

**FEDERAL FISCAL YEAR 2018
MONITORING REPORT
ON THE
ARIZONA REHABILITATION SERVICES
ADMINISTRATION
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS**



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

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SECTION 1: THE FEDERAL MANDATE AND SCOPE OF THE REVIEW

A. Background

Section 107 of the Rehabilitation Act of 1973 (Rehabilitation 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 Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under Section 101 of the Rehabilitation Act and with the evaluation standards and performance indicators established under Section 106 of the Rehabilitation Act 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 Rehabilitation Act.

Through its monitoring of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the Arizona Rehabilitation Services Administration (AZ RSA) in Federal fiscal year (FFY) 2018, 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, including those with significant and most significant disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
 - Performance of the VR Program;
 - Transition Services, including Pre-Employment Transition Services, for Students and Youth with Disabilities;
 - Supported Employment program;
 - Allocation and Expenditure of VR and Supported Employment Program Funds; and
 - Joint WIOA 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 February 26 through March 2, 2018, is described in detail in the [FFY 2018 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide](#).

B. Review Team Participants

Members of the RSA review team included Sean Barrett, (Fiscal Unit); Caneshia McAllister, (Technical Assistance Unit); Brian Miller, Shannon Moler, and David Wachter (Vocational Rehabilitation Unit); and Steven Zwillinger (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.

C. Acknowledgements

RSA wishes to express appreciation to the representatives of AZ RSA 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 Client Assistance Program, advocates, and other stakeholders in the monitoring process.

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

A. Purpose

Through this focus area, RSA assessed the achievement of employment outcomes, including the quality of those 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 below, along with any accompanying observations, recommendations, or findings, is based on a review of the programmatic data contained in Tables 1 through 9 found in Appendix A of this report. The data used in the analysis are those collected and reported by VR agencies based on Policy Directive 14-01, which was implemented prior to changes in reporting requirements in Section 101(a)(10) of the Rehabilitation Act made by WIOA, as well as the establishment in Title I of WIOA of common reporting requirements and performance indicators for all core programs in the workforce development system, including the VR program.

B. Analysis of the Performance of the VR Program

RSA reviewed AZ RSA's performance for FFYs 2015, 2016, and the first three quarters of FFY 2017, with particular attention given to the number and quality of 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 AZ RSA to RSA on the Quarterly Cumulative Caseload Report (RSA-113) and the RSA-911.

The VR Process

Resources: Program Performance Data Table 1 Summary Statistics from RSA 113—FFYs 2015-2017; Program Performance Data Tables 2a, 2b, and 2c Agency Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017; and Program Performance Data Tables 3a, 3b, and 3c Source of Referral—FFYs 2015-2017

The VR Process: All Individuals

- Table 1 shows that applications rose 23 percent over the three years reviewed, from 6,878 in FFY 2015, to 8,464 in FFY 2017. Similarly, the number of individuals determined eligible rose 20 percent during this same period, from 6,659, to 7,979. The percentage of individuals determined eligible who had an individualized plan for employment (IPE) but received no services increased from 29.9 percent in FFY 2015, to 46.2 percent in FFY 2016, and decreased to 27.2 percent in FFY 2017. The number of individuals with an IPE who received services increased 29 percent, from 10,894 in FFY 2015, to 14,079 in FFY 2017.
- Table 3a shows that over a third of individuals self-referred, although it should be noted that the online application has this option listed first in a drop-down box, which may drive this number artificially upward. Secondary and elementary education referrals accounted for 20.1, 18.8, and 19.4 percent of all referrals in FFY 2015, 2016, and 2017, respectively, and

community rehabilitation programs (CRP) accounted for 16.1, 17.4, and 20.6 percent over these same years.

- AZ RSA has implemented an order of selection (OOS), with three established priority categories. At the time of the review, only priority category 1, individuals with most significant disabilities, was open. Individuals are brought off the waiting list from category II as resources are available. At the time of the review, AZ RSA reported that there were approximately 2,100 individuals on the waiting list, with 725 individuals brought into active status since November 2016. The total number of individuals on the waiting list dropped from 4,174 individuals in FFY 2015, to 2,529 through the first three quarters of FFY 2017.
- The data across all tables show the effects of AZ RSA's significant caseload review efforts in FFY 2016, with increased numbers of individuals exiting the program from all statuses. AZ RSA noted that this was a year when the agency was actively reviewing, verifying, and updating the status of its caseload in preparation for serving more potentially eligible individuals with pre-employment transition services and the new reporting requirements under WIOA.

The VR Process: Youth under Age 25

- AZ RSA reported an increase of 36 percent in youth under age 25 receiving services, a 15 percent increase in employment outcomes, with an average wage of \$11.86, and a retention rate of more than 80 percent in subsequent quarterly follow up reports according to its internal data. However, the data for the first three quarters of FFY 2017 showed a substantial increase in the percentage of individuals under age 25 exiting without employment after receiving services, when 42.4 percent of these youth exited at this stage of the VR process without employment. In FFYs 2015 and 2016, 20.1 percent and 23.9 percent, respectively, of individuals under 25 exited at this stage of the process without employment.
- AZ RSA significantly reduced the percentage of youth under age 25 who exited after eligibility, but before an IPE was signed or services delivered, from 35.3 percent in FFY 2015, to 20.7 percent in the first three quarters of FFY 2017.

Employment Outcomes

Resources: Program Performance Data Tables 2a, 2b, and 2c Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017

Employment Outcomes for All Individuals

- Table 2a shows that the number of individuals who achieved employment outcomes rose only slightly from 1,339 participants in FFY 2015, to 1,476 participants in FFY 2016. However, as a percentage of all individuals who exited the program, these numbers represented a decline from 24.1 percent to 18.4 percent in one year, reflecting the large numbers of individuals who exited without employment and often without receiving services. During the first three quarters of FFY 2017, 1,167 individuals exited the VR program with employment outcomes, or 22.3 percent of all individuals who exited.
- The employment rate dropped from 51.1 percent in FFY 2015, to 36.5 percent for the first three quarters of FFY 2017.

- The average hourly wage increased by 82 cents from FFY 2015 through the first three quarters of FFY 2017, from \$11.26 to \$12.08, and the average weekly hours worked remained relatively stable at 30.0, 30.1, and 29.6 in the years reviewed. During the period, the percentage of individuals who achieved competitive employment outcomes with earnings meeting SGA was 57.3, 56.3, and 57.3 percent. Only 23.0, 23.8, and 19.3 percent of individuals who achieved competitive employment outcomes received employer-provided medical insurance over these same years.

Employment Outcomes for Youth under Age 25

- Table 2b shows that the employment rate for individuals below age 25 decreased from 55.8 percent in FFY 2015, to 34.5 percent in the first three quarters of FFY 2017. In the first three quarters of FFY 2017, 702 (42.4 percent) of individuals under age 25 exited without employment after receiving services, compared to 378 (20.1 percent) in FFY 2015. Over the review period, the percentage of individuals under age 25 who exited with employment decreased from 25.5 percent in FFY 2015, to 22.4 percent in the first three quarters of FFY 2017.

VR Services Provided

Resources: Program Performance Data Tables 7a, 7b, and 7c VR Services Provided—FFYs 2015–2017

VR Services: All Eligible Individuals Served

- Table 7a shows that AZ RSA improved its reporting on some key VR services such as counseling and guidance, as the percentage of individuals reported as receiving this service grew from 8.4 percent in FFY 2015, to 84.9 percent for the first three quarters of FFY 2017.
- The percentage of all individuals served who received job search assistance rose from 50.0 percent in FFY 2015, to 55.6 percent in the first three quarters of FFY 2017, while those who received assessment services dropped from 68.0 percent to 55.3 percent over the same period of time.
- The percentage of individuals served by AZ RSA who received job placement assistance services decreased from 2.1 to 0.9 percent during the years reviewed.
- AZ RSA Noted to the RSA team that it holds a contract with vendors called Disability Related Employment Services which encompasses job development, search, placement assistance and post-employment services in a single service. Combining these services reduces client wait time and allows CRP staff the flexibility to move between service elements to fit the client needs. The RSA review team did not have the opportunity to independently verify these assertions.
- One-third of individuals served received short-term on-the-job support services during the review period, while 15.6, 14.2, and 16.7 percent received long-term supports.
- The percentage of individuals who received bachelor’s degree training dropped significantly, from 21.8 percent in FFY 2015, to 9.6 percent for the first three quarters of FFY 2017. The percentage who received graduate level training varied from 0.4 percent in FFY 2015, to 1.2 percent in the first three quarters of FFY 2017, while the percentage of those who received junior college training increased from 6.7 to 10.3 percent over the same period of time.

- The percentage of individuals who received occupational and vocational training also declined slightly, from 21.4 percent in FFY 2015, to 16.7 percent in the first three quarters of FFY 2017. No individuals received apprenticeship training, and between two and three percent received academic remedial training during the period reviewed.

VR Services: Youth under Age 25 Served

- The percentage of individuals under age 25 who received bachelor’s degree training dropped significantly from 25.2 percent to 9.7 percent from FFY 2015 through the first three quarters of FFY 2017. Similarly, the percentage of youth who received vocational or occupational training declined from 21.3 percent to 13.4 percent over this same period of time.
- Conversely, the percentage of individuals under age 25 who received community college training rose from 10.2 percent in FFY 2015, to 14.2 percent during the first three quarters of FFY 2017. AZ RSA noted to the RSA review team that it expects that many of those VR consumers currently receiving community or junior college training will move into bachelor degree training in the near future, reversing the downward trend for the provision of the service seen in the data shown here.
- AZ RSA provided no apprenticeship or remedial academic training to individuals under age 25 across the three years reviewed.
- The percentage of individuals receiving job readiness training grew substantially from 44.6 percent to 65.2 percent from FFY 2015 through the first three quarters of FFY 2017.
- Assessment as a reported service dropped from 61.7 percent to 46.7 percent over the same period.
- Counseling and guidance as a reported service provided increased from 6.1 percent to 86.3 percent from FY 2015 through the first three quarters of FY 2017, likely due to new instructions to staff on how to track the provision of this service when it is not purchased.
- Though widely provided, the percentage of youth who received transportation services dropped from 40.5 percent in FFY 2015, to 27.5 percent during the first three quarters of FFY 2017.
- AZ RSA provided maintenance to very few individuals under age 25, with 2.1 percent receiving this service during the first three quarters of FFY 2017.

Outcomes by Disability Type

Resources: Program Performance Data Tables 4a, 4b, and 4c Agency Outcomes by Disability Type—FFYs 2015–2017

Outcomes for All Individuals by Disability Type

- Individuals with intellectual and psycho-social disabilities represented the largest groups served by disability type in the first three quarters of FFY 2017– 32.5 and 42.7 percent, respectively. The employment rate for individuals with intellectual disabilities was higher at 42.4 percent in the first three quarters of FFY 2017, while those with psycho-social disabilities experienced an employment rate of 32.5 percent in that same period. In the previous year (FFY 2016), the employment rate for individuals with intellectual disabilities was 52.3 percent, better than any other disability cohort for that year. As noted above, AZ

RSA indicated that FFY 2016 and 2017 measures were affected by the agency's aggressive effort to review its caseloads and close cases of those individuals no longer actively engaged in the VR program.

Outcomes for Youth under Age 25 by Disability Type

- The number of youth under age 25 served with a visual impairment rose from 18 to 43 individuals from FFY 2015 to FFY 2016, but then declined to 24 in the first three quarters of FFY 2017, or just 2.2 percent of all individuals served. Even more significantly, the employment rate for this disability type decreased significantly from 55.6 percent in FFY 2015, to 11.6 percent in FFY 2016, rising only slightly to 20.8 percent during the first three quarters of FFY 2017. This is a very low employment rate for this population, which tends to perform better than other disability types on this measure.
- Conversely, the number of individuals under age 25 with a communicative or auditory disability doubled from 36 in FFY 2015, to 70 during the first three quarters of FFY 2017, or nearly seven percent of all individuals served. However, the employment rate for this population was similarly low across all three years – dropping from 36.1 percent in FFY 2015, to 21.4 percent during the first three quarters of FFY 2017.
- Individuals under age 25 with an intellectual disability represented the largest group served by disability type, or 61.3 percent of all individuals under age 25 served in the first three quarters of FFY 2017, continuing the trend from prior years, as 66.8 percent in FFY 2015 and 61.4 percent in FFY 2016 of youth had intellectual disabilities.
- The employment rate in FFY 2015 and FFY 2016 for youth with intellectual disabilities was much higher at 58.6 and 53.1 percent, respectively, but as with all other cohorts, declined for the first three quarters of FFY 2017 to 36.4 percent.
- Individuals under age 25 with psychosocial disabilities represented 21.4, 23.0, and 24.7 percent of youth served from FFY 2015 to the first three quarters of FFY 2017. This group did not perform as well with respect to the employment rate, which dropped from 50.8 percent in FFY 2015, to 33.2 percent during the first three quarters of FFY 2017.
- As noted elsewhere in this section, FFY 2017 data are anomalous in part, as these measures only represent three quarters of the fiscal year, and, the effects of the updating of caseloads drove performance downward.

Compliance with the Statutory Time Frame for Application to Eligibility Determination

Resources: Tables 5a, 5b, and 5c Number of Days from Application to Eligibility Determination—FFYs 2015–2017

Eligibility Time Frame for All Individuals

- The percentage of individuals determined eligible within the required 60 days rose from 73.2 percent to 80.4 percent over the period reviewed.
- AZ RSA submitted additional data to the review team subsequent to the on-site visit that included eligibility determination data from July 2017 through March 2018. According to these data, the average number of days from application to eligibility was 38, the median number of days was 31, and the compliance rate for the 60-day eligibility determination

requirement was 94 percent for 4,464 individuals. That is, 272 individuals out of 4,464 did not have an eligibility determination within the required 60-day time frame. If verified by AZ RSA's official report to RSA, this would represent a significant improvement in performance for this measure.

Eligibility Time Frame for Individuals Under Age 25

- For individuals under age 25, AZ RSA improved its performance for this measure, reporting 74.7 percent in FFY 2015, and 81.4 percent determined eligible within 60 days in the first three quarters of FFY 2017.

Compliance with the Statutory Time Frame from Eligibility Determination to IPE Development

Resources: Tables 6a, 6b, and 6c Number of Days from Eligibility Determination to IPE—FFYs 2015–2017

IPE Development Time Frame for All Individuals

- The percentage of individuals who had an IPE developed within the required 90 days dropped from 88.4 percent to 66.3 percent over the review period. Further, 55.0 percent of those under age 25 had an IPE developed within 90 days during the first three quarters reported for FFY 2017.
- Data provided to the review team subsequent to the on-site review show that from July 2017 through March 2018, the average number of days from eligibility determination to IPE development was 71, the median number of days was 63, with a compliance rate of 87.6 percent for 4,464 individuals. As noted above, if substantiated by reporting subsequent to this monitoring, this would represent significant improvement.

IPE Development Time Frame for Individuals under Age 25

- In the first three quarters of FFY 2017, the number of individuals under age 25 whose IPEs were developed in the required 90 days was 347, or 55.0 percent. Although the numbers have fluctuated, the percentage has steadily decreased from 67 individuals, or 83.8 percent in FFY 2015, and 208, or 59.6 percent in FFY 2016.
- AZ RSA did not provide more recent internal data for this measure for individuals under age 25.

IPE Development policy for Students and Youth with Disabilities

- AZ RSA changed its IPE development policy from 120 days to 90 days on August 3, 2015. Section 6.2, of the policy manual states that the timelines for “development, completion and implementation of the IPE” will be 90 days or less for each client, from the date of eligibility to the date of placement in an open priority category. It also covers the occasional reasons for IPE extensions and the need to develop an IPE for students as soon as possible during the

transition process and not later than the time the student with a disability leaves the school setting.

- Section 6.6, IPE Management and Amendments covers managing and amending IPEs. The policy manual does not address using projected IPE goals for students with disabilities. However, AZ RSA noted to the RSA review team that it trains staff to develop the most comprehensive IPE possible while recognizing that the IPE goal, services, and objectives may change as the client progresses through the rehabilitation process. AZ RSA further explained that its policy does not explicitly identify “projected IPE goals” for any client population but grounds staff training in client choice and ability to modify employment goals, services, and objectives as often as necessary.
- From FFY 2015 through the first three quarters of FFY 2017, the agency has shown improvement, with 74.7 percent of IPES developed within 90 days in FFY 2015, 77.8 percent developed within the time frame in FFY 2016, and 81.4 percent developed within the time frame during the first three quarters of FFY 2017.

Types of Occupational Outcomes for Individuals Who Achieved Employment

Resources: Tables 8a, 8b, and 8c Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Who Achieved Competitive Employment Outcomes at Closure—FFYs 2015–2017

Occupational Outcomes for All Individuals

- Table 8a shows that 42.4 percent of individuals achieved employment in office and administrative support positions in the first three quarters of FFY 2017, with an average hourly wage of \$10.00 in FY 2017. AZ RSA suggested this might be due to the large number of call center employers in the State and that the agency has a pipeline through some of its CRPs to these positions. However, AZ RSA did not have exact numbers of individuals placed in call centers.

Occupational Outcomes for Individuals under Age 25

- Table 8b shows that an even higher percentage of individuals under age 25 achieved employment in office or administrative assistance positions, rising from 41.8 percent in FFY 2015, to 50.7 percent with a median wage of \$10.00 in the first three quarters of FFY 2017. The minimum wage in Arizona rose to \$10.00 in January 2017.

Reasons for Exit for Individuals Who Did Not Achieve an Employment Outcome

Resources: Tables 9a, 9b, and 9c Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure—FFYs 2015–2017

Reasons for Exit for All Individuals

- In the first three quarters of FFY 2017, 53.5 percent of the service records for individuals who exited the VR program were reported as closed because the individuals could not be

contacted. Another 35.1 percent of these individuals were reported as no longer interested in receiving VR services.

- It is likely that AZ RSA's order of selection affected these reasons for case closure for individuals who exited without employment.

Reasons for Exit for Individuals under Age 25

- Similarly, 54.6% of individuals below age 25 who did not achieve an employment outcome at closure in the first three quarters of FFY 2017 exited as "Unable to locate or contact."

C. Internal Controls

The RSA review team assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurances regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditure of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and mismanagement. They include methods and procedures the grantee uses to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Policies and Procedures

AZ RSA has implemented policies governing data verification that incorporate regular case reviews and data queries. The agency uses a case management system that has several pre-defined queries to monitor and correct data points throughout the reporting year. According to AZ RSA policies and procedures, dated January 31, 2018, the system runs queries every Monday which are submitted to the Data Unit Manager for review.

According to the same policy, cases requiring correction are handled in one or more of the following ways:

- Corrected by the Data Unit if there is supporting documentation in the client's case file;
- Sent to the case manager for correction when no supporting documentation is available or is ambiguous
- Submitted to the case management vendor when correction cannot be made or requires system access.
- Every Monday the AZ RSA Data Unit runs audits utilizing Access Database Queries connected to replicated tables from its case management system in order to audit and make corrections. AZ RSA policy asserts that the RSA-911 will not be submitted until all items are addressed and corrected.

Data Verification Review

The RSA review team randomly selected 30 service records for review to verify that the records contained documentation supporting data reported by the VR agency on the RSA-911 report. The results of that review are incomplete and have been excluded from Appendix B due to the subsequent departure of two RSA team participants key to the data verification review. Generally, however, the RSA team found most of the key elements were dated in the case management system and many included the required support documentation except for the support documentation needed as proof of status of the primary employment and documentation of the hourly wage and number of hours worked per week. No other documentation for employment and wage verification other than a case note from the counselor was present in the system for any of the five cases reviewed resulting in successful employment outcomes.

D. Observations and Recommendations

RSA's review of the performance of AZ RSA in this focus area resulted in the identification of the following observations and recommendations to improve performance.

Observation 2.1: Service Thresholds

AZ RSA uses a master list of services with suggested average costs of VR services, that it refers to as a service threshold reference guide, with very specific dollar amounts, time durations, and quantity of specific VR services, listed under a column entitled "counselor thresholds." The service threshold document was developed to assist AZ RSA in containing costs and fiscal forecasting. Also, with the hiring of a number of new VR counselors, the service threshold document was intended to assist new staff with managing their caseloads. However, conversations with Arizona stakeholders yielded concerns that the thresholds serve as de facto limitations or caps on services. The threshold document also does not take into account differences in costs in various regions of the State or among specialized caseloads. VR counselors have caseload service dollar thresholds as well which require supervisory approval to override and these case thresholds also do not take into account the variability of costs from region to region or the unique needs of individuals with specific disabilities.

Recommendation 2.1: Service Thresholds

RSA recommends that AZ RSA revise its service threshold guide to allow for more flexibility, particularly with respect to regional differences in costs of services, as well as specialized caseloads. AZ RSA should provide training to ensure that VR counselors do not operate as if the thresholds were hard limitations or caps on services. As AZ RSA revisits its service threshold guide twice a year, the VR agency should take these opportunities to make adjustments that reflect variability in geographic and caseload types and to ensure that thresholds and exception procedures do not limit provision of services.

Agency Response: AZ RSA has provided information to VR counselors, supervisors, and managers regarding the appropriate use of the service threshold guide via training and job aids. Service thresholds provide a guide for the average use of the service by all clients over the last three years. Use of services above threshold guidelines do not require any additional supervisory oversight or approval. AZ RSA will continue to evaluate the services threshold guide and make amendments to the guide as appropriate.

RSA Response: RSA encourages AZ RSA to continue to monitor the implementation of the threshold tool to ensure it is effectively utilized and does not become a barrier to VR service provision.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

Observation 2.2: Data Reporting

AZ RSA’s reporting of referral sources and in-house or purchased services provided does not appear to accurately capture the actual source of referrals or services such as counseling and guidance. The agency admitted it did not track these two measures with precision. The review team explained that, given the agency’s challenges with maintaining contact with individuals, and the high percentage of individuals exiting the VR program without employment, AZ RSA might benefit from a better understanding of its referral sources, and which ones were resulting in VR clients that are more likely to be successful in their pursuit of a vocational goal.

Recommendations 2.2: Data Reporting

RSA recommends that AZ RSA—

- 2.2.1. Review its internal controls for RSA-911 data collection and reporting to ensure that VR counselors accurately report referral sources, service provision, and capture reasons for closure when an individual does not successfully achieve a vocational goal; and
- 2.2.2. Conduct training with VR counselors to ensure understanding of the value and importance of data that is collected, and its bearing on the quality of VR services and outcomes.

Agency Response: AZ RSA has no response at this time.

Request for Technical Assistance: AZ RSA requests examples of policies which address “projected IPE goals” for Students and Youth with Disabilities.

Observation 2.3: Employment Outcomes

AZ RSA has struggled to increase the number and quality of employment outcomes over the past several years for which data were reviewed. There were 1,476 individuals achieving employment outcomes in FFY 2016, and 1,167 individuals achieving employment outcomes for the first three quarters of FFY 2017. This is low compared to historical data for this agency. More notably, in the first three quarters of FFY 2017, 42.4 percent of individuals achieved employment in office and administrative support occupations, with an average wage of \$10, minimum wage for the State.

While on-site, AZ RSA noted that it recognized the challenge of improving performance in these measures and was making changes to the performance metrics for its VR counselors to

emphasize the quality of placements instead of the employment rate of the caseload. RSA acknowledges these positive steps and encourages AZ RSA to continue to pursue such strategies.

Recommendation 2.3: Employment Outcomes

RSA recommends that AZ RSA—

- 2.3.1. Conduct an analysis of why so many individuals are employed in one occupational category;
- 2.3.2. Develop and implement strategies based on the analysis to diversify the kinds of employment individuals achieve and to maximize choice and employment opportunities; and
- 2.3.3. Develop and implement strategies to improve both the number and quality of outcomes, including an analysis of the types of services offered, such as postsecondary education and training, that may lead to high quality outcomes.

Agency Response: No response at this time.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

E. Findings and Corrective Actions

RSA's review of the performance of AZ RSA in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

2.1 Untimely Eligibility Determination

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

Requirement: Under 34 C.F.R. § 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 C.F.R. § 361.42(e).

Analysis: As part of the monitoring process, RSA analyzed the length of time it took for AZ RSA to make eligibility determinations for VR applicants. Data reported by AZ RSA on the RSA-911 show that—

- Individuals who had an eligibility determination within the required 60 days from application rose from 73.2 percent to 80.4 percent from FFY 2015 through the first three quarters of FFY 2017; and
- 81.4 percent of youth under age 25 received eligibility determinations in the required 60 days in the first three quarters of FFY 2017, up from 74.7 percent in FFY 2015.

RSA acknowledges the improvement in performance by AZ RSA in making timely eligibility determinations as represented by the data above and in data received following the on-site visit by the review team. During the on-site monitoring visit, AZ RSA reported that it had identified timely eligibility determinations as a performance priority and shared its procedures for reviewing VR counselor determinations to ensure the quality and accuracy of eligibility determinations. The actions the agency took undoubtedly led to its improved compliance with the 60-day eligibility standard as shown in data provided to the review team subsequent to the on-site visit to Arizona.

Conclusion: As demonstrated by performance data for the review period, AZ RSA did not make eligibility determinations within the required 60-day time frame for all individuals whose service records were closed in the period reviewed. As a result of the analysis, RSA determined that the agency did not substantially satisfy the eligibility determination requirements in 34 C.F.R. § 361.41(b)(1).

Corrective Action Steps:

RSA requires that AZ RSA—

- 2.1.1 Take steps to comply with 34 C.F.R. § 361.41(b)(1) by making eligibility determinations within the required 60-day time frame;
- 2.1.2 Assess and evaluate VR counselor performance and identify effective practices that ensure timely eligibility determinations are made within 60 days from the date of application, including the use of case management tools for, and supervisory review of, timely eligibility determinations; and
- 2.1.3 Develop procedures for VR counselors and supervisors to track and monitor the timeliness of their eligibility determinations.

Agency Response: AZ RSA has implemented a comprehensive audit and tracking process to ensure eligibility determinations are made within the required 60-day time frame. Each week, data is queried and a list of all clients who moved from application status to the next status (including closures and clients who move to trial work plan status) during the week are pulled and reviewed. Timeline from date of application to date of eligibility is calculated. If an extension is required, the electronic case file is reviewed to ensure supporting documentation is on file. This data is then entered into an eligibility compliance report. The eligibility compliance report is a tiered metric and provides information on a weekly basis at the statewide, regional, office and per counselor level. Managers and supervisors are expected to review this data with their staff.

Performance measures have been included in the annual rating cycle for all VR counselors and supervisors with a 95-98% accuracy required to meet expectations. Data over the last two years indicates that most of the staff are completing eligibility well within the 60-day timeframe. Performance improvement plans, coaching and mentoring take place to improve performance. Disciplinary action takes place as appropriate.

Auditors, independent of VR staff, randomly select both open and closed cases to audit each month. Auditors use a pre-defined rubric to evaluate compliance. The rubric is available to all

staff and matches evaluative criteria with policy requirements. Supervisors review the Pass/Fail items with counselors. Performance improvement plans, coaching and mentoring take place to improve performance. Disciplinary action takes place as appropriate.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

2.2 Untimely Development of the IPE

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

Requirement: In accordance with 34 C.F.R. § 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 C.F.R. § 361.46 is developed and implemented in a timely manner for each individual determined to be eligible for VR services or, if the DSU is operating under an order of selection pursuant to 34 C.F.R. § 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 C.F.R. § 361.45(e), the IPE must be developed as soon as possible, but not later than 90 days after the date of the 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 for AZ RSA to develop IPEs for individuals determined eligible for VR services. Specifically, data reported by AZ RSA on the RSA-911 for FFY 2015 through the first three quarters of FFY 2017 show—

- The percentage of individuals who had an IPE developed within the required 90 days from eligibility determination dropped from 88.4 percent to 66.3 percent over the review period; and
- The percentage of individuals under age 25 who had an IPE developed within the required 90 days dropped from 83.8 percent to 55.0 percent during the review period.

Conclusion: As AZ RSA performance data demonstrate, AZ RSA did not develop IPEs for each eligible individual within 90 days following the date of eligibility determination during the period reviewed. The data show therefore that AZ RSA did not develop IPEs in a timely manner pursuant to 34 C.F.R. § 361.45(a)(1) and within the required 90-day period pursuant to 34 C.F.R. § 361.45(e).

Corrective Action Steps:

RSA requires that AZ RSA—

- 2.2.1 Take steps to comply with 34 C.F.R. § 361.45(a)(1) and (e) to ensure IPEs are developed within the 90-day Federal timeframe from date of eligibility determination;
- 2.2.2 Assess and 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 use of case management tools for, and supervisory review of, timely IPE development; and
- 2.2.3 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

Agency Response: AZ RSA has implemented a comprehensive audit and tracking process to ensure Individualized Plans for Employment are implemented within the required 90-day time frame. Each week, data is queried and a list of all clients who moved from eligibility determination to the next status during the week are pulled and reviewed. Timeline from date of eligibility determination to date of IPE implementation is calculated. If an extension is required, the electronic case file is reviewed to ensure supporting documentation is on file. This data is then entered into an IPE compliance report. The IPE compliance report is a tiered metric and provides information on a weekly basis at the statewide, regional, office and per counselor level. Managers and supervisors are expected to review this data with their staff.

Performance measures have been included in the annual rating cycle for all VR counselors and supervisors with a 90-94% accuracy required to meet expectations. Data over the last two years indicates that most of the staff are completing IPE determinations well within the 90-day timeframe. Performance improvement plans, coaching and mentoring take place to improve performance. Disciplinary action takes place as appropriate.

Auditors, independent of VR staff, randomly select both open and closed cases to audit each month. Auditors use a pre-defined rubric to evaluate compliance. The rubric is available to all staff and matches evaluative criteria with policy requirements. Supervisors review the Pass/Fail items with counselors. Performance improvement plans, coaching and mentoring take place to improve performance. Disciplinary action takes place as appropriate.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

F. Technical Assistance

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

- The review team discussed with AZ RSA the importance of accurate data collection for the purpose of improving overall performance. AZ RSA is implementing measures to support consistency and accuracy of data reporting and hopes to incorporate best practices into its new case management system.
- During the review of the case management files, the RSA team found most of the key elements were dated and included the required support documentation except for the documentation needed as proof of status of the primary employment and documentation of the hourly wage and number of hours worked per week. No other documentation for employment and wage verification other than a case note from the counselor was present in the system for any of the cases reviewed. The RSA review team advised the agency to ensure through its own monitoring that CRPs are collecting wage and employment verification data for their clients served as required by the service provision contracts. AZ RSA indicated that it experiences challenges in obtaining requisite documentation

from consumers to verify wages and employment status. The RSA team reviewed examples of the supporting documentation that would meet the verification requirements.

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

A. Purpose

The Rehabilitation Act, as amended by Title IV of WIOA, places heightened emphasis on the provision of services, including pre-employment transition services under Section 113, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other VR 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 VR services, such as transition services. Through this focus area RSA assessed the VR agency's performance and technical assistance needs related to the provision of VR services, including transition services to students and youth with disabilities and pre-employment transition services to students with disabilities; and the employment outcomes achieved by these individuals.

B. Service Delivery Overview

The VR agency must consider various requirements under the Rehabilitation Act and its implementing regulations in designing the delivery of VR services, including pre-employment transition services and transition services. For example, pre-employment transition services provided under Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a) are available only to students with disabilities. However, transition services provided for the benefit of a group of individuals under Section 103(b)(7) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(7) may be provided to both students and youth with disabilities. Youth with disabilities who are not students may receive transition-related services identified in an individualized plan for employment (IPE) under Section 103(a) of the Rehabilitation Act but may not receive pre-employment transition services because these services are limited to students with disabilities. On the other hand, students with disabilities may receive pre-employment transition services with or without an IPE under Section 113 of the Rehabilitation Act or may receive pre-employment transition services and/or transition services under an IPE in accordance with Section 103(a)(15) of the Rehabilitation Act. A discussion of AZ RSA's service delivery system and implementation of VR services, including pre-employment transition services and transition services follows.

Structure of Service Delivery

AZ RSA provides transition and pre-employment transition services through a team composed of one statewide pre-employment transition coordinator and four full time pre-employment transition services regional specialists. AZ RSA also has a pre-employment transition team in the main office who monitor the overall quality of the program, including the analysis of expenditures for pre-employment transition services, staff training needs, coordination of services, outreach strategies, timesheet reviews, and requests for coverage when gaps in services

are caused by contractor staff shortages. The agency also has two employment coordinators who work with both the general population and students and youth with disabilities.

The majority of pre-employment transition services are delivered by CRPs contracted to provide these services and to conduct outreach to both students and youth with disabilities. Additionally, designated qualified VR agency counselors work part-time jointly with the Public Education Agency (PEA) staff in local schools. Through 28 interagency transfer agreements (ITAs), funding is provided to the VR program for Transition from School to Work (TSW) programs. TSW programs provide pre-employment transition services in partnership with the PEA staff, and the CRP contractors providing services at schools without a TSW program are backed up by AZ RSA VR counselors so that all of Arizona's students with disabilities are provided the five required pre-employment transition services. Additionally, the AZ RSA transition team facilitates outreach, referrals for services, and coordination of services, such as attendance at individualized education program (IEP) meetings and serves as consultation and technical assistance resources for the schools and counties throughout the State.

Pre-employment transition services provided through these agreements are typically provided in group settings. Students who are able to participate in the TSW programs are afforded the opportunity to participate in a structured program of services which integrates VR services into the classroom setting. These services are jointly provided by the local PEA and are not members of the school staff or the VR agency. Involvement in these enhanced services are intended to allow the student to learn skills necessary to ameliorate disability related barriers to achieving their postsecondary education and/or employment goals. VR staff, CRP providers, and PEA staff work together to develop and coordinate new transition services and expand or modify existing services to accommodate the individual needs of students with disabilities.

Outreach and Identification of Students and Youth

AZ RSA conducts most of its outreach to students and youth with disabilities through vendors (i.e., CRPs) because of their established contacts with the schools. Another effective outreach strategy has been AZ RSA's aggressive networking throughout the State as staff communicate the benefits students and youth with disabilities can obtain with the help of the VR agency and its partners in the local high schools. One of the most common methods of conducting outreach is VR counselors attending IEP meetings where they develop key contacts within the school to identify students with disabilities eligible for accommodations under Section 504 of the Rehabilitation Act or students in the school who might be potentially eligible students with disabilities. When career fairs and similar events take place, VR counselors and supervisors provide presentations describing the agency and the benefits pre-employment transition services can provide to eligible and potentially eligible students with disabilities. These presentations are scheduled throughout the State in major cities and rural areas. AZ RSA has found attending these events to be an effective outreach strategy because they provide opportunities to meet with students and youth with disabilities who are unaware of the services AZ RSA can offer them.

Outreach is also conducted by the pre-employment transition services regional coordinators, who regularly meet with staff working in sheltered workshops which function as local day programs serving individuals with intellectual and developmental disabilities. The purpose of these meetings is to maintain annual contact with individuals earning a subminimum wage and inform

them that AZ RSA is available to help them obtain competitive employment at or above the State's minimum wage.

Provision of Pre-Employment Transition Services

Since the enactment of WIOA, AZ RSA has provided pre-employment transition services to students with disabilities in the schools with TSW programs. As the agency progressed with establishing policies and procedures, developing curriculums with technical assistance from WINTAC, and providing multiple train-the-trainer courses for the agency counselors, transition teachers in the schools, and the CRP contractors for pre-employment transition services, AZ RSA began providing these pre-employment transition services throughout the State. Potentially eligible clients are entered into status 00 or referral in the case management system and tracked on designated Pre-Employment Transition Services caseloads. Authorizations are generated for the allowable Pre-ETS services in status 00. Potentially eligible clients do not need to apply for VR services in order to receive pre-employment transition services.

AZ RSA has a data sharing agreement with the Arizona Department of Education (DoE) to identify students age 14 to 22 who have an IEP, but the agreement does not provide support for those students who are Section 504 eligible because these students are not consistently reported. To successfully reach out to this group, the agency depends on CRP contractors and their relationships with local educational agencies (LEAs) to identify those students who are Section 504 eligible or students who may be potentially eligible for VR services. AZ RSA included in its CRP contracts that all potentially eligible students located in a workshop-based environment be formally informed about pre-employment transition and transition services provided by the VR agency. Required pre-employment transition services activities are provided by CRP, TSW, and PEA staff under contracts or MOUs or by the VR agency through qualified VR counselors if a school is not receiving services because a contractor is unavailable, or the contractor is having staffing problems. Schools with TSW agreements provide pre-employment transition services to students who are eligible while CRPs provide the services to schools that do not have an interagency transfer agreement. All contracts, agreements, and MOUs require that vendors provide all five required activities and they are monitored through submission of required documentation of the specific services provided and self-assessments from the students receiving services.

Job exploration counseling is most frequently provided in classroom settings by AZ RSA contractors and partners, while VR counselors often administer interest inventories to help students begin their exploration of career opportunities. When previous career testing administered by the school is available, counselors often analyze this information as part of the ongoing quest to determine what career options best match the individual choice of the student with a disability. VR counselors and employment coordinators also provide local labor market information (LMI) to group classes in the schools and to help students with disabilities identify which local jobs and career opportunities are available to match the students' individual interests.

To develop work-based learning opportunities, TSW, PEA, and CRP staff use LMI provided by one of the two statewide employment coordinators to seek and provide opportunities for paid and unpaid short-term employment experiences consistent with the student's interests. Providers of work-based learning experiences develop opportunities for company tours, informational

interviews, and job shadowing. The provider teams, the VR counselors, and employment coordinators often have weekly teleconference meetings to discuss individual and group needs for community-based work-related opportunities. These teleconferences with the employment coordinators are critical in obtaining employment and volunteer work opportunities. AZ RSA also leverages other community employment opportunities such as summer youth programs for work-based learning experiences.

The number of students receiving counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education is low. The on-site team discussed with AZ RSA the decreasing number of students being prepared or referred for postsecondary education services. The agency management team stated it was aware of the low number of students requesting these services and consequently has been exploring various strategies that will increase the percentage of students receiving postsecondary education services. The agency attributes the low number of students receiving postsecondary education to inadequate provision of benefits counseling. The VR agency management staff also indicated that students in Arizona do not prefer to attend college during the first year after high school. However, the agency indicated that it will work towards increasing the percentage of consumers obtaining the services they need so that they can ultimately attend college.

Workplace readiness training activities are provided by TSWs, CRP, and PEA staff, who sometimes collaborate with each other to obtain these services both in the schools and the community. Workplace readiness courses often include skills training in what is required when an individual begins competitive employment in the community, including the importance of punctuality and dependable attendance and knowing what constitutes appropriate dress in the workplace.

State Educational Agency (SEA) Agreement

At the time of the monitoring review, AZ RSA did not have an updated signed and executed SEA agreement with the Arizona DoE. The agency had updated the SEA agreement in June 2017 with the help of the WINTAC, but the agreement had not been officially signed by all parties and executed at the time of the review. The updated agreement incorporates the requirements in 34 C.F.R 361.22 and 361.48(a) along with Section 511 requirements.

AZ RSA reported using informal agreements and local protocols in the past with LEAs but there were no contracts or agreements with the LEAs in place during the period of review. Arizona DoE disseminated guidance throughout the State encouraging local schools to work with AZ RSA in providing pre-employment transition services to students with disabilities, however, local control determined the level of service provision. AZ RSA reported struggles to coordinate services with LEAs, since Arizona DoE cannot enforce service provision and pre-employment transition services are not mandated in State statute. However, LEAs are encouraged to collaborate and coordinate with AZ RSA.

C. Observations and Recommendations

RSA's review of AZ RSA's performance in this focus area resulted in the identification of the following observation and recommendations to improve performance.

Observation 3.1: Quality Employment Outcomes for Youth

AZ RSA staff communicated to the on-site team that AZ RSA services for youth with disabilities have focused on a goal of immediate job placement and closure after completing secondary school. Despite an increase in the number of individuals receiving junior or community college from 10.2 percent in FFY 2015 to 14.2 percent in the first three quarters of FFY 2017, there was a decrease in the percentage of individuals under age 25 at exit from FFY 2015 through the first three quarters of FFY 2017 (25.2 percent in FFY 2015, to 9.7 percent in the first three quarters of FFY 2017) who received bachelor degree training. Similarly, for occupational/vocational training services, the percentage of students with disabilities receiving these services decreased from 21.3 percent in FFY 2015 to 13.4 percent during the first three quarters of FFY 2017. The RSA team suggested that the agency's focus on immediate job placement and closure after graduation may be limiting the quality of employment opportunities consumers could obtain with the provision of educational and vocational training services. In the team's discussion with AZ RSA, VR counselors and staff expressed that the provision of college services and occupational/vocational training services may reflect the broader trend in the state of all high school graduates, with and without disabilities, choosing postsecondary education after high school at lower rates than in other States.

Recommendations 3.1: Quality Employment Outcomes for Youth

RSA recommends that AZ RSA—

- 3.1.1 Consider changing the program emphasis from immediate job placement to one that is focused on the individual being prepared for a career path, which may require postsecondary education or specialized vocational training that results in a certificate or license;
- 3.1.2 Explore the use of jobs during and after high school as work experiences leading to employment goals rather than as employment outcome;
- 3.1.3 Encourage VR counselors to work with students and youth with disabilities to identify careers that have the potential for personal and financial growth; and
- 3.1.4 Counsel students and youth with disabilities about the opportunities available to them by choosing to seek a degree or a certificate/license in a career field of their choice.

Agency Response: AZ RSA as an agency does not emphasize immediate job placement for youth. Developing career paths based on current Labor Market Information via training, apprenticeship, post-secondary education is highly encouraged. AZ RSA will be increasing efforts related to training and educating staff on Measurable Skills Gain and Credential Attainment WIOA performance requirements as a strategic goal this fiscal year and it is anticipated that these trainings will reinforce the agency expectation that youth are provided with appropriate counseling and exploration of post-secondary educational opportunities.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

D. Findings and Corrective Actions

RSA's review of AZ RSA's performance in this focus area resulted in the identification of the following finding and corresponding corrective actions to improve performance.

3.1 State Educational Agency (SEA) Agreement with the Arizona Department of Education

Issue: Does AZ RSA have an executed SEA agreement that complies with the statutory requirements in the Rehabilitation Act, as amended by Title IV of WIOA.

Requirement: In accordance with Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R. § 361.22(b), VR agencies are required to enter into formal interagency agreements with SEAs in order to facilitate the seamless transition of students with disabilities from the receipt of educational services, including pre-employment transition services, in school to the receipt of vocational rehabilitation services.

Pursuant to Section 101(a)(11)(D) of the Rehabilitation Act, the formal interagency agreement must describe, at a minimum, consultation and technical assistance to assist educational agencies in planning for the transition of students with disabilities from school to post-school activities, including pre-employment transition services and other VR services; transition planning by State VR agency and school personnel that facilitates the development and implementation of IEPs under Section 614(d) of IDEA; the roles and responsibilities, including financial responsibilities of each agency; and procedures for outreach to and identification of students with disabilities who need transition services. In addition, 34 C.F.R. § 361.22(b) of the VR regulations require that the formal interagency agreement include coordination necessary to satisfy documentation requirements set forth in Section 511 of the Rehabilitation Act and 34 C.F.R. part 397, with regard to students and youth with disabilities who are seeking subminimum wage employment and an assurance that neither the SEA nor the LEA will enter into an agreement with an employer holding a Section 14(c) certificate under the Fair Labor Standards Act for the purpose of operating a program in which students or youth with disabilities are paid subminimum wage.

Analysis: AZ RSA developed an agreement with AZ DoE in June of 2017, but at the time of the on-site monitoring review in February 2018, the agreement had not been signed and implemented. AZ RSA expected that the new agreement would be implemented by July 2018. The existing SEA agreement in effect at the time of the review was signed and implemented in 2012, and as such, did not contain the requirements in the Rehabilitation Act as amended by Title IV of WIOA for the provision of transition and pre-employment transition services and those related to Section 511 of the Rehabilitation Act.

AZ RSA shared its draft SEA with AZ DoE with the RSA review team and reported that it was still in the process of receiving final approval. The RSA review team reviewed the draft agreement and found that it delineated the responsibilities of AZ RSA staff to provide consultation and technical assistance to assist educational agencies in planning for the transition

of students and youth from school to post-school activities, including pre-employment transition services and other VR services, as required by Section 101(a)(11)(D)(i) of the Rehabilitation Act and 34 C.F.R. § 361.22(b)(1).

Conclusion: Pursuant to Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R. § 361.22(b), AZ RSA must enter into a formal interagency agreement with AZ DoE that complies with the statutory and regulatory requirements. As a result of the analysis, RSA determined that the current SEA agreement does not address the statutory requirements (effective July 22, 2014), nor the regulatory requirements (effective September 19, 2016). As such, during the period of review, AZ RSA was not in compliance with Section 101(a)(11)(D) of the Rehabilitation Act, or the regulations at 34 C.F.R. § 361.22(b)).

Corrective Action Steps:

RSA requires that AZ RSA—

- 3.2.1 Complete and execute the revised formal interagency agreement with all of the required elements pursuant to 34 C.F.R. § 361.22 in coordination with AZ DoE ; and
- 3.2.2 Provide RSA a copy of the final signed interagency agreement upon its approval.

Agency Response: AZ RSA entered into a formal interagency agreement with AZ DOE. The agreement was finalized and executed on April 12, 2019. Copy of executed agreement provided with this response.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

E. Technical Assistance

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

- During the discussion of job placements for students and youth with disabilities, the review team suggested that the agency examine why 42% of youth achieve employment in office and administrative assistant occupations. Many of these positions may be in call centers as a result of CRPs that have adopted curricula that train individuals for work in support roles for computer technology, banking, and health care.
- During the review, the team learned that AZ RSA is in the process of developing a Quality Assurance Team. RSA strongly supported this future addition to the management team and offered to provide technical assistance at the request of the agency directly or through WINTAC to develop policies and infrastructure to support the quality assurance team.
- The RSA team suggested that AZ RSA enhance job development/business outreach with a team that would explore and implement sector strategies, career pathways and regional economic approaches to provide work opportunities, apprenticeships, and internships for students and youth receiving pre-employment transition services and transition services. AZ RSA has two Employment Coordinators providing business outreach and placement services for over 14,000 consumers in plan receiving services in FFY 2017, including

serving as a key element in the provision of employment services to thousands of students with disabilities attending public and chartered high schools throughout the State. To realize progress toward improving the employment rate, the management staff needs to organize the Business Outreach and Employment Placement program so that it can become a robust and effective tool in the provision of quality employment for individuals with disabilities, including students and youth with disabilities.

SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM

A. Purpose

WIOA made several significant changes to Title VI of the Rehabilitation Act that governs the Supported Employment program. The amendments to Title VI are consistent with those made throughout the Rehabilitation 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. Through this focus area RSA assessed the VR agency performance and technical assistance needs related to the provision of supported employment services to individuals with the most significant disabilities and extended services for youth with the most significant disabilities; and the employment outcomes achieved by these individuals.

B. Overview of Service Delivery and Performance of the Supported Employment Program

Delivery of Supported Employment Services

AZ RSA provides supported employment services through contracts with CRPs, as well as interagency agreements with the State mental health and developmental disabilities agencies. Title 19 in AZ provides follow along services that provide most extended services for this population. There are no third-party cooperative arrangements (TPCAs) for the provision of supported employment services.

AZ RSA has implemented supported employment policies to comply with WIOA requirements, including the extension of the period of time for which the VR program can provide supported employment services from 18 to 24 months, and the provision of extended services for youth with the most significant disabilities. However, the policies do not include the short-term basis provision or customized employment. The review team discussed with the agency the need to have such policies even though AZ RSA will continue to focus on competitive integrated employment. VR counselors received training on the new policies, including information that supported employment services are provided after job placement.

AZ RSA has not expended any supported employment funds for the provision of extended services to youth under age 25. These funds were carried over, but at the time of the review, there appeared to be little likelihood that they would be spent. AZ RSA secures extended services funding through Medicaid waivers managed through its inter-agency arrangements with behavior health. AZ RSA does not charge any administrative costs to the Title VI supported employment grant.

Performance of the Supported Employment Program

A summary analysis of the performance of the Supported Employment program (see Appendix C of this report) revealed the following information:

- Supported employment outcomes increased over the review periods from FFY 2015 through the first three quarters of FFY 2017, from 148 to 219 individuals, with the percentage of those outcomes in competitive employment ranging from 96.6 percent in FFY 2015 to 92.8 percent in FFY 2016 to 97.7 percent in the first three quarters of FFY 2017;
- Median hourly wages for those achieving a supported employment outcome increased from \$8.50 in FFY 2015 to \$10.00 in the first three quarters of FFY 2017, however this increase is likely a consequence of the establishment of Arizona’s new minimum wage of \$10 in 2017;
- The average hours worked per week similarly rose from 26.5 hours to 29.6 over the period reviewed;
- Job search assistance, on-the-job supports, assessment, transportation, and maintenance were the five most provided services during the first three quarters of FFY 2017. Job search assistance, the most frequently provided service, was provided to 92.1 percent of individuals who achieved supported employment outcomes; and
- Similar to the performance of all individuals with disabilities served, office and administrative assistant was the most common occupational code outcome for those in supported employment (48.1 percent) with average earnings of \$10.00 an hour followed by building and grounds cleaning and maintenance (11.7 percent) with average earnings of \$12.00 an hour.

Observations and Recommendations

RSA’s review of the performance of AZ RSA in this focus area resulted in the identification of the following observation and recommendations to improve performance.

Observation 4.1 Quality of Supported Employment Outcomes

As noted above, the median hourly wage for individuals achieving employment with supports was \$10.00, which was the minimum wage for Arizona as of 2017. Similarly, the range and scope of employment outcomes for individuals in supported employment is relatively narrow, with most individuals finding placements in low wage occupations such as food preparation, maintenance and janitorial services, and more than 40 percent in office administration and assistance. AZ RSA indicated while the team was on-site that it is looking at the quality of employment outcomes as one of its key metrics for measuring performance of VR staff and is developing tools to assist counselors in this effort.

Recommendations 4.1 Quality of Supported Employment Outcomes

RSA recommends that AZ RSA—

- 4.1.1 Conduct an analysis of why individuals are placed in a limited number of categories of employment, particularly office administrative positions, and ensure that informed choice is exercised, and a diversity of options are explored; and

4.1.2. Develop and implement strategies to work with CRPs to ensure that they consider the widest possible range of quality employment options and career paths for consumers served with the most significant disabilities.

Agency Response: AZ RSA has no response at this time.

Request for Technical Assistance: AZ RSA does not request technical assistance at this time.

D. Findings and Corrective Actions

RSA's review of the performance of AZ RSA in this focus area did not result in the identification of compliance findings or corrective actions.

E. Technical Assistance

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

- RSA provided technical assistance related to the short-term basis provisions (34 C.F.R. §§ 361.5(c)(53)(ii)(A) and (B) and 363.1(c)(1) and (2)), on-going supports (34 C.F.R. § 361.5(c)(37)), and extended services (34 C.F.R. § 361.5(c)(19)).
- RSA provided technical assistance related to customized employment as defined in 34 C.F.R. § 361.5(c)(11).
- The review team indicated to AZ RSA that it should develop and implement policies for customized employment, and the short-term basis provision even though it intended to continue to focus on competitive integrated employment for all VR consumers, including those individuals with the most significant disabilities. The RSA review team noted that it would continue to provide technical assistance on this issue and offered to review any draft policies prior to implementation to ensure compliance with the requirements.

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

A. Purpose

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure that: funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; available resources are maximized 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.

B. Overview and Analysis

RSA reviewed AZ RSA's internal control policies and procedures for the allocation and expenditure of VR and Supported Employment program funds, fiscal internal control processes, the Arizona Financial Information System (AFIS) manual, client purchase agreements, contracts, and leases and agreements spanning a variety of agency functions. Additionally, AZ RSA staff demonstrated the agency's case management system and how expenditures are tracked, monitored for fraud, and aggregated for Federal reports.

AZ RSA did not have policies for submitting prior approval requests to RSA, the Federal awarding agency. Additionally, AZ RSA had not submitted any prior approval requests since the implementation of the Uniform Guidance requirements.

Personnel costs are allocated using timesheets. Staff can only allocate time to programs they are assigned to work on. Submissions are reviewed by supervisors who check for accuracy and reasonableness. Once finalized, the time distribution is used to allocate personnel costs to the VR and Supported Employment programs.

Match, Maintenance of Effort, and Federal Funds

AZ RSA reported that, in FFY 2017, 50 percent of its non-Federal share (match) came from State appropriations, 36 percent from TPCAs, 11 percent from interagency agreements and 3 percent from the Business Enterprise Program (BEP).

From FFYs 2016 to 2017, AZ RSA received a total of \$20 million in re-allotment funds. For FFYs 2016 through 2017, AZ RSA spent its entire award, including the additional \$20 million received through re-allotment. All non-Federal share requirements were met.

RSA and AZ RSA discussed potential maintenance of effort (MOE) issues due to the increased non-Federal share required by the receipt and expenditure of the \$20 million received through re-allotment. AZ RSA reported being aware of the MOE implications and anticipated being able to meet the increased non-Federal share requirement.

C. Observations and Recommendations

RSA's review of AZ RSA's performance in this focus area resulted in the identification of the following observations and recommendations to improve performance.

Observation 5.1: Match Contracts

AZ RSA maintains comprehensive service contracts whereby vendors are required to contribute a percentage in cash, varying between 21.3 percent and 25 percent of invoiced amounts before payments are processed. AZ RSA deposits these checks before the invoice is paid.

There are four categories of comprehensive service contracts that contain match provisions: work adjustment training, job training, neuro-rehabilitation, and blind and visually impaired. Contracts in these areas are awarded through a competitive process governed by Arizona State law. The contract applications include language that indicates provision of the non-Federal contractor funds is a requirement for any future payments for services. Applications also require establishing fees that are locked-in for the term of the contract, typically five years. If successful in their application, the vendor enters a pool from which VR counselors can contract for specific services.

The RSA review team expressed concern that the inclusion of the requirement that providers front the match payment before receiving payment would be difficult for vendors with smaller budgets to manage and may discourage applications. Additionally, the team noted that fixing of fee schedules within these multi-year contracts could have a negative impact on vendor capacity and performance as rates set at the beginning of a contract cycle would become increasingly less competitive over time. RSA also is concerned that the combination of locking in a fee level for three years and up-front payments may influence vendors to inflate rates. AZ RSA is responsible for ensuring that all costs paid under the contracts are reasonable and proportionate to the benefit received by the VR program. As such, AZ RSA must have internal controls that ensure payment for services under these contracts are not inflated due to the inclusion of the matching requirement.

Discussions with vendors as well as with VR counselors in the field confirmed general frustration with these AZ RSA funding agreements; although, RSA was unaware of the specifics of these up-front payments at the time of the CRP meetings and was not able to discuss them specifically.

AZ RSA reported that it is attempting to eliminate the match requirement from these comprehensive service contracts as they are renewed. As of October 1, 2018, work adjustment training contracts no longer required the match payments. In addition, as of November 13, 2019, AZ RSA confirmed that 75 percent of the match contracts have been amended to not include the match requirement. The last contract will be expiring on January 31, 2020.

Recommendations 5.1: Match Contracts

RSA recommends that AZ RSA—

- 5.1.1 Continue efforts to remove match requirements from these contracts as soon as possible, including reviewing potential flexibilities to remove these match requirements before contracts expire;
- 5.1.2 Review match generated from these contracts and identify potential program impact if non-Federal share was eliminated; and
- 5.1.3 Review the process for revising fee schedules during the life of a contract to identify mechanisms for meeting CRP needs and maintaining capacity.

Observation 5.2: TSW Contract Budget Monitoring

RSA reviewed a number of contracts and budgets for the Transition School to Work program. Each contract includes the following language:

“11.4 Payment to the Contractor will be made as follows:

1. ADES/RSA will pay for the actual cost incurred and invoiced. The Contractor's total annual invoice amounts shall not exceed the current Budget ceiling;”

The contracts included budgets with individual line items. RSA reviewed contracts, invoices and supporting documentation. Specifically, RSA reviewed amounts budgeted for individual line items and compared that to amounts invoiced and eventually paid out by AZ RSA.

Contract language quoted above states that total amount paid in a year cannot exceed the budget ceiling and that other charges must be for actual costs incurred. RSA can confirm that extensive documentation was provided to support invoiced amounts and that total amounts invoiced did not exceed budget ceilings. However, RSA is concerned that that amounts invoiced for individual line items often varied significantly from budgeted line items. For example, the 2017 Glendale TSW paid \$ 21,139.31 less for materials/supplies, local travel, training, and other, than was budgeted (\$65,113.25) and \$6,836.61 more for two positions (TS1 and TS2) than was budgeted (\$ 62,283.61).

Budgeted line-items are indications of how all parties involved expect the project to proceed. When there are large discrepancies between budgeted and actual amounts, it can be an indication that the achievement of outcomes under the agreement are at risk. Monitoring of actual costs in comparison to budgeted amounts is a key tool AZ RSA should use to administer these contracts. If these variances are problematic, contract language does not empower AZ RSA to take administrative steps based on the variances.

Recommendations 5.2: TSW Contract Budget Monitoring

RSA recommends that AZ RSA—

- 5.2.1 Amend future contracts to include language requiring AZ RSA approval for any invoiced amount that varies from budgeted totals by a set amount; and
- 5.2.2 Review all AZ RSA contracts and ensure that similar internal controls are included.

D. Findings and Corrective Actions

RSA's review of AZ RSA's performance in this focus area resulted in the identification of the following finding and the corresponding corrective actions to improve performance.

5.1 Prior Approval Requirements Not Met

Issue: Did AZ RSA obtain prior written approval from RSA before purchasing items requiring prior approval. This area of review is included on page 53 of the Federal FY 2018 Monitoring and Technical Assistance Guide (MTAG).

Requirements: The Uniform Guidance at 2 C.F.R. § 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 C.F.R. § 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 C.F.R. § 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 C.F.R. 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 C.F.R. 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 C.F.R. part 200 subpart E)."

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

Analysis: Prior to on-site activities, AZ RSA had not submitted any requests to RSA for prior approval. Through pre-onsite activities, RSA learned that AZ RSA had no policies or procedures

for submitting prior approvals. AZ RSA also informed RSA that it had significant concerns over its ability to process what the agency anticipated would be an extremely large number of prior approval requests and sought technical assistance.

Conclusion: Based on the analysis, RSA determined that AZ RSA was not in compliance with the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407).

Corrective Action:

RSA requires that AZ RSA—

5.1.1 Within three months after the issuance of the final monitoring report, 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. When completing this corrective action please utilize Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants, issued by OSERS on October 29, 2019.

Agency Response: AZ RSA agrees with this finding. Subsequent to the monitoring AZ RSA has developed a procedure for meeting the requirements of 2 C.F.R. § 200.407 and has submitted prior approval request in compliance with 2 C.F.R. § 200.407. AZ RSA will enhance existing written documentation to ensure compliance with 2 C.F.R. § 200.407.

Request for Technical Assistance: AZ RSA may request technical assistance and review of internal control documentation.

E. Technical Assistance

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

- As noted above in finding 5.1, AZ RSA had not been submitting prior approval requests and had no policies or procedures to do so. RSA provided an overview of the prior approval requirements and process.
- RSA also provided technical assistance on the role of audits and the audit resolution process.

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

A. Purpose

The Departments of Education and Labor issued the Workforce Innovation and Opportunity Act (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 Title I of WIOA. These joint regulations apply to all core programs of the workforce development system established by Title I of WIOA and the joint regulations are incorporated into the VR program regulations through subparts D, E, and F of 34 C.F.R. part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs through unified strategic planning requirements, common performance accountability measures, and requirements governing the one-stop delivery system. 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.

In FFY 2018, the Employment and Training Administration in the U.S. Department of Labor, the Office of Career, Technical, and Adult Education, and RSA developed the WIOA Shared Monitoring Guide. RSA incorporated its content into the FFY 2018 monitoring of the VR program in this focus area. RSA assessed the VR agency's progress and compliance in the implementation of the Joint WIOA Final Rule through this focus area.

B. Implementation of WIOA Joint Final Rule

This focus area consists of the following topical areas: WIOA Partnership; Governance; One-Stop Operations; and Performance Accountability. To gather information pertinent to these topics, RSA staff reviewed a variety of documents including the Program Year (PY) 2016 Unified or Combined State Plan; Memoranda of Understanding (MOUs) including the One-Stop Center Operating Budget and Infrastructure Funding Agreement (IFA) related to the one-stop service delivery system; and other supporting documentation related to the four topical areas.

WIOA Partnership

WIOA requires States and local areas to enhance coordination and partnerships with local entities and supportive service agencies for strengthened service delivery, including through Unified/Combined State Plans. Beyond the partnerships reflected in the Governance and One-Stop Operations sections of this focus area, Federal partners thought it was important for Federal agencies to inquire about the broader partnership activities occurring to implement many of the approaches called for within WIOA, such as career pathways and sector strategies. These require robust relationships across programs and with businesses, economic development, education, and training institutions, including community colleges and career and technical education local

entities and supportive service agencies. Exploring how these activities are led and sustained may be useful in assessing how these initiatives are progressing within a State.

AZ RSA indicated a good working relationship with WIOA core partners. It attributes the quality of its relationship to having three of the four core partners (VR Program; Title I Adult, Dislocated Worker/Youth Program; and Wagner-Peyser) in the same division. The core partners are able to communicate on a regular basis and exchange ideas. Local areas are also interacting with businesses daily in order to develop sector strategies and partnerships with new businesses in the area. Additionally, they are collaborating with the local area Chambers of Commerce for apprenticeships and career pathway development.

The Department of Economic Security (DES) and Office of Economic Opportunity (OEO) work together to support and maintain workforce development partnerships. Memoranda of Understanding (MOUs) have been developed and fully implemented for each local area outlining the roles and responsibilities for each partner involved. The OEO houses labor market information staff who work with local areas to develop sector strategies. The VR agency is working with the Phoenix Chamber of Commerce to further develop local business relationships and opportunities in the area.

Governance

State Workforce Development Boards (SWDBs) and Local Workforce Development Boards (LWDBs), which should include representation from all six core programs, including the VR program, set strategy and policies for an aligned workforce development system that partners with the education continuum, economic development, human services, and businesses. The VR representative on the SWDB must be an individual who has optimum policy making authority for the VR program, and each LWDB is required to have at least one representative from programs carried out under Title I of the Rehabilitation Act of 1973 (other than Section 112 or part C of that title).

The AZ RSA SWDB consists of at least 15 members appointed by the Governor. Although the director of AZ RSA does not represent the VR program on the SWDB, the agency reported having an effective voice within the workforce boards on the State and local levels. To ensure effective implementation of the State Plan, committees were developed across the State at the local level with various stakeholders. Input was sought by all core partners. The committees were responsible for reviewing the local plans, policies and the State Plan. Follow-up meetings were held when necessary.

At the time of the on-site review, the director of DES represented the VR agency on the SWDB. He also represented Title I-B, III, IV and TANF core programs since they are under DES.

Within the Arizona workforce development system, which is referred to as ARIZONA@WORK, there are 12 local workforce areas. VR representatives are present and active on each LWDB. The goal of ARIZONA@WORK is to provide innovative workforce solutions to employers and jobseekers through the 12 workforce areas and 42 comprehensive and satellite local offices across the State.

One-Stop Operations

The one-stop center delivery system brings 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 receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

VR services are delivered throughout the State through local offices and through the one-stop centers. Arizona's 12 local workforce development areas include 18 comprehensive centers and 24 satellite offices. Comprehensive centers provide business services. AZ RSA VR counselors are co-located in comprehensive one-stop centers across the State and the satellite offices have a referral process in place for individuals with disabilities desiring VR services. AZ RSA VR counselors also provide itinerate services if they are not co-located.

Each local workforce area has a fully implemented memorandum of understanding. In conjunction with local workforce partners, AZ RSA agreed to use the local funding mechanism related to infrastructure costs, charging partners based on square footage. Monthly calls are held with partners to address questions, issues, and concerns around the associated costs per partners. The RSA team reviewed the infrastructure funding arrangements implemented by AZ RSA in conjunction with its one-stop center partners and found them to be compliant.

AZ RSA is working with the State and local workforce boards to improve accessibility in the one-stop centers. Throughout the State, all one-stop centers are physically accessible to individuals with disabilities. Each area does not currently have all the necessary equipment and software programs needed to effectively serve individuals with disabilities. AZ RSA is providing technical assistance and guidance to local areas to increase each areas ability to serve individuals with disabilities.

The VR agency is responsible for the survey dissemination and review of completed questionnaires on the one-stop certification process.

Performance Accountability

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served in the workforce development system. WIOA requires that these requirements apply across all six core programs, with a few exceptions. RSA reviewed the VR agency's progress and implementation of performance accountability measures and data sharing and matching requirements.

In Arizona, DES is responsible for the coordination and submission of the WIOA Statewide Annual Performance Report Template in accordance with 34 C.F.R. § 361.160. The OEO is responsible for reviewing the overall document while the Adult Education and VR agencies approve the final submission.

The VR agency’s case management system has a unique identifier that is linked to the DES programs. At the time of the review, the agency was still working to link the obtained information to the RSA 911. AZ RSA is able to utilize the unique identifier to determine if an individual is co-enrolled in programs. Employer penetration and repeat employers are the two measures for effectively serving employers. At the time of the review, AZ RSA was working to establish data sharing agreements with core partners.

C. Observations and Recommendations

RSA’s review of AZ RSA’s performance in this focus area did not result in the identification of observations and recommendations to improve performance.

D. Findings and Corrective Actions

RSA’s review of AZ RSA’s performance in this focus area did not result in the identification of findings or corrective actions to improve performance.

E. Technical Assistance

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

State Workforce Development Board Representation

At the time of the on-site review, the Director of DES represented the VR agency on the SWDB. The Director of DES also represented the Titles I and III core programs and the TANF program, which are all housed under DES. 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 C.F.R. § 679.110(b)(3)(iii)(A)(1)). The preamble to the final regulations explains further that 20 C.F.R. § 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 Director of DES) 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 C.F.R. § 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 C.F.R. § 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 AZ RSA is the only individual who has optimum policy-making authority for the VR program, as described in 20 C.F.R. § 679.120(a). Such position is consistent with 34 C.F.R.

§ 361.13(c)(1), which specifies 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 C.F.R. §§ 679.110(b)(3)(iii)(A)(1)(iii) and 679.120(a). The VR program director does not have the authority to delegate this authority to another entity or individual (34 C.F.R. § 361.13(c)(2)).

Therefore, the State Board has not complied with Section 101(b) of WIOA and 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(iii) of its implementing regulations by having the Director of DES represent the VR program on the State Board. After consultation with DOL and the U.S. Department of Education's Office of Career, Technical, and Adult Education on this matter, RSA recommends that Arizona revise its State Board composition by appointing the director of AZ RSA to the State Board to represent the VR program. Enforcement of this matter falls under the jurisdiction of DOL.

Agency response: At this time the Assistant Director of the Division of Employment and Rehabilitation Services (DERS) is serving on the State Workforce Development Board representing Titles I, III, and TANF programs all housed under DERS/DES.

RSA response: RSA appreciates this update from AZ RSA, but stands by the original technical assistance as described above, since the relevant facts have not changed.

Request for technical assistance: AZ RSA 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 used throughout the review. Data were drawn from the RSA-113 (Quarterly Cumulative Caseload Report), the RSA-911 (Case Service Report), and SF-425 (Federal Financial Report). 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 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.

Vocational Rehabilitation Program

Table 1. Arizona Combined Agency Summary Statistics from RSA 113: FFYs 2015-2017

Row	Performance category	2015	2016	2017
1	Number of total applicants	6,878	7,744	8,464
2	Number of total eligible individuals	6,659	8,044	7,979
3	Agency implementing order of selection (Yes/No)	Yes	Yes	Yes
4	Number of individuals on order of selection waiting list at year-end	4,174	2,878	2,529
5	Percent eligible of individuals had IPE who received no services	29.9	46.2	27.2
6	Number of individuals in plan receiving services	10,894	12,948	14,079

Data source: RSA-113

Table 2a. Arizona Combined Agency Case Status Information, Exit Status, and Employment Outcomes for All Individuals at Closure-FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017 Percent
1	Exited as applicants	691	12.4	505	6.3	403	7.7
2	Exited from trial work experience	252	4.5	304	3.8	138	2.6
3	Exited with employment	1,339	24.1	1,476	18.4	1,167	22.3
4	Exited without employment	1,282	23.1	2,037	25.4	2,026	38.6
5	Exited from OOS waiting list	363	6.5	1,767	22.0	228	4.3
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	1,628	29.3	1,945	24.2	1,282	24.4
7	Employment rate*		51.1		42.0		36.5
8	Competitive employment outcomes	1,310	97.8	1,382	93.6	1,136	97.3
9	Average hourly earnings for competitive employment outcomes**	\$11.26		\$11.59		\$12.08	
10	Average hours worked for competitive employment outcomes	30.0		30.1		29.6	
11	Median hourly earnings for competitive employment outcomes	\$9.24		\$9.88		\$10.00	
12	Median hours worked for competitive employment outcomes	30		30		30	
13	Quarterly median earnings for competitive employment outcomes***	\$3,854.50		\$3,900.00		\$3,913.00	
14	Competitive employment outcomes meeting SGA	751	57.3	778	56.3	651	57.3
15	Competitive employment outcomes with employer-provided medical insurance	301	23.0	329	23.8	219	19.3

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.

**Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.

***Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.

Table 2b. Arizona Combined Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	194	10.3	112	4.6	136	8.2
2	Exited from trial work experience	77	4.1	99	4.1	55	3.3
3	Exited with employment	478	25.5	516	21.3	370	22.4
4	Exited without employment	378	20.1	577	23.9	702	42.4
5	Exited from OOS waiting list	89	4.7	434	17.9	49	3.0
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	662	35.3	681	28.2	343	20.7
7	Employment rate*		55.8%		47.2%		34.5%
8	Competitive employment outcomes	467	97.7%	472	91.5%	361	97.6%
9	Average hourly earnings for competitive employment outcomes**	\$9.88		\$9.92		\$10.79	
10	Average hours worked for competitive employment outcomes	29.6		29.3		28.7	
11	Median hourly earnings for competitive employment outcomes	\$8.50		\$9.00		\$10.00	
12	Median hours worked for competitive employment outcomes	30.0		30.0		30.0	
13	Quarterly median earnings for competitive employment outcomes***	\$3,315.00		\$3,354.00		\$3,731.00	
14	Competitive employment outcomes meeting SGA	238	51.0	229	48.5	185	51.2
15	Competitive employment outcomes with employer-provided medical insurance	88	18.8	93	19.7	69	19.1

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.

**Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.

***Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.

Table 2c. Arizona Combined Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	497	13.5	393	7.0	267	7.4
2	Exited from trial work experience	175	4.8	205	3.7	83	2.3
3	Exited with employment	861	23.4	960	17.1	797	22.2
4	Exited without employment	904	24.6	1,460	26.0	1,324	36.9
5	Exited from OOS waiting list	274	7.5	1,333	23.7	179	5.0
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	966	26.3	1,264	22.5	939	26.2
7	Employment rate*		48.8%		39.7%		37.6%
8	Competitive employment outcomes	843	97.9%	910	94.8%	775	97.2%
9	Average hourly earnings for competitive employment outcomes**	\$12.02		\$12.46		\$12.68	
10	Average hours worked for competitive employment outcomes	30.2		30.5		30.0	
11	Median hourly earnings for competitive employment outcomes	\$10.00		\$10.00		\$10.13	
12	Median hours worked for competitive employment outcomes	30.0		32.0		30.0	
13	Quarterly median earnings for competitive employment outcomes***	\$4,160.00		\$4,186.00		\$4,186.00	
14	Competitive employment outcomes meeting SGA	513	60.9	549	60.3	466	60.1
15	Competitive employment outcomes with employer-provided medical insurance	213	25.3	236	25.9	150	19.4

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.

**Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.

***Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.

**Table 3a. Arizona Combined Agency Source of Referral for All Individuals at Closure-
FFYs 2015-2017**

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	20.1	18.8	19.4
2	Educational Institutions (post-secondary)	3.8	3.1	1.8
3	Medical Health Provider (Public or Private)	3.7	4.1	5.9
4	Welfare Agency (State or local government)	1.7	1.6	1.7
5	Community Rehabilitation Programs	16.1	17.4	20.6
6	Social Security Administration (Disability Determination Service or District office)	0.9	0.8	0.9
7	One-stop Employment/Training Centers	1.7	2.1	1.0
8	Self-referral	37.3	37.9	34.0
9	Other Sources	8.4	8.8	8.5
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.0	0.0
12	Child Protective Services	0.0	0.0	0.0
13	Consumer Organizations or Advocacy Groups	0.0	0.0	0.0
14	Employers	0.0	0.0	0.0
15	Faith Based Organizations	0.1	0.0	0.0
16	Family/Friends	0.8	0.9	0.4
17	Intellectual and Developmental Disabilities Providers	0.0	0.0	0.0
18	Mental Health Provider (Public or Private)	0.0	0.0	0.0
19	Public Housing Authority	0.0	0.0	0.0
20	State Department of Correction/Juvenile Justice	0.0	0.0	0.0
21	State Employment Service Agency	0.0	0.0	0.0
22	Veteran's Administration	0.3	0.3	0.2
23	Worker's Compensation	0.0	0.0	0.0
24	Other State Agencies	4.9	4.2	5.4
25	Other VR State Agencies	0.0	0.0	0.0
26	Total Identified Referral Sources	99.7	100.0	100.0
27	Other Referral Sources	0.3	0.0	0.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3b. Arizona Combined Agency Source of Referral for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	56.3	57.9	55.2
2	Educational Institutions (post-secondary)	7.5	6.0	3.5
3	Medical Health Provider (Public or Private)	1.3	2.1	2.1
4	Welfare Agency (State or local government)	1.1	0.9	1.3
5	Community Rehabilitation Programs	5.8	5.2	7.3
6	Social Security Administration (Disability Determination Service or District office)	0.4	0.1	0.7
7	One-stop Employment/Training Centers	0.3	0.4	0.4
8	Self-referral	19.5	19.9	20.1
9	Other Sources	3.1	3.3	4.3
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.0	0.0
12	Child Protective Services	0.0	0.0	0.0
13	Consumer Organizations or Advocacy Groups	0.0	0.0	0.0
14	Employers	0.0	0.0	0.0
15	Faith Based Organizations	0.0	0.0	0.1
16	Family/Friends	0.7	0.7	0.5
17	Intellectual and Developmental Disabilities Providers	0.0	0.0	0.0
18	Mental Health Provider (Public or Private)	0.0	0.0	0.0
19	Public Housing Authority	0.0	0.0	0.0
20	State Department of Correction/Juvenile Justice	0.0	0.0	0.0
21	State Employment Service Agency	0.0	0.0	0.0
22	Veteran's Administration	0.1	0.0	0.0
23	Worker's Compensation	0.0	0.0	0.0
24	Other State Agencies	3.7	3.4	4.7
25	Other VR State Agencies	0.0	0.0	0.0
26	Total Identified Referral Sources	99.7	100.0	100.0
27	Other Referral Sources	0.3	0.0	0.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3c. Arizona Combined Agency Source of Referral for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	1.6	2.0	2.9
2	Educational Institutions (post-secondary)	1.9	1.9	1.0
3	Medical Health Provider (Public or Private)	5.0	4.9	7.7
4	Welfare Agency (State or local government)	2.0	1.9	1.9
5	Community Rehabilitation Programs	21.3	22.7	26.7
6	Social Security Administration (Disability Determination Service or District office)	1.2	1.1	1.0
7	One-stop Employment/Training Centers	2.3	2.8	1.3
8	Self-referral	46.4	45.6	40.4
9	Other Sources	11.1	11.1	10.4
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.0	0.0
12	Child Protective Services	0.0	0.0	0.0
13	Consumer Organizations or Advocacy Groups	0.0	0.0	0.0
14	Employers	0.0	0.0	0.0
15	Faith Based Organizations	0.1	0.0	0.0
16	Family/Friends	0.8	1.0	0.4
17	Intellectual and Developmental Disabilities Providers	0.0	0.0	0.0
18	Mental Health Provider (Public or Private)	0.0	0.0	0.0
19	Public Housing Authority	0.0	0.0	0.0
20	State Department of Correction/Juvenile Justice	0.0	0.0	0.0
21	State Employment Service Agency	0.0	0.0	0.0
22	Veteran's Administration	0.5	0.4	0.3
23	Worker's Compensation	0.0	0.0	0.0
24	Other State Agencies	5.5	4.6	5.8
25	Other VR State Agencies	0.0	0.0	0.0
26	Total Identified Referral Sources	99.7	100.0	99.9
27	Other Referral Sources	0.3	0.0	0.1

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4a. Arizona Combined Agency Outcomes by Disability Type for All Individuals at Closure who had received services - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	71	2.7	198	5.6	98	3.1
2	Visual - Employment rate		63.4		20.2		28.6
3	Auditory and Communicative - Individuals served	196	7.5	235	6.7	200	6.3
4	Auditory and Communicative - Employment rate		57.7		39.1		28.0
5	Physical - Individuals served	467	17.8	601	17.1	491	15.4
6	Physical - Employment rate		47.3		41.1		40.5
7	Intellectual and Learning disability - Individuals served	896	34.2	1,150	32.7	1,039	32.5
8	Intellectual and Learning disability - Employment rate		58.1		52.3		42.4
9	Psychosocial and psychological- Individuals served	991	37.8	1,329	37.8	1,365	42.7
10	Psychosocial and psychological- Employment rate		44.3		37.3		32.5

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4b. Arizona Combined Agency Outcomes by Disability Type for Individuals below Age 25 at Closure who had received services - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	18	2.1	43	3.9	24	2.2
2	Visual - Employment rate		55.6		11.6		20.8
3	Auditory and Communicative - Individuals served	36	4.2	76	7.0	70	6.5
4	Auditory and Communicative - Employment rate		36.1		34.2		21.4
5	Physical - Individuals served	47	5.5	52	4.8	56	5.2
6	Physical - Employment rate		57.4		44.2		41.1
7	Intellectual and Learning disability - Individuals served	572	66.8	671	61.4	657	61.3
8	Intellectual and Learning disability - Employment rate		58.6		53.1		36.4
9	Psychosocial and psychological- Individuals served	183	21.4	251	23.0	265	24.7
10	Psychosocial and psychological- Employment rate		50.8		42.2		33.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4c. Arizona Combined Agency Outcomes by Disability Type for Individuals Age 25 and Older at Closure who had received services - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	53	3.0	155	6.4	74	3.5
2	Visual - Employment rate		66.0		22.6		31.1
3	Auditory and Communicative - Individuals served	160	9.1	159	6.6	130	6.1
4	Auditory and Communicative - Employment rate		62.5		41.5		31.5
5	Physical - Individuals served	420	23.8	549	22.7	435	20.5
6	Physical - Employment rate		46.2		40.8		40.5
7	Intellectual and Learning disability - Individuals served	324	18.4	479	19.8	382	18.0
8	Intellectual and Learning disability - Employment rate		57.4		51.1		52.9
9	Psychosocial and psychological- Individuals served	808	45.8	1,078	44.5	1,100	51.9
10	Psychosocial and psychological- Employment rate		42.8		36.2		32.3

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5a. Arizona Combined Agency Number of Days from Application to Eligibility Determination for All Individuals at Closure for individuals for whom an eligibility determination was made - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017* Percent
0 – 60 days	3,375	73.2	5,444	75.3	3,783	80.4
More than 60 days	1,237	26.8	1,781	24.7	920	19.6
Total eligible	4,612		7,225		4,703	

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5b. Arizona Combined Agency Number of Days from Application to Eligibility Determination for Individuals below Age 25 at Closure for individuals for whom an eligibility determination was made - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	1,201	74.7	1,717	77.8	1,191	81.4
More than 60 days	406	25.3	491	22.2	273	18.6
Total eligible	1,607		2,208		1,464	

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5c. Arizona Combined Agency Number of Days from Application to Eligibility Determination for Individuals Age 25 and Older at Closure for individuals for whom an eligibility determination was made - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	2,174	72.3	3,727	74.3	2,592	80.0
More than 60 days	831	27.7	1,290	25.7	647	20.0
Total eligible	3,005		5,017		3,239	

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 6a. Arizona Combined Agency Number of Days from Eligibility* Determination to IPE for All Individuals Served at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	229	88.4	938	70.2	1,391	66.3
More than 90 days	30	11.6	398	29.8	708	33.7
Total served	259	100.0	1,336	100.0	2,099	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Eligibility occurred on or after July 22, 2014

Table 6b. Arizona Combined Agency Number of Days from Eligibility* Determination to IPE for Individuals Served below Age 25 at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	67	83.8	208	59.6	347	55.0
More than 90 days	13	16.3	141	40.4	284	45.0
Total served	80	100.0	349	100.0	631	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Eligibility occurred on or after July 22, 2014

Table 6c. Arizona Combined Agency Number of Days from Eligibility* Determination to IPE for Individuals Served Age 25 and Older at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	162	90.5	730	74.0	1,044	71.1
More than 90 days	17	9.5	257	26.0	424	28.9
Total served	179	100.0	987	100.0	1,468	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Eligibility occurred on or after July 22, 2014

Table 7a. Arizona Combined Agency VR Services Provided for All Individuals Served* at Closure – FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.4	0.9	1.2
2	Training- Bachelor degree training	21.8	17.1	9.6
3	Training- Junior or community college training	6.7	8.9	10.3
4	Training- Occupational or vocational training	21.4	18.7	16.7
5	Training- On-the-job training	0.9	0.8	0.6
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	2.9	2.6	2.1
8	Training- Job readiness training	29.6	29.6	39.1
9	Training- Disability-related skills training	10.8	13.7	13.6
10	Training- Miscellaneous training	12.7	11.5	10.2
11	Career- Assessment	68.0	66.1	55.3
12	Career- Diagnosis and treatment of impairment	29.8	30.8	48.3
13	Career- Vocational rehab counseling and guidance	8.4	10.2	84.9
14	Career- Job search assistance	50.0	53.9	55.6
15	Career- Job placement assistance	2.1	1.3	0.9
16	Career- On-the-job supports-short term	33.0	36.4	33.8
17	Career- On-the-job supports-SE	15.6	14.2	16.7
18	Career- Information and referral services	2.6	2.1	2.8
19	Career- Benefits counseling	0.0	0.1	0.2
20	Career- Customized employment services	0.0	0.0	0.0
21	Other services- Transportation	47.0	44.6	36.2
22	Other services- Maintenance	10.0	8.3	4.9
23	Other services- Rehabilitation technology	21.1	19.8	17.5
24	Other services- Reader services	0.1	0.1	0.3
25	Other services- Interpreter services	2.7	2.1	2.0
26	Other services- Personal attendant services	0.2	0.1	0.2
27	Other services- Technical assistance services	2.6	2.6	1.8
28	Other services- Other services	49.4	48.8	44.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

**VR Services include both those provided and purchased by the VR agency as well as those provided by comparable service providers

Table 7b. Arizona Combined Agency VR Services Provided for Individuals Served* below Age 25 at Closure- FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.1	0.4	0.4
2	Training- Bachelor degree training	25.2	19.2	9.7
3	Training- Junior or community college training	10.2	13.9	14.2
4	Training- Occupational or vocational training	21.3	15.3	13.4
5	Training- On-the-job training	0.6	0.5	0.6
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	2.0	2.3	2.6
8	Training- Job readiness training	44.6	45.2	65.2
9	Training- Disability-related skills training	15.9	18.3	16.9
10	Training- Miscellaneous training	12.3	10.3	8.7
11	Career- Assessment	61.7	54.3	46.7
12	Career- Diagnosis and treatment of impairment	10.4	9.8	19.9
13	Career- Vocational rehab counseling and guidance	6.1	7.8	86.3
14	Career- Job search assistance	51.8	51.5	47.9
15	Career- Job placement assistance	1.1	0.8	0.6
16	Career- On-the-job supports-short term	36.7	39.3	34.5
17	Career- On-the-job supports-SE	8.3	5.4	6.4
18	Career- Information and referral services	3.5	2.6	4.6
19	Career- Benefits counseling	0.0	0.0	0.2
20	Career- Customized employment services	0.0	0.0	0.0
21	Other services- Transportation	40.5	33.8	27.5
22	Other services- Maintenance	5.6	3.8	2.1
23	Other services- Rehabilitation technology	16.4	13.7	12.3
24	Other services- Reader services	0.2	0.0	0.3
25	Other services- Interpreter services	1.1	1.6	1.3
26	Other services- Personal attendant services	0.0	0.0	0.1
27	Other services- Technical assistance services	0.1	0.1	0.3
28	Other services- Other services	36.2	31.6	27.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

** VR Services include those provided and purchased by the VR agency.

Table 7c. Arizona Combined Agency VR Services Provided for Individuals Served* Age 25 and Older at Closure - FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.6	1.1	1.6
2	Training- Bachelor degree training	20.1	16.1	9.6
3	Training- Junior or community college training	5.0	6.6	8.3
4	Training- Occupational or vocational training	21.5	20.2	18.3
5	Training- On-the-job training	1.1	0.9	0.7
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	3.4	2.7	1.8
8	Training- Job readiness training	22.4	22.6	25.9
9	Training- Disability-related skills training	8.3	11.6	12.0
10	Training- Miscellaneous training	13.0	12.0	11.0
11	Career- Assessment	71.1	71.4	59.7
12	Career- Diagnosis and treatment of impairment	39.2	40.3	62.7
13	Career- Vocational rehab counseling and guidance	9.6	11.3	84.2
14	Career- Job search assistance	49.2	55.0	59.5
15	Career- Job placement assistance	2.5	1.6	1.1
16	Career- On-the-job supports-short term	31.2	35.0	33.4
17	Career- On-the-job supports-SE	19.1	18.2	21.8
18	Career- Information and referral services	2.1	1.9	1.9
19	Career- Benefits counseling	0.0	0.1	0.2
20	Career- Customized employment services	0.0	0.0	0.0
21	Other services- Transportation	50.2	49.5	40.5
22	Other services- Maintenance	12.2	10.3	6.3
23	Other services- Rehabilitation technology	23.5	22.6	20.1
24	Other services- Reader services	0.1	0.1	0.2
25	Other services- Interpreter services	3.5	2.4	2.3
26	Other services- Personal attendant services	0.3	0.1	0.2
27	Other services- Technical assistance services	3.8	3.7	2.5
28	Other services- Other services	55.8	56.5	52.7

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

**VR Services include those provided and purchased by the VR agency.

Table 8a. Arizona Combined Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for All Individuals Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.5	\$21.50	0.3	\$26.92	0.7	\$15.50
2	Arts, Design, Entertainment, Sports, and Media	1.4	\$13.50	1.4	\$14.43	1.0	\$13.54
3	Building and Grounds Cleaning and Maintenance	5.3	\$8.50	5.4	\$9.00	4.0	\$10.00
4	Business and Financial Operations Occupations	1.9	\$12.00	1.4	\$15.75	1.1	\$18.10
5	Community and Social Services Occupations	6.6	\$11.54	6.2	\$12.00	7.0	\$12.00
6	Computer and Mathematical Occupations	1.7	\$13.50	1.3	\$13.02	1.8	\$15.00
7	Constructive and Extraction Occupations	0.8	\$10.00	1.2	\$12.50	1.5	\$12.00
8	Education, Training, and Library Occupations	3.7	\$11.64	4.2	\$11.57	3.6	\$11.75
9	Farming, Fishing, and Forestry Occupations	0.2	\$8.50	0.3	\$10.66	0.4	\$10.20
10	Food Preparation and Serving Related Occupations	6.9	\$8.17	6.9	\$8.54	7.1	\$10.00
11	Healthcare Practitioners and Technical Occupations	3.5	\$14.70	3.2	\$15.00	2.6	\$14.27
12	Healthcare Support Occupations	5.6	\$10.15	4.4	\$11.00	4.0	\$10.25
13	Installation, Maintenance, and Repair Occupations	3.6	\$10.00	3.0	\$9.20	2.4	\$11.00
14	Legal Occupations	0.5	\$12.93	0.3	\$19.96	0.1	\$46.50
15	Life, Physical, and Social Science Occupations	0.4	\$16.00	0.4	\$14.40	0.4	\$17.85
16	Management Occupations	2.1	\$14.43	1.7	\$16.75	2.1	\$14.92
17	Military Specific Occupations	0.2	\$8.75	0.3	\$12.49	0.2	\$11.40
18	Office and Administrative Support Occupations	35.3	\$8.51	39.2	\$9.00	42.4	\$10.00
19	Personal Care and Service Occupations	7.0	\$9.00	6.2	\$9.27	5.3	\$10.00
20	Production Occupations	2.4	\$9.00	3.2	\$9.88	2.2	\$10.86
21	Protective Service Occupations	1.7	\$10.00	0.9	\$10.50	1.6	\$10.88
22	Randolph-Sheppard vending facility clerk*	0	\$0.00	0	\$0.00	0	\$0.00
23	Randolph-Sheppard vending facility operator*	0	\$0.00	0.1	\$16.25	0	\$0.00
24	Sales and Related Occupations	4.1	\$8.35	4.0	\$9.00	4.6	\$10.00
25	Transportation and Material Moving Occupations	4.6	\$9.28	4.6	\$10.50	3.9	\$10.28
26	Total competitive employment outcomes		\$9.24		\$9.88		\$10.00

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 8b. Arizona Combined Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals below Age 25 Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.2	\$34.63	0	\$0.00	0.6	\$17.78
2	Arts, Design, Entertainment, Sports, and Media	1.3	\$10.75	1.3	\$13.17	0.3	\$12.00
3	Building and Grounds Cleaning and Maintenance	4.9	\$8.50	3.8	\$9.00	3.6	\$10.00
4	Business and Financial Operations Occupations	0.9	\$20.70	0.6	\$10.00	0	\$0.00
5	Community and Social Services Occupations	1.3	\$12.19	0.4	\$11.52	1.1	\$14.75
6	Computer and Mathematical Occupations	0.6	\$14.68	1.3	\$10.25	0.6	\$15.34
7	Constructive and Extraction Occupations	0.6	\$8.90	1.9	\$10.04	1.1	\$10.00
8	Education, Training, and Library Occupations	2.4	\$10.00	2.3	\$10.30	1.9	\$10.00
9	Farming, Fishing, and Forestry Occupations	0.2	\$8.05	0.4	\$10.66	0.6	\$10.20
10	Food Preparation and Serving Related Occupations	9.2	\$8.17	9.3	\$8.24	10.2	\$10.00
11	Healthcare Practitioners and Technical Occupations	2.6	\$12.50	3.0	\$13.25	2.5	\$13.00
12	Healthcare Support Occupations	5.1	\$10.00	4.2	\$10.25	3.3	\$10.00
13	Installation, Maintenance, and Repair Occupations	5.1	\$9.75	5.7	\$9.10	3.3	\$11.28
14	Legal Occupations	0	\$0.00	0	\$0.00	0	\$0.00
15	Life, Physical, and Social Science Occupations	0.6	\$16.00	0.2	\$14.40	0.8	\$17.52
16	Management Occupations	0.9	\$11.09	1.3	\$13.28	0.6	\$16.12
17	Military Specific Occupations	0.6	\$8.75	0.8	\$12.49	0.6	\$11.40
18	Office and Administrative Support Occupations	41.8	\$8.10	45.1	\$8.50	50.7	\$10.00
19	Personal Care and Service Occupations	9.6	\$8.47	8.1	\$8.62	6.4	\$10.00
20	Production Occupations	2.8	\$9.03	3.4	\$9.28	2.5	\$11.00
21	Protective Service Occupations	1.9	\$10.40	0.6	\$10.50	1.7	\$11.00
22	Randolph-Sheppard vending facility clerk*	0	\$0.00	0	\$0.00	0	\$0.00
23	Randolph-Sheppard vending facility operator*	0	\$0.00	0	\$0.00	0	\$0.00
24	Sales and Related Occupations	3.9	\$8.19	3.4	\$8.75	4.4	\$10.00
25	Transportation and Material Moving Occupations	3.4	\$8.50	2.8	\$9.30	3.3	\$11.50
26	Total competitive employment outcomes		\$8.50		\$9.00		\$10.00

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 8c. Arizona Combined Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Age 25 and Older Who Achieved Competitive Employment Outcomes at Closure- FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.6	\$18.00	0.4	\$26.92	0.8	\$15.50
2	Arts, Design, Entertainment, Sports, and Media	1.4	\$14.50	1.5	\$14.79	1.3	\$13.77
3	Building and Grounds Cleaning and Maintenance	5.6	\$8.50	6.2	\$9.00	4.3	\$10.00
4	Business and Financial Operations Occupations	2.5	\$11.50	1.8	\$16.43	1.7	\$18.10
5	Community and Social Services Occupations	9.6	\$11.54	9.1	\$12.00	9.7	\$12.00
6	Computer and Mathematical Occupations	2.3	\$13.00	1.3	\$15.50	2.5	\$15.00
7	Constructive and Extraction Occupations	0.9	\$13.50	0.8	\$16.00	1.7	\$13.00
8	Education, Training, and Library Occupations	4.4	\$12.50	5.2	\$11.76	4.4	\$12.13
9	Farming, Fishing, and Forestry Occupations	0.2	\$8.75	0.2	\$12.73	0.3	\$11.00
10	Food Preparation and Serving Related Occupations	5.6	\$8.25	5.7	\$8.76	5.7	\$10.00
11	Healthcare Practitioners and Technical Occupations	4.0	\$15.66	3.3	\$18.89	2.7	\$16.00
12	Healthcare Support Occupations	5.9	\$10.51	4.5	\$11.00	4.3	\$10.50
13	Installation, Maintenance, and Repair Occupations	2.7	\$11.50	1.6	\$10.00	1.9	\$11.00
14	Legal Occupations	0.7	\$12.93	0.4	\$19.96	0.1	\$46.50
15	Life, Physical, and Social Science Occupations	0.2	\$29.26	0.4	\$12.20	0.3	\$23.80
16	Management Occupations	2.7	\$16.13	1.9	\$17.90	2.8	\$14.21
17	Military Specific Occupations	0	\$0.00	0	\$0.00	0	\$0.00
18	Office and Administrative Support Occupations	31.7	\$9.00	36.2	\$9.52	38.6	\$10.00
19	Personal Care and Service Occupations	5.6	\$10.00	5.3	\$10.00	4.8	\$10.00
20	Production Occupations	2.3	\$8.25	3.1	\$10.07	2.1	\$10.32
21	Protective Service Occupations	1.5	\$10.00	1.1	\$10.50	1.5	\$10.50
22	Randolph-Sheppard vending facility clerk*	0	\$0.00	0	\$0.00	0	\$0.00
23	Randolph-Sheppard vending facility operator*	0	\$0.00	0.2	\$16.25	0	\$0.00
24	Sales and Related Occupations	4.3	\$8.51	4.3	\$9.27	4.6	\$10.00
25	Transportation and Material Moving Occupations	5.2	\$9.45	5.5	\$10.80	4.1	\$10.00
26	Total competitive employment outcomes		\$10.00		\$10.00		\$10.13

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 9a. Arizona Combined Agency Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure- FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017* Number	2017* Percent
1	Unable to locate or contact	2,000	47.4	3,731	56.9	2,182	53.5
2	Disability too significant to benefit from VR services - ineligible	89	2.1	92	1.4	57	1.4
3	No longer interested in receiving services or further services	1,496	35.5	2,102	32.1	1,430	35.1
4	Death	39	0.9	70	1.1	22	0.5
5	Transferred to another agency	40	0.9	58	0.9	29	0.7
6	No disabling condition – ineligible	15	0.4	22	0.3	10	0.2
7	No impediment to employment - ineligible	17	0.4	13	0.2	6	0.1
8	Transportation not feasible or available	4	0.1	2	0.0	1	0.0
9	Does not require VR services - ineligible	4	0.1	5	0.1	2	0.0
10	All other reasons	473	11.2	430	6.6	308	7.6
11	Extended employment		0.0		0.0		0.0
12	Individual in institution other than a prison or jail	13	0.3	6	0.1	6	0.1
13	Individual is incarcerated in a prison or jail	22	0.5	23	0.4	20	0.5

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9b. Arizona Combined Agency Reason for Exit for Individuals below Age 25 Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017 number	2017 Percent
1	Unable to locate or contact	776	55.4	1,139	59.9	702	54.6
2	Disability too significant to benefit from VR services - ineligible	24	1.7	28	1.5	33	2.6
3	No longer interested in receiving services or further services	429	30.6	595	31.3	407	31.7
4	Death	4	0.3	2	0.1	2	0.2
5	Transferred to another agency	14	1.0	22	1.2	17	1.3
6	No disabling condition - ineligible	2	0.1	4	0.2	2	0.2
7	No impediment to employment - ineligible	2	0.1		0.0	1	0.1
8	Transportation not feasible or available		0.0	1	0.1		0.0
9	Does not require VR services - ineligible	1	0.1		0.0	1	0.1
10	All other reasons	137	9.8	106	5.6	116	9.0
11	Extended employment		0.0		0.0		0.0
12	Individual in institution other than a prison or jail	3	0.2	1	0.1	1	0.1
13	Individual is incarcerated in a prison or jail	6	0.4	3	0.2	3	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9c. Arizona Combined Agency Reason for Exit for Individuals Age 25 and Older Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017 number	2017 Percent
1	Unable to locate or contact	1,224	43.5	2,592	55.7	1,480	53.0
2	Disability too significant to benefit from VR services - ineligible	65	2.3	64	1.4	24	0.9
3	No longer interested in receiving services or further services	1,067	37.9	1,507	32.4	1,023	36.6
4	Death	35	1.2	68	1.5	20	0.7
5	Transferred to another agency	26	0.9	36	0.8	12	0.4
6	No disabling condition - ineligible	13	0.5	18	0.4	8	0.3
7	No impediment to employment - ineligible	15	0.5	13	0.3	5	0.2
8	Transportation not feasible or available	4	0.1	1	0.0	1	0.0
9	Does not require VR services - ineligible	3	0.1	5	0.1	1	0.0
10	All other reasons	336	11.9	324	7.0	192	6.9
11	Extended employment		0.0		0.0		0.0
12	Individual in institution other than a prison or jail	10	0.4	5	0.1	5	.2
13	Individual is incarcerated in a prison or jail	16	0.6	20	0.4	17	0.6

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data

Fiscal Data Tables

Table 6.1 Arizona-Combined (AZ-C) VR Resources and Expenditures—FFYs 2015–2017

VR Resources and Expenditures	2015	2016	2017*
Total program expenditures	\$80,950,001	\$108,769,337	\$60,071,329
Federal expenditures	\$63,707,651	\$85,601,468	\$40,362,273
State agency expenditures (4 th quarter)	\$17,242,350	\$23,167,869	\$19,709,056
State agency expenditures (latest/final)	\$17,242,350	\$23,167,869	\$19,709,056
Federal formula award amount	\$65,074,283	\$68,748,348	\$69,220,671
MOE penalty from prior year	\$1,366,632	\$0	\$0
Federal award amount relinquished during reallocation	\$0	\$0	\$0
Federal award amount received during reallocation	\$0	\$16,853,120	\$3,601,052
Federal funds transferred from State VR agency	\$0	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$63,707,651	\$85,601,468	\$72,821,723
Federal award funds deobligated	\$0	\$0	\$0
Federal award funds used	\$63,707,651	\$85,601,468	\$72,821,723
Percent of formula award amount used	97.90%	124.51%	105.20%
Federal award funds matched but not used	-\$1	\$0	\$0

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

**Table 6.2 Arizona-Combined (AZ-C) Non-Federal Share and Maintenance of Effort—
FFYs 2015–2017**

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2015	2016	2017*
Match required per net award amount	\$17,242,350	\$23,167,869	\$19,709,056
Match provided (actual)	\$17,242,350	\$23,167,869	\$19,709,056
Match difference**	\$0	\$0	\$0
Federal funds matched (actual)	\$63,707,650	\$85,601,468	\$72,821,723
Percent Federal funds matched	100.00%	100.00%	100.00%
Match from State appropriation			
Percent match from State appropriation	0.00%	0.00%	0.00%
Match from Third-Party Cooperative Arrangements (TPCA)			
Percent match from TPCAs	0.00%	0.00%	0.00%
Match from Randolph-Sheppard program			
Percent match from Randolph-Sheppard Program	0.00%	0.00%	0.00%
Match from interagency transfers			
Percent match from interagency transfers	0.00%	0.00%	0.00%
Match from other sources			
Percent match from other sources	0.00%	0.00%	0.00%
MOE required	\$0	\$17,374,875	\$17,242,350
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$17,242,350	\$23,167,869	\$19,709,056
MOE difference**	-\$17,242,350	-\$5,792,994	-\$2,466,706

* 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 Arizona-Combined (AZ-C) Program Income and Carryover—FFYs 2015–2017

Program Income and Carryover	2015	2016	2017*
Program income received	\$3,208,682	\$2,343,200	\$478,287
Program income disbursed	\$3,208,682	\$2,343,200	\$478,287
Program income transferred	\$121,763	\$294,261	\$142,238
Program income used for VR program	\$3,086,919	\$2,048,939	\$336,049
Federal grant amount matched	\$63,707,650	\$85,601,468	\$72,821,723
Federal expenditures and unobligated funds 9/30	\$19,047,541	\$41,598,266	\$40,362,273
Carryover amount	\$233,531	\$14,960,788	\$3,856,192
Carryover as percent of award	0.37%	17.48%	5.30%

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

Table 6.4 Arizona-Combined (AZ-C) RSA-2 Expenditures—FFYs 2015–2017

RSA-2 Expenditures	2015	2016	2017*
Total expenditures	\$91,687,356	\$101,079,156	\$98,013,994
Administrative costs	\$21,064,874	\$19,950,584	\$19,123,507
Administration as Percent expenditures	22.97%	19.74%	19.51%
Purchased services expenditures	\$53,402,492	\$61,603,805	\$61,754,428
Purchased services as a Percent expenditures	58.24%	60.95%	63.01%
Services to groups	\$1,013,227	\$936,124	\$0
Services to groups percentage	1.11%	0.93%	0.00%

*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: DATA VERIFICATION RESULTS (EXCLUDED)

APPENDIX C: SUPPORTED EMPLOYMENT PROGRAM PROFILE

Supported Employment Program Profile

Summary Statistics – Supported Employment Outcomes

Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
Supported employment (SE) outcomes	148		181		219	
Competitive employment outcomes	143	96.6%	168	92.8%	214	97.7%
Median hourly earnings for competitive employment outcomes	\$8.50		\$9.23		\$10.00	
Average hours worked for competitive employment outcomes	26.5		28.2		29.6	

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with supported employment outcomes divided by total number of individuals who exited with an employment outcome multiplied by 100.*

***Using RSA-911: Total number of individuals who exited with competitive supported employment divided by total number of individuals who exited with supported employment outcomes multiplied by 100.*

Top Five Services Provided to Individuals in Competitive Supported Employment

Services Provided	2017 Percent
Job search assistance	92.1
On-the-job supports-SE	79.9
Assessment	68.7
Transportation	59.3
Maintenance	56.5

Data source: RSA-911

Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.

Top Five Occupations by Percentages of Employment Outcomes with Median Hourly Earnings for All Individuals Who Achieved Competitive Supported Employment Outcomes at Closure for FFY17

SOC Code	2017 Percent	2017 Median Hourly Wage
Office and Administrative Support Occupations	48.1	\$10.00
Building and Grounds Cleaning and Maintenance	11.7	\$12.00
Food Preparation and Serving Related Occupations	7.0	\$10.00
Sales and Related Occupations	6.5	\$10.00
Production Occupations	6.1	\$10.00

Data source: RSA-911

Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.