DBVI does not request technical assistance.

5.2 Insufficient Internal controls - Procurement Process

Corrective Actions: RSA requires that DBVI:

- 5.2.1 Procure services in a manner consistent with State procurement policies and ensure that VR and Supported Employment program funds are used only for allowable program activities;
- 5.2.2 Revise current contracts and implement internal controls necessary to ensure future contracts:
 - a) Include language necessary to ensure that VR and Supported Employment program funds are used only for allowable activities;
 - b) Require that contractor invoices submitted to the agency identify whether the services being billed are for allowable VR or Supported Employment services;
 - c) Include the required contract monitoring criteria pursuant to the agency's monitoring procedures;
 - d) Provide for appropriate cost allocation and ensure costs are proportional to the benefit received by the VR and Supported Employment programs; and

- e) Are consistent with Federal and State requirements, including the State's procurement policies; and
- 5.2.3 Develop and implement internal controls to ensure monitoring of contractors and vendors as required by 2 CFR §200.328.

Agency Response: DBVI disagrees with finding 5.2.1 as DBVI follows the State's procurement policies and procedures and maintains that if a contract is approved by the procurement office, then the contract is in compliance with the procurement policies. DBVI is not responsible for updating the policies and procedures of another state entity. The commissioner of the Dept. of Labor is a signatory on the contracts, but the contracts are approved by the procurement division.

DBVI agrees with the remaining findings and will submit corrective action plans.

RSA Response:

Agencies are responsible for ensuring they are following their State policies and procedures for procurement. As the agency did not provide sufficient additional documentation to refute the finding, the finding and required corrective action items remain.

Technical Assistance: DBVI does not request technical assistance.

5.3 Inaccurate Financial Reporting

Corrective Actions: RSA requires that DBVI:

- 5.3.1 Update and implement policies and procedures to accurately report Federal and non-Federal expenditures and obligations to the correct Federal award;
- 5.3.2 Revise and resubmit the SF-425 reports for FFYs 2015 and 2016 to accurately report Federal and non-Federal expenditures and obligations; and
- 5.3.3 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal reporting requirements.

Agency Response: DBVI agrees with finding 5.3.1 and 5.3.3 and will submit corrective action plans. DBVI STRONGLY disagrees with finding 5.3.2. It is not feasible nor constructive or reasonable to revise two years' worth of reports as the data required by RSA that is not available in the accounting system.

We do not have a written binding commitment to pay the CRP vendors who are providing services to VR clients on a fee-for-service agreement. If the service is provided after a client chooses that vendor, then the contract specifies the rate to be paid. The language in the contract specifies a maximum that could be paid, not an amount that will be paid.

RSA Response:

As mentioned previously, with the recipient of Federal grant award funds, the agency has provided an assurance in the State plan that they will comply with the Federal grant award

requirements, and all terms and conditions associated with the award. Agencies are responsible for ensuring all requirements are met as part of the acceptance of Federal funds.

As part of the agency's corrective action plan, updated policies and procedures will be required to ensure that deficiencies identified in the monitoring report are addressed. Once the corrective action plan is developed, RSA will work with agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. Additionally, RSA recognizes the time and effort necessary to make the required adjustments and will work with the agency during the course of the corrective action plan, including providing technical assistance as necessary, to ensure all steps required in the corrective action items are addressed.

The finding and the required corrective action items remain unchanged.

Technical Assistance: DBVI requests technical assistance.

5.4 Incorrect Assignment of Personnel Costs to the VR Program

Corrective Actions: RSA requires that DBVI:

- 5.4.1 Cease using VR funds to pay for personnel costs that must be allocated to other cost objectives;
- 5.4.2 Revise and implement policies and procedures to correctly assign personnel costs, including fringe benefits, to the correct cost objectives;
- 5.4.3 Revise SF-425 reports to reflect accurate expenditures and ensure accurate reporting of personnel costs in future submissions; and
- 5.4.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with personnel cost allocation requirements.

Agency Response: DBVI disagrees with finding 5.4.1 as leave time is charged to other funding sources. DBVI disagrees with finding 5.4.3 as leave time was charged to other funding sources. DBVI agrees with findings 5.4.2 and 5.4.4 as policies and procedures can always be tweaked.

RSA Response:

As the agency has not submitted additional documentation demonstrating the findings are incorrect or inaccurate, the finding and required corrective action items remain unchanged.

Technical Assistance: DBVI does not request technical assistance.

5.5 Prior Approval Requirements Not Met

Corrective Actions: RSA requires that DBVI:

- 5.5.1 Develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

Agency Response: DBVI agrees with this finding and will submit a corrective action plan.

Technical Assistance: DBVI does not request technical assistance.

5.6 Insufficient Internal Controls – Assignment of Supported Employment Obligations and Expenditures to the Correct Federal Award

Corrective Actions: RSA requires that DBVI:

- 5.6.1 Cease transferring Federal funds between DVR and DBVI without formally requesting the transfer from RSA;
- 5.6.2 Revise and implement policies and procedures to accurately report Federal and non-Federal expenditures and obligations to the correct Federal award;
- 5.6.3 Revise and resubmit the SF-425 reports for FFYs 2015 and 2016 to accurately report Federal and non-Federal expenditures and obligations; and
- 5.6.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal reporting requirements.

Agency Response: DBVI agrees with finding 5.6.1 and has already received RSA’s permission to transfer FFY2017 Supported Employment funds. DBVI agrees with finding 5.6.2 as policies and procedures can always be tweaked. DBVI disagrees with finding 5.6.3 as the expenditures were accurately reported. DBVI agrees with finding 5.6.4 but will delay implementation until FFY2018 Supported Employment funds are awarded.

In all the WIOA regulations, it refers to the “State.” The Supported Employment funding just like the Title I funding is reported as a whole to the State. RSA reports show that \$300,000 goes to Maine for Supported Employment. We are allowed to “reclassify” Title I funds without prior approval as stated by the reclassification of MOE funds earlier in this report. We believed that the same was true of the Supported Employment funds. During discussion with RSA staff, this reclassification of Supported Employment funds was reviewed. The response was that the only problem was the “prior approval.” Additionally, DBVI was not aware that there was a process to move funds. DBVI interpreted that the same CFDA number would be sufficient.

RSA Response:

The State Supported Employment grant award is administered by RSA to Maine under two separate grant award numbers to two separate State VR agencies with their own State plans. As RSA administers the Federal grant award funds, RSA maintains the only authority to administer the Federal funds to VR agencies. Agencies are not permitted to reclassify or transfer Federal award funds administered under separate awards from one State entity to another.

The finding and the required corrective action items remain unchanged.

Technical Assistance: DBVI does not request technical assistance.