FEDERAL FISCAL YEAR 2018 MONITORING REPORT ON THE RHODE ISLAND OFFICE OF REHABILITATION SERVICES VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

U.S. Department of Education
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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 Rhode Island Office of Rehabilitation Services (ORS) 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 June 25 through 28, 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 James Billy, review lead, and Janette Shell (Technical Assistance Unit), Lawrence Vrooman and Zera Hoosier (VR Program Unit), Julya Doyle and Mariangela Patruno (Fiscal Unit) and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

C. Acknowledgements

RSA wishes to express appreciation to the representatives of ORS 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, Governor's Workforce Board, 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

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

The data for the FFY 2015 through FFY 2017 review period show a decrease in the number of applicants, from 2,832 to 2,446 individuals. Similarly, the data for the period show a decrease in eligible individuals from 2,073 in FFY 2015, to 1,941 in FFY 2017. During the on-site visit, ORS attributed these trends in part to the provision of pre-employment transition services to potentially eligible students with disabilities who did not need to apply for other VR services to have their needs met.

However, ORS primarily attributed the decrease in the number of applicants and individuals determined eligible from FFY 2015 through FFY 2017 to an initial influx of applicants and eligible individuals in FFY 2015 following the signing of the Consent Decree between the U.S. Department of Justice and the State of Rhode Island on April 9, 2014 and the more recent closing of all categories under its order of selection (OOS). Although on an OOS since 2010, ORS recently closed all categories, resulting in a significant increase in the number of individuals on the OOS waiting list—598 as of July 18, 2018, compared to 28 at the end of FFY 2017. The State of Rhode Island entered into a Settlement Agreement and Consent Decree with the U.S. Department of Justice in 2013 and 2014, respectively, covering ORS, Rhode Island Department of Education (RIDE) and Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). The agreements address findings that the State violated the Americans with Disabilities Act by failing to serve individuals with intellectual and developmental disabilities in integrated settings, and by placing youth with intellectual and

developmental disabilities at serious risk of segregation. Under the terms of these agreements, the State is required to achieve certain goals each year over a ten-year period to provide integrated employment and day services for Rhode Islanders living with developmental disabilities. ORS was a signatory to the Consent Decree. However, the agency reported having little involvement in its development and requirements. The Consent Decree began to affect ORS in 2015, when ORS became the prime agency responsible for placing individuals with intellectual disabilities referred from sheltered workshop and day programs in Rhode Island into competitive integrated employment. ORS indicated the initial referrals were for individuals who were comparatively easy to place. However, as the referrals continued each year, the difficulty and level of services required increased, creating significant challenges for both ORS and the vendors providing the services. ORS reported that this was a direct cause for the closure of Category 1 of its OOS. ORS' ability to provide services to individuals referred under the Consent Decree was compromised by the closure of all categories. The full text of the Consent Decree can be found here: https://www.ada.gov/olmstead/documents/ri-olmstead-statewide-agreement.pdf.

The percentage of eligible individuals who exited the VR program without employment after an IPE increased substantially from 14.6 percent in FFY 2015 and 18.3 percent in FFY 2016, to 57.8 percent in the first three quarters of FFY 2017. This contrasts markedly with the downward trends in attrition from the VR program occurring at application, after eligibility but prior to IPE development or services, and from OOS categories. The percentage of individuals who exited the VR program with employment decreased from 32.7 percent in FFY 2015, to 29.3 percent in FFY 2016, to 17.2 percent in the first three quarters of FFY 2017. The employment rate decreased somewhat from FFY 2015 through FFY 2016 at 69.1 percent and 61.5 percent, respectively, but decreased significantly to 22.9 percent during the first three quarters of FFY 2017.

The VR Process: Youth under Age 25

The number of individuals under age 25 who exited without employment increased from 88 (16.7 percent) in FFY 2015, to 747 (62.9 percent) in the first three quarters of FFY 2017. This is particularly significant since the FFY 2017 data from the RSA-911 tables encompass only three quarters of FFY 2017 (October 1, 2016 through June 30, 2017). In contrast, the number of individuals under age 25 who exited with employment remained stable with 183 in FFY 2015, 179 in FFY 2016, and 186 in the first three quarters of FFY 2017. However, the increase in individuals who exited without employment resulted in a significant decrease in the percentage of individuals under the age of 25 exiting with employment from 34.8 percent in FFY 2015, to 15.7 percent in the first three quarters of FFY 2017. The rehabilitation rate corresponded to this trend, decreasing from 67.5 percent in FFY 2015, 54.2 percent in FFY 2016, to 19.9 percent in the first three quarters of FFY 2017. ORS indicated that the increasing number of unsuccessful closures in FFY 2016 and FFY 2017 reflects the increasing number of youth and students referred by BHDDH. ORS reported the need to either initiate multiple trial work experiences to determine if these individuals are too severely disabled to benefit from VR services or to determine the individuals eligible and attempt to place them in competitive integrated employment. Despite the expressed intent through the submission of an application for VR services to achieve an employment outcome, many of the individuals referred by BHDDH do not seek competitive integrated employment and exit into the developmental disabilities system. Additionally, some of these individuals decide to work less hours and maintain their steady level of day services from BHDDH. Also, BHDDH through its contract payment structure, which includes self-reporting by family members through the Self-Directed Program, may consider

someone placed at a low number of hours. ORS may have a somewhat higher threshold to meet the level which would be considered someone to be working at their maximum potential, and ORS expects this determination to be made by a qualified VR counselor on an individualized basis. Due to inherent aspects of the day program and VR program, if an individual is placed in competitive integrated employment for more than six hours per week, the individual's day program funding may be affected because the hours in the program are reduced.

The number of individuals under age 25 who exited without employment outcomes, after eligibility, but before a signed IPE and services, climbed from 135 individuals in FFY 2015, to 173 in FFY 2016, and to 174 in the first three quarters of FFY 2017. However, despite this increase in the number of individuals who were unserved, the corresponding percentages decreased from 25.7 percent in FFY 2015, to 14.6 percent in the first three quarters of FFY 2017.

The number of individuals under age 25 served by ORS does not reflect students receiving pre-employment transition services who have either not applied for services or have been placed on an OOS waiting list. ORS indicated that it is providing pre-employment transition services to an increasing number of students, a significant percentage of whom are not interested in applying for VR services due to either the prospect of being placed on an OOS waiting list or due to having their needs met entirely through pre-employment transition services. As a result, these individuals are not included in the RSA-911 data, but do represent a significant number of individuals receiving services. The review team analyzed current RSA-911 data submitted by Rhode Island and noted that it partially supports ORS' observation. Of the 1,631 students receiving pre-employment transition services, 331 (20.1 percent) had not applied for or been determined eligible for VR services.

Of those individuals under age 25 whose cases were closed, the percentage referred from elementary and secondary education institutions increased from 49.6 percent in FFY 2015, to 67.4 percent in the first three quarters of FFY 2017. ORS associated this increase in referrals with the provision of pre-employment transition services.

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

According to ORS, the data related to the achievement of employment outcomes was negatively affected by a review and update of counselor caseloads that occurred as ORS migrated to its new data reporting under the revised RSA-911. This resulted in 1,893 individuals (57.8 percent) exiting the VR program without employment in the first three quarters of FFY 2017, compared to 288 (14.6 percent) in FFY 2015. As a result, there was a significant decrease in the percentage of individuals exiting with employment, from 32.7 percent in FFY 2015, to 17.2 percent in the first three quarters of FFY 2017, even though the number of individuals exiting with employment was comparatively stable at 644 in FFY 2015 and 563 during the first three quarters of FFY 2017. Consistent with the trend in individuals exiting without employment, the employment rate decreased from 69.1 percent in FFY 2015, to 22.9 percent in the first three quarters of FFY 2017.

The State of Rhode Island does not have subminimum wage employment, and the minimum wage increased from $9.00 per hour to $9.60 per hour on January 1, 2016, and again to $10.10 on January 1, 2018. In comparison, the average hourly earnings reported by ORS increased from 12.05 per hour in FFY 2015, to $12.29 in FFY 2016, and to $12.62 in the first three quarters of FFY 2017. This represented an average increase of roughly $0.28 per hour annually, compared to the $0.60 per hour annual increase in the minimum wage. Median hourly earnings remained at $10.00 per hour through both FFY 2015 and FFY 2016, and increased to $10.50 per hour in the first three quarters of FFY 2017, again not maintaining the same rate of increase as the State minimum wage.

ORS indicated that one of the challenges in improving wages at placement is the influx of individuals with developmental disabilities over age 25 as workshops are phased out in Rhode Island. ORS noted that over the last few years it has been placing over 100 individuals per year with intellectual or developmental disabilities who have been employed in sheltered workshops for as long as 20 years prior to being referred to the VR program.

ORS is working to improve the quality of employment outcomes using Project Search for both adults and students. The agency is also exploring new ways to open other occupations and develop better relationships with larger employers in the State to increase training, employment opportunities, and advancement. ORS indicated that it is remaining engaged with individuals to ensure advancement in training programs and in employment prior to the individual exiting the VR program. For example, ORS works with CVS in warehouse and model store settings to provide training models as well as a CVS pharmacy technician program. These initiatives help individuals with disabilities increase their comfort level in a work environment, assist in eliminating misconceptions about persons with disabilities, and increase retention of employees with disabilities. At the time of the review, ORS noted that the Governor's Workforce Board was sponsoring initiatives for job training grants and that there will soon be five sites in Rhode Island. ORS also noted that Rhode Island is a strong union State with several apprenticeship opportunities that ORS uses to obtain placements in higher paying occupations. These include traditional apprentice opportunities as well as area-specific trades such as commercial fishing and boat building.

The average hours worked per week for individuals achieving competitive employment outcomes remained stable ranging from a low of 27.3 hours per week in FFY 2016, to a high of 28.4 hours per week in the first three quarters of FFY 2017. Table 2a indicates that the number of individuals achieving competitive employment outcomes with earnings meeting the level of substantial gainful activity decreased from 350 in FFY 2015, to 332 in FFY 2016, with 295 individuals with these outcomes reported for the three quarters of data collected in FFY 2017. The percentages remained stable around 54.5 percent. ORS noted that maintaining a high number of hours in placement has become an increasing challenge as more individuals are referred from the developmental disability program who are not seeking a high number of hours in competitive, integrated employment. The initial upsurge in referrals from BHDDH occurred in 2015 as a result of the Consent Decree. These initial referrals included the individuals who had some work skills and were closer to being work ready, resulting in quicker placements, but also resulting in significant challenges as providers wanted to meet low benchmarks with minimum hours work. According to ORS, vendors receiving funding through the integrated day service program have an incentive to place individuals in jobs with a low number of hours since placements above six hours can cause vendors to lose a significant amount of day program

funding. Long-term funding through the developmental disability program can support 20 to 25 hours per week in employment.

ORS discussed with BHDDH implementation of a 10-hour per week employment standard as part of BHDDH's performance-based programming, Person Centered Supported Employment Program. ORS is, however, focusing on closing cases based on consumer choice and ability, not vendor preference. This includes talking with both individuals and employment vendors about services that can be provided to increase the number of hours worked to meet an individual's goal. ORS is also reviewing and assessing vendor performance based on metrics such as average hours worked and wages at placement. When performance is low the agency implements performance improvement plans with vendors.

ORS also continues to work with BHDDH to improve the quality of employment outcomes. This includes working with BHDDH to reconcile differences in the definition of placement and eliminating outcomes that do not truly meet the definition of competitive integrated employment, such as self-employment situations where the individual is not truly involved in running the business or may not meet a minimum wage threshold.

The number of individuals achieving competitive employment outcomes with employer-provided medical insurance decreased from 135 in FFY 2015, to 125 in FFY 2016, with 96 reported in the three quarters of FFY 2017. The corresponding percentages decreased steadily from 21.0 percent in FFY 2015, to 19.4 percent in FFY 2016, and 17.9 percent in the first three quarters of FFY 2017.

Employment Outcomes for Youth under Age 25

The data for individuals under age 25 achieving employment outcomes reflects the review and updating of caseloads discussed earlier. This resulted in 747 individuals under age 25 (62.9 percent) exiting the VR program without employment in the first three quarters of FFY 2017, compared to 88 (16.7 percent) in FFY 2015 and 151 in FFY 2016 (23.1 percent). Similar to the data for all individuals, this resulted in a significant decrease in the percentage of individuals under 25 exiting with employment, from 34.8 percent in FFY 2015, to 15.7 percent in the first three quarters of FFY 2017. However, the number of individuals under 25 exiting with employment was comparatively stable at 189 in FFY 2015, 179 in FFY 2016, and 186 during the first three quarters of FFY 2017. However, if projecting fourth quarter data, the number employed in a full year of data may have been significantly higher at approximately 248 individuals. Nevertheless, consistent with the increase in individuals exiting without employment in FFY 2016 and the first three quarters of FFY 2017, the employment rate decreased from 67.5 percent in FFY 2015, to 54.2 percent in FFY 2016, and 19.9 percent in the first three quarters of FFY 2017. ORS attributed this performance to an increase in students who are not interested in competitive integrated employment and who are ultimately exiting to the developmental disability system in Rhode Island.

As noted earlier, the minimum wage in Rhode Island increased from $9.00 per hour to $9.60 per hour on January 1, 2016, and to $10.10 per hour on January 1, 2018. In comparison to all individuals, individuals under age 25 earned less, and both the average and median wages were closer to the minimum wage. The average hourly earnings reported by ORS for individuals under age 25 increased from $10.35 per hour in FFY 2015, to $10.47 in FFY 2016, and to $10.95 in the first three quarters of FFY 2017. This reflects an average increase of roughly $0.30 per hour

annually, compared to the $0.60 per hour annual increase in the minimum wage. Median hourly earnings for individuals under 25 hovered at or near the minimum wage at $9.00 per hour in FFY 2015, $9.63 per hour in FFY 2016, and $10.00 in the first three quarters of FFY 2017.

ORS noted that individuals under age 25 are more frequently placed into entry level positions that have lower pay. However, ORS reported that it is working to ensure that students and youth are able to obtain experience while working toward a higher quality employment goal. Whenever possible, VR counselors place individuals in developmental employment opportunities such as internships that are connected to their long-term employment goals and provide relevant experience and create connections with potential employers.

At the time of the review, about 20 percent of potentially eligible students did not apply for VR services, and all potentially eligible students who did apply for VR services and had not received a pre-employment transition service were placed on a waiting list. For those students with disabilities who had received pre-employment transition services prior to eligibility and placement on the waiting list, pre-employment transition services continued. However, ORS was unable to provide many of the supports needed by students with disabilities to access some pre-employment transition services. Placement on the OOS waiting list appears to have resulted in more attrition and fewer services being provided to students with disabilities other than pre-employment transition services, and thus, fewer employment outcomes for youth.

The average hours worked per week for individuals under 25 exiting and achieving competitive employment outcomes remained stable, varying from a low of 25.2 hours per week in FFY 2016, to a high of 27.5 hours per week in FFY 2017 (Table 2b). The data for the review period indicate that the number of individuals under 25 achieving competitive employment outcomes with earnings meeting substantial gainful activity decreased from 86 in FFY 2015, to 74 in FFY 2016, with 89 individuals reported for the three quarters of data collected in FFY 2017. The corresponding percentages varied from 47.0 percent in FFY 2015, 41.3 percent in FFY 2016, and 50.3 percent in the first three quarters of FFY 2017. The number of individuals under 25 achieving competitive employment outcomes with employer- provided medical insurance remained at 28 individuals in FFY 2015 and FFY 2016, falling to 19 for the three quarters of data collected in FFY 2017. However, the percentage of these individuals achieving outcomes with employer provided medical insurance decreased from 15.6 percent in FFY 2016, to 10.7 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

With the closure of all categories, ORS reported that many VR counselors are redirecting their efforts toward job development activities that in the past were provided only by vendors. ORS staff noted that this has resulted in VR counselors being more familiar with employment opportunities and job development practices and has resulted in higher expectations being placed on vendor provided job development services.

The review team observed only three unusual service patterns or trends in the RSA-911 data for ORS from FFY 2015 through the first three quarters of FFY 2017 (Table 7a). Nearly all

individuals whose service records were closed and who had IPEs receive some form of career assessment service, with the percentages ranging from 96.2 percent in FFY 2015, 97.3 percent in FFY 2016, and 96.6 percent in the first three quarters of FFY 2017. The RSA team noted over the course of the review that VR counselors use various types of career assessments as well as job exploration activities coded as assessments as part of ongoing career exploration during the case, which accounts for the high percentage of career assessment services reported through the RSA-911. However, the RSA-911 data indicate that no individuals received vocational guidance and counseling services and those who received benefits counseling were almost as few, with 0 percent reported in FFY 2015 and FFY 2016, and 0.1 percent reported in the first three quarters of FFY 2017. ORS staff reported providing these services during interviews with the RSA team and ORS administrators suggested that the low numbers reported may have resulted from issues with data extraction when the RSA-911 report was generated.

The data also showed a high percentage of individuals who received maintenance services although the percentages have declined from 47.9 percent in FFY 2015, to 35.6 percent in the first three quarters of FFY 2017. ORS administrators indicated that these data included client reimbursements, but that the use of maintenance was decreasing in FFY 2017 due to the agency's focus on reducing direct payments to individuals. The RSA team also noted high percentages of individuals who received "other services," ranging from a high of 32.3 percent in FFY 2016, to a low of 26.8 percent in the first three quarters of FFY 2017. ORS indicated that "other services" may include items such as rent for out-of-State students that were reported as "other services" rather than maintenance or as an educational service. The agency again suggested that this percentage is decreasing as ORS is reducing costs under the OOS. The RSA team advised that education-related meal and living expenses should be reported under maintenance, consistent with the RSA-911 instructions. The RSA team also advised ORS that all services that contribute to the employment goal, including no cost services, comparable benefits provided by other agencies and entities, and in-house provided services should be reported on the IPE.

VR Services: Youth under Age 25 Served

The service patterns for youth were similar to those for all individuals described above with respect to the provision of maintenance and other services, with a slightly higher percentage of youth receiving career assessment services, ranging from a low of 97.3 percent in FFY 2016, to a high of 98.9 percent for the first three quarters of FFY 2017.

One notable difference between services for all individuals and individuals under age 25 is a decline in the use of occupational or vocational training. The percentage of individuals age 25 and over who received this training remained stable, at between 46 percent and 48 percent. However, the percentage of individuals under 25 who received this training steadily decreased from 40.2 percent in FFY 2015, to 33.9 percent in FFY 2016, to 25.7 percent in the first three quarters of FFY 2017. ORS attributed this trend to the influx of individuals under age 25 as a result of the Consent Decree who are not seeking employment requiring occupational or vocational training.

The percentage of individuals under 25 who received job placement assistance decreased from 55.4 percent in FFY 2015, to 49.4 percent in FFY 2016, and to 35.5 percent in the first three quarters of FFY 2017. As noted above, VR counselors in Rhode Island have become more involved in job development, but VR counselors also indicated that this may also reflect the

influx of individuals under the Consent Decree that are exiting into the developmental disability system.

The provision of career information and referral services to this group also increased from 26.6 percent in FFY 2015, to 63.5 percent in the first three quarters of FFY 2017 as a result of greater collaboration efforts between partners to address Section 511 requirements under the WIOA amendments to the Rehabilitation Act.

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

The ORS data in table 4a shows an increase in the number and percentage of individuals served with intellectual and learning disabilities from 283 (30.4 percent) in FFY 2015, to 836 (34.0 percent) in the first three quarters of FFY 2017. However, the employment rate for this group dropped from 72.8 percent to 24.9 percent over the same period. This suggests that the increase was at least partially the result of the caseload review and update prior to July 1, 2017, although ORS also indicated that the increased numbers under this disability type are an effect of the Consent Decree as described earlier. The number of individuals with auditory and communicative impairments served also increased from 56 in FFY 2015, to 131 in the first three quarters of FFY 2017 due to increased outreach in this area by ORS staff.

The number of individuals with psychosocial and psychological impairments served increased from 420 in FY 2015, to 1,118 individuals in the first three quarters of FFY 2017 due to an ongoing internal effort by BHDDH to increase awareness of mental health and employment, including individuals who are dually diagnosed with both intellectual disabilities and psychosocial or psychological impairments.

Tables 4a, 4b and 4c address numbers of individuals served as well as employment rate by disability type, but do not cover actual exits into employment. Unfortunately, the employment rate data for the first three quarters of FFY 2017 was affected by the review and update of caseloads and the high numbers do not provide any useful insight into the actual agency performance in these areas.

Outcomes for Youth under Age 25 by Disability Type

Similar to the data for all individuals, the data for individuals under age 25 also showed an increase in the number of individuals with intellectual and learning disabilities served from 157 in FFY 2015, to 512 in the first three quarters of FFY 2017. ORS attributed this increase to the influx of individuals with intellectual or developmental disabilities referred to ORS under the Consent Decree. The number of individuals under 25 with psychosocial and psychological impairments who were served also increased from 85 in FFY 2015, to 337 in the first three quarters of FFY 2017, for the same reasons indicated for all individuals.

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 Frames for All Individuals

The RSA-911 data for ORS for FFY 2015 through the first three quarters of FFY 2017 showed that the percentage of eligibilities completed in 60 days or fewer increased from 81.1 percent in FFY 2015, to 82.3 percent in the first three quarters of FFY 2017; however, this remains below the threshold for substantially meeting the 60-day requirement. More discussion on this topic is included in Finding 2.1.

The agency indicated it was working to reduce the time needed to complete an eligibility determination. ORS identified a lag between the date stamp when the application was received and the assignment of a counselor to the case that in some offices was as long as one month. However, ORS has reduced this time to an average of three days, which should improve performance on the time required to complete an eligibility determination. ORS also noted that the current OOS situation with all categories closed has resulted in additional training and a greater focus on counselors making more accurate category determination decisions to avoid being over inclusive in Category 1 assignments. This has increased the average time for eligibility determination though the time required should decrease with additional training and as counselors make more accurate category assignments.

Eligibility Determination Time Frames for Youth Under Age 25

The percentage of eligibility decisions completed in 60 days or fewer for individuals under age 25 was slightly better than for adults, increasing from 77.5 percent in FFY 2015, to 80.7 percent in FFY 2016, and to 85.5 percent in the first three quarters of FFY 2017. ORS attributed the improved performance with this population to the greater availability of records for students referred by schools and a better understanding of the student by the VR counselors due to prior work with the student during pre-employment transition services or work with the student prior to application for VR services.

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

ORS substantially met the requirement for development of an initial IPE within 90 days. In FFY 2015, 98.1 percent of IPEs were completed within 90 days. This decreased slightly to 95.1 percent in FFY 2016, and to 94.4 percent in the first three quarters of FFY 2017, but ORS still substantially met the requirement.

IPE Development Time Frame for Youth under Age 25

The percentage of initial IPE's developed in 90 days or fewer was slightly lower for individuals under age 25, but ORS still substantially met the requirement. In FFY 2015, 100 percent were completed within 90 days. However, this percentage declined to 90.7 percent in FFY 2016, before increasing slightly to 92.1 percent in the first three quarters of FFY 2017. ORS indicated the slightly lower percentage was due to the greater complexity of identifying an employment goal with students and transition age youth, and difficulty in obtaining parent or representative signatures on the IPE.

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 demonstrates a wide diversity in occupational outcomes achieved by ORS consumers, with only two occupational categories having greater than single digit percentages. In the first three quarters of FFY 2017, the median wages ranged from $9.90 per hour in Sales and Related Occupations to $28.00 per hour in Computer and Mathematical Occupations.

The percentages of individuals achieving employment in each occupational category were relatively stable over the review period and, in the first three quarters of FFY 2017, the five most common occupational outcomes, in order of percentage and with median wage, were—

- Office and Administrative Support Occupations, 22.5 percent and $10.00 per hour;
- Food Preparation and Serving-Related Occupations, 14.5 percent and $10.00 per hour;
- Healthcare Support Occupations, 8.4 percent and $12.00 per hour;
- Sales and Related Occupations, 7.6 percent and $9.90 per hour; and
- Building and Grounds Cleaning and Maintenance, 7.3 percent and $10.00 per hour.

With the exception of Healthcare Support Occupations, the five most common categories were occupations that pay at or close to minimum wage, highlighting the challenge ORS faces in improving the quality of employment in an economy where the available openings are in minimum or near minimum wage occupations.

As described earlier, ORS is increasing engagement with employers in order to expand the employment opportunities in high paying, high tech and in demand industries and is leveraging the prevalence of unions and apprenticeship opportunities in Rhode Island.

Occupational Outcomes for Youth under Age 25

The percentages of individuals under 25 achieving employment in each occupational category were again relatively stable over the review period and similar to the data for all individuals. In the first three quarters of FFY 2017, the five most common occupational outcomes, in order of percentage and with median wage, were—

- Office and Administrative Support Occupations, 22.0 percent and $10.00 per hour;

- Food Preparation and Serving-Related Occupations, 19.8 percent and $9.84 per hour;
- Sales and Related Occupations, 14.1 percent and $9.61 per hour;
- Healthcare Support Occupations, 6.8 percent and $13.38 per hour; and
- Personal Care and Service Occupations, 6.8 percent and $10.00 per hour.

Again, with the exception of Healthcare Support Occupations, the five most common categories were occupations that pay at or close to minimum wage and were generally closer to minimum wage for individuals under age 25.

ORS reported that it pursues the same employer engagement and career pathway opportunities used with adults. This is augmented with work-based learning and apprenticeship activities that seek to employ students in competitive employment over an initial summer and then place them in an internship related to their employment goal in a second summer. This strategy provides the students with meaningful and marketable work experience and helps them to form relationships with persons in their career fields.

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 20152–017

Reasons for Exit for All Individuals and for Youth under Age 25

The reasons for exit reported in the RSA-911 for FFY2015 through the first three quarters of FFY 2017 were not remarkable except for the increase in both number and percentage of individuals exiting do to "unable to locate or contact," "no longer interested in receiving services or further services," and "all other reasons" in the first three quarters of FFY 2017. The increased use of these three exit reasons is attributed by the agency to the review and update of caseloads that occurred during that year.

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

ORS has a quality assurance unit that conducts case reviews semiannually in November and May. This is in addition to case reviews and case supervision provided by supervisors on an ongoing basis. ORS also formally reviews community rehabilitation providers and vendors to assess vendor performance, in addition to monthly contacts by VR counselors with vendors to review status and progress in individual cases.

ORS has also focused on improving the implementation of the OOS, and noted that in the past, 98 percent of individuals were placed in Category one, and that after training efforts, including training by WINTAC, this has been reduced to 50 percent with further improvement expected as staff become more adept at making accurate category placement decisions.

ORS uses a commercial case management system and makes regular use of reports and alerts provided by that system. The system also includes a stringent three-day limit for backdating information entered into the system.

ORS recently developed new regulations that took the place of earlier policies that received final departmental clearance in June 2018, as well as accompanying quality assurance procedures that were in draft form at the time of the review. ORS has requested technical assistance in the form of RSA review and feedback on these draft procedures.

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 summarized in Appendix B. Service record data verification results are discussed in the observation below, as applicable.

ORS' data quality was generally good with the exception of date of application and date of most recent or amended IPE. In each of these areas, for 50 percent of the cases the dates in the case management system did not match the dates on the source documentation. ORS achieved 90 percent accuracy for start date of initial service, and 97 percent accuracy for date of eligibility determination and start date of employment. ORS achieved 100 percent accuracy in all other data elements that were reviewed.

D. Observations and Recommendations

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

Observation 2.1 Implementation of Order of Selection

ORS has implemented an order of selection (OOS) since FFY 2010 and Categories II and III have been closed since that time. However, ORS has assigned the vast majority of individuals to Category I. For example, the current State Plan indicates there are 3,318 individuals in Category I, only 18 in Category II and none in Category III. Since ORS has in the past had funds available to serve these individuals, Category I remained open and the number of individuals on the waiting list remained small, ranging from 36 in FFY 2015, to 25 in FFY 2016, and 28 in the first three quarters of FFY 2017. However, in its program year (PY) 2018 State Plan Update, ORS stated that, at the conclusion of FFY 2017, ORS was confronted with additional budget constraints, increased costs of services, and agency obligations to comply with a Department of Justice Consent Decree signed in April 2014. Consequently, ORS requested $5,000,000 in reallotment funds, but only received $532,198. The combination of these factors necessitated closure of all categories in the OOS. In additions, ORS is not accepting any new individuals for IPE development with the result that the number of individuals on the waiting list is rapidly

increasing. As of July 18, 2018, there were 598 individuals on the OOS waiting list, compared to 28 at the end of FFY 2017.

In addition to continued staff training efforts, ORS modified Category 1 to require four functional limitations instead of three. ORS is improving the distribution of individuals assigned to various categories and of the 598 individuals on the waiting list at the time of the review, 480 individuals were assigned to Category I, 112 to Category 2, and 6 to Category 3. These numbers included 37 Consent Decree individuals in Category I and one in Category II. However, having the bulk of the individuals in Category I still has the effect of reducing the effectiveness of the OOS. Individuals in Category 1 with fewer functional limitations will receive services before individuals also assigned to Category I with more limitations, but who applied later.

During the on-site portion of the review, ORS discussed various factors that led to the closure of all OOS categories. ORS indicated the Consent Decree in Rhode Island is a major contributing factor as the BHDDH is referring individuals with most significant disabilities to ORS for placement in competitive integrated employment. ORS indicated that the start of these referrals in FFY 2015 was largely responsible for the increase in referrals and eligible individuals in that year. ORS further noted that this initial surge of referrals represented the individuals who had some work skills and were closer to being work ready, resulting in quicker placements. While the number of individuals who are being referred each year has decreased slightly, these individuals have greater functional limitations and require more intensive services to successfully place. The agency projects that the level of difficulty in serving these individuals will continue to increase, creating greater challenges for both ORS and for the vendors providing services.

Recommendations 2.1 Implementation of Order of Selection

RSA recommends that ORS—

2.1.1 Collaborate with WIOA partners and BHDDH to ensure that competitive integrated employment placements can be accommodated whenever possible utilizing other program resources in order to free up ORS resources to re-open Category I as soon as possible;

2.1.2 Provide technical assistance to other programs serving individuals with disabilities, including BHDDH, to facilitate the use of other program staff and resources to assist individuals in obtaining competitive integrated employment, given that competitive integrated employment has become the common standard in Rhode Island under the Consent Decree, and ORS is under an OOS with all categories closed; and

2.1.3 Continue efforts to better manage category assignment to reduce the number of individuals assigned to Category I to a level that allows Category I to be opened and maintained in an open status.

Agency Response: ORS concurs with some of these recommendations.

2.1.1 ORS will develop and has developed partnerships with our WIOA partners: RI Department of Labor and Training (DLT) and Behavioral Health Developmental Disabilities and Hospitals (BHDDH) in order to ensure that those individuals placed on the waitlist have employment services available to them, especially considering the requirements of our Department of Justice Consent Decree. The DLT Disability

Employment Initiative was one avenue (as well as referral to services from the America's Job Center staff). For those individuals who were applicants from our high school/transition programs, Pre-ETS services were another option to assist with freeing up resources. ORS also began brainstorming with BHDDH and DLT to envision programming for the provision of a cross disability job development/employment services group. The planning of this initiative began in 2018, and went to gather information from partners, individuals as part of focus groups in early 2019.

As part of the overall outreach to other resource partners, ORS will support and encourage client participation in the Community Provider Network of RI (CPNRI) Governor's Workforce Board (GWB) Pathways partnerships supported by DLT, BHDDH, the RI Developmental Disabilities Council and Provider agencies.

ORS has and will continue to work with BHDDH, Real Jobs RI (another programmatic arm of the GWB) to develop programs and initiatives as part of overall WIOA partnering for increased access to vocational and employment services and training. For example, ORS worked with in collaboration to provide funding for a vendor agency to support the Adult Project Search Program at RI Hospital. In 2019/2020, ORS will partner with BHDDH and the DLT in identifying a second Adult Project Search Site in which BHDDH may fund the license for the implementation of the program.

2.1.2 ORS has provided TA and guidance to sister agencies to inform them of the OOS, waitlist, reasonable accommodations, disability awareness, and VR services. In addition, ORS used and will continue to utilize WINTAC for both Rehabilitation Counselor training and Provider Training when appropriate, i.e., collaborative funding models, common performance measures, OOS/functional limitations, etc. WINTAC has been utilized for Customized Employment planning with the Providers, Business Engagement, and Pre-ETS. ORS will continue to utilize this resource to enhance skill development on a variety of vocational topics.

ORS has funded training through National Center for Innovation and System Improvement (NCISI) for Supported Employment Providers (and ORS staff has participated in) to develop and enhance the skills necessary to assist individuals in locating Competitive Integrated Employment opportunities.

ORS will continue partnership with BHDDH to begin implementation with Supported Employment Providers in Customized Employment.

2.1.3 ORS has implemented several steps prior to an individual being assigned a Category in the Order of Selection. ORS will/has provided Supervisors, and Counselors with ongoing training, technical assistance and guidance to ensure a consistent category identification for all individuals applying for services.

Counselors must obtain medical documentation to confirm the functional limitations of the individual prior to any assignments in the Order of Selection.

ORS staff must have the medical consultants review each file to assist in determining the severity of the functional limitations to support the Category Assignment. Since December 2017, ORS has placed 287 individuals in Category 2, which roughly works out to 65% assignment to category 1, and 25% assignment to category 2 which ORS

feels is a much more accurate methodology of category assignment. ORS does also use Category 3 assignment, and that is generally the case less than 10% of the time.

ORS Supervisors must review and enter a note to support the Order of Selection assignment prior to the counselor moving the individual to the wait list.

Technical Assistance: ORS does not request technical assistance.

Observation 2.2 Data Accuracy and Retention

ORS' data quality was generally good with the exception of date of application and date of most recent or amended IPE. In each of these areas, in 50 percent of the cases the dates in the case management system did not match the dates on the source documentation.

Based on interviews with both ORS administrators and field staff, it appears that the majority of the inaccuracy in dates is due to the delay encountered when uploading applications and IPEs that are taken or developed in schools or itinerant offices. The current three-day back dating limit, while representing a strong internal control, may be posing a barrier to entering the correct date when staff are able to access the case management system.

Another possibility is that staff may not be checking to ensure the date being entered into the system is correct, as the date auto-populates based on the current date. ORS may want to consider disabling this function to require staff to manually enter the date on the application, rather than automatically accepting the default system date.

The review team also noted that ORS archives records using a fixed schedule. All hard copy documents are scanned and uploaded to the case record before the hard copy documents are destroyed. However, the RSA team also noted that not all hard copy documents were apparently scanned in some of the older case records as they could not be found in electronic form.

Recommendations 2.2 Data Accuracy and Retention

RSA recommends that ORS—

2.2.1 Evaluate current procedures for entering application dates and IPE dates into the case management system to ensure that they are entered both accurately and in a timely manner;
2.2.2 Evaluate current internal control procedures to ensure that policies and procedures such as back dating in the case management system are flexible enough to allow staff to correctly enter the data yet rigorous enough to ensure data is uploaded in a timely manner; and
2.2.3 Review current document archive procedures to ensure that prior issues with scanning all required documents into the case record have been resolved.

Agency Response: ORS concurs with some of these recommendations.

2.2.1 ORS has:

Reviewed its internal controls, and role and application settings available within the electronic case management system (ECM) and will explore making the following

adjustments in pre- and post-dating rules in MIS: Support staff entering applications must be able to back date within the ECM system beyond the 3 days for application entry to ensure the date stamp on the application received is entered correctly into the VR Application within the ECM system. ORS is working with Libera to make sure this is the case, and if not, to ensure that updated ECM system rolling out in 2020 has that functionality. Support staff are also tracking new applications coming into the agency, date timestamped, and date entered into ECM. This tracking form is emailed to supervisors and administrator monthly. This monitoring will allow for revisions to the process to ensure compliance.

ORS has updated the Internal Procedure Guidance related to this process, "Internal Application Date Stamp Procedure" and re-distributed to all VR staff and reviewed with Support Staff. See attached Internal Procedure Guidance Re: Internal Application Date Stamp Procedure, last updated 10/10/19. See attached Internal Procedure Guidance.

ORS has reviewed RSA 911 element 48, "Date of Most Recent or Amended IPE", its

internal controls, and role and application settings within the electronic case management system. With that, ORS continues to see a value in the internal control of Supervisors signing off on IPEs and has made adjustments to enable Supervisors to date a plan within the ECM system with the later date posted by the VRC or Client; this complies with the element 48's description that if an IPE has different signatory dates, the later date should be considered the effective date of the IPE. In November 2019, ORS reviewed this process with Supervisory staff.

ORS has also educated VRCs that the signature page attached to the IPE must align with the VRC and Clients electronic date on the IPE.

ORS has provided to Supervisors and VRC the attached Internal Procedure Guidance titled: Internal Procedure Guidance: Regulation 1.12-19.

2.2.2 ORS has:

Reviewed the internal controls and application setting available within the electronic case management system and made the following adjustments: Support staff entering applications can back date within the ECM system beyond the 3 days for application entry and will ensure the date stamp on the application received is entered into the VR Application within the electronic case management system. ORS is working with Libera to make sure this is the case, and if not, to ensure that updated ECM system rolling out in 2020 has that functionality.

ORS has updated the Internal Procedure Guidance related to this process, "Internal Application Date Stamp Procedure" and re-distributed to all VR staff and reviewed with Support Staff. See attached Internal Procedure Guidance Re: Internal Application Date Stamp Procedure, last updated 10/10/19.

2.2.3 ORS/has:

Reviewed current document archive procedures to ensure that prior issues with scanning all required documents into the case record have been resolved. Support staff have been

educated to ensure that newly signed IPE amendments get scanned into record and to ensure that all previous amendments remain as part of the case flow in the ECF.

RSA Response: ORS provided the referenced attachments in its response to the above recommendations to the RSA team for review. These attachments are not included in this report.

Technical Assistance: ORS does not request technical assistance.

E. Findings and Corrective Actions

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

Finding 2.1 Untimely Eligibility Determination

Issue: Did ORS determine the eligibility of applicants for VR services within the required 60-day time frame from the date of application, and promptly and equitably handle referrals to facilitate making applications leading to assessments for determining eligibility in a timely manner.

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 for 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). In addition, in 34 C.F.R. § 361.41(a) the DSU must establish and implement standards for the prompt and equitable handling of referrals of individuals for VR services including referrals of individuals made through the one-stop service delivery systems established under Section 121 of WIOA. The standards must include timelines for making good faith efforts to inform these individuals of application requirements and to gather information necessary to initiate an assessment for determining eligibility and priority for services.

Analysis: As part of the monitoring process, RSA analyzed the length of time between application and eligibility determination for ORS applicants. According to reported data for FFYs 2015, 2016, and the first three quarters of 2017 by ORS on the RSA-911—

- The percentage of all individuals served whose service records were closed in FFYs 2015, 2016, and the first three quarters of 2017 that had an eligibility determination made within the required 60-day time frame was 81.1 percent, 81.9 percent, and 82.3 percent, respectively.

Conclusion: Although ORS' performance showed slight improvement over the review period, it did not substantially satisfy the required 60-day time frame for eligibility determination in accordance with 34 C.F.R. § 361.41(b)(1) for any of the years reviewed.

Corrective Action Steps:

RSA requires that ORS—

2.1.1 Comply with 34 C.F.R. § 361.41(b)(1) by making eligibility determinations within the required 60-day period, or when appropriate, ensure a properly documented and approved eligibility determination extension is in place according to ORS policy; and

2.1.2 Fully assess and identify the factors leading to eligibility determinations exceeding 60 days (e.g. effective and efficient management of caseloads) and develop and implement a plan to address and correct the identified factors.

Agency Response:

2.1.1 ORS will ensure that Eligibility is determined within the timeline pursuant to 34 C.F.R. 361.41(b)(1) by:

Action: ORS has verbally advised staff and issued Internal Procedure Guidance: Regulation 1.5-18, "60 Day Eligibility" on December 17, 2018 reminding all staff of this C.F.R. Federal requirement that Eligibility Determination must occur within 60 days of the application date and deviation from this standard is not acceptable. ORS will forward RSA evidence that the corrective actions have taken place and/or desired results have been achieved.

Standard to be met and method of evaluation: ORS will provide RSA quarterly documentation/data through the CAP portal that demonstrates progress toward meeting the minimum of 90% compliance of Eligibility Determination within 60-days until the standard has been met for three consecutive quarters.

Evaluation: Confirmation from RSA that ORS has met the minimum of 90% compliance for the subscribed time period.

2.1.2 ORS will develop and implement a plan to correct the identified factors as to why eligibility determinations have exceeded the 60 days allowed.

Action: ORS, through its Quality Assurance reviews over the next 12 months, will assess the following processes currently in place for eligibility determination to uncover unforeseen factors which may be impeding timely eligibility determination:

Timely entry of application into the ECM system.

Initial contact/meeting with client: ORS Internal Procedure requires an applicant to be contacted within ten days.

Presumed Eligibility determination.

Review of case by Medical/Psychological consultant.

Review of eligibility determination in case by Supervisor.

This review will allow ORS to explore methodology, training, and oversight for the plan to correct these obstacles.

Effective use of electronic case management system alert tools: ORS has ensured Supervisory and Vocational Rehabilitation Staff have access to the Action Alert PDQ

available for monitoring timely eligibility determinations. ORS will retrain Supervisory and Vocational Rehabilitation Staff in the use of this Action Alert PDQ. Supervisors will review movement of cases to eligibility during each scheduled staff supervision, and when deemed clinically appropriate, work with staff to utilize the 60-day Extension Letter or movement toward closure. Currently, the ECF PDQ has an Action Alert notification that pulls the case into yellow at 30 days leaving time to assess the need to request a 60-day extension or propagation of a closure letter to ensure closure before the 60th day.

Standard to be met and method of evaluation: ORS will provide RSA quarterly documentation/data through the CAP portal that demonstrates progress toward assessing and remediating unforeseen factors to meeting 60-days to eligibility, thus resulting in the meeting the minimum of 90% compliance of Eligibility Determination within 60-days until the standard has been met for three consecutive quarters. In addition, ORS is exploring having a 90% compliance rate for 60-day eligibility and 90% 90-day to IPE development be a productivity goal for VRCs.

Evaluation: Confirmation from RSA that ORS has met the minimum of 90% compliance.

RSA Response: ORS provided the referenced attachments in its response to the above findings and corrective action steps for RSA's review**.** RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance.

Request for Technical Assistance: ORS requests technical assistance to refresh staff (and/or educate new staff) having difficulty moving cases in allotted 60-day time frame.

F. Technical Assistance

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

Order of Selection

The RSA team provided technical assistance regarding the implementation of the OOS, including the assignment and distribution of individuals across categories, staff training and the interplay between the OOS and the Consent Decree in Rhode Island. ORS indicated that a request had been made that all individuals referred under the Consent Decree be served outside the OOS as all OOS categories are currently closed in Rhode Island. This issue had been addressed prior to the on-site portion of the review. However, the RSA team revisited the issue and affirmed that the Consent Decree does not pre-empt the OOS. The team further clarified that status as a referral under the Consent Decree cannot be a factor in the eligibility determination or assignment to OOS categories as "source of referral" is a prohibited factor in both eligibility determination and OOS priority assignment under 34 C.F.R. §§ 361.36 and 361.42, respectively.

Data Validity and Internal Controls

The review team also provided technical assistance regarding ORS' data validity and internal control processes, including potential changes in the case management system and revision of procedures regarding input of data and destruction of archived records. The onsite team noted that there were a few instances of missing hard copy source documents that were apparently not scanned into the electronic case record when those hard copies were purged. The team also noted apparent issues in the data migration between ORS' prior case management system and its current case management system. ORS had planned to migrate to a new system, but due to significant cost increases it elected to stay with its current case management system, with the intent to upgrade the current systems capabilities. The review team provided technical assistance regarding changes that would be beneficial and improve data quality, such as adding a pop up window to ask staff to verify the dates on hard copy documents before saving pages with critical dates in the system and/or removing coding that inserts the current date in fields such as date of application that may not always be entered on the same date the application is taken.

The review team also discussed the pros and cons of shorter versus longer periods in which system dates could be backdated and suggested ORS review its current backdating policies to strike a better balance between the realities of the workload and the delays in entering data, and the need for sufficiently firm internal controls. The RSA team also noted the consequences of delayed intervals in entering applications in the system and the subsequent assignment of the case to a VR counselor. For example, a ten-day delay between entering the applicant's case in the system and assigning a VR counselor effectively reduces the 60 days available for an eligibility decision to 50 days.

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 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 vocational rehabilitation 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 ORS' service delivery system and implementation of VR services, including pre-employment transition services and transition services follows.

Structure of Service Delivery

Rhode Island has 39 school districts which function largely independently in their implementation of transition under IDEA. ORS has VR counselors assigned to each public high school in Rhode Island, as well as to some private and charter schools. Three education collaboratives in Rhode Island support four regional transition centers (RTCs), each of which has a regional transition coordinator that facilitates the provision of transition services to public, non-public and charter schools in the State serving youth eligible under IDEA in partnership with other agencies in the State, including ORS.

Consistent with the IDEA age for transition services in Rhode Island, ORS has established the minimum age of 14 for the start of pre-employment transition services and provides services

through age 21. However, the RSA team was advised that ORS continues to provide pre-employment transition services to students who turned age 22 during the school year. Except for engaging students with disabilities at age 14 for pre-employment transition services, ORS normally engages transition students two years prior to graduation and students normally apply for the full range of VR services at age 16. Students may apply for VR services earlier if they choose, or in anticipation of placement on the OOS waiting list.

Due to confusion between applying for pre-employment transition services versus applying for VR services, ORS has elected to refer to the application for pre-employment transition services as "registering" for pre-employment transition services. The VR counselors assigned to the school facilitate the process by describing the available activities and assisting the student in determining whether registration for pre-employment transition services and/or an application for VR services will best serve the student with a disability.

Most of the transition and pre-employment transition services are provided by vendors through a fee-for- service structure. However, the VR transition counselors may also provide some of the required activities such as job exploration counseling. ORS does not currently use the services to groups of individuals with disabilities authority to provide either transition or pre-employment transition services to students.

The VR counselors and regional transition coordinators both meet with students and school staff to coordinate and facilitate transition activities. ORS did have a broader partnership with RIDE which was considered a best practice in 2007, however this was discontinued in 2012 as ORS did not have sole control of the funds used in the partnership.

ORS holds a "Connect 2 Careers" conference to provide opportunities for students to conduct informational interviews with employers. In advance of these day long events, the students pick three occupations and ORS then brings in related companies to provide interviews for positions, some of which result in hires at the event. These events include both transition and pre-employment transition students who are not always applicants for the full VR program. An event conducted near the time of the review included 79 employers with 96 students and six rounds of interviews.

ORS also conducts a one-day forum, the College Forum, in collaboration with the Rhode Island Transition Council. The one-day forum focuses on high school seniors planning to attend postsecondary education and includes panel discussions and breakout sessions related to disability, reasonable accommodations, and financial aid. The event is usually held in March with the goal of helping families understand differences between high school and postsecondary education accommodations.

Outreach and Identification of Students and Youth

During the review, ORS indicated it had increased its collaboration with the Rhode Island Department of Labor and Training and youth centers to identify and engage youth with disabilities. However, ORS indicated that no substantial change has been necessary in its outreach and identification of students in schools under WIOA. ORS has a long history of having a VR counselor assigned to each high school and the relationships with schools have become even more important since the Consent Decree. VR counselors and administrators visit each high school and provide an introduction to available VR and pre-employment transition services.

Outreach activities include transition nights, advisory council meetings, and participation in a transition institute.

ORS noted that one of the challenges it faces is explaining to LEAs the differences between pre-employment transition services and transitions services. ORS addresses this challenge by retaining the same referral process as for VR services and relying on the VR counselor assigned to the school to sort out the appropriate action and registration or application process when meeting with the school, students, and parents. The process appears to be well received as the 2017 comprehensive statewide needs assessment (CSNA) identified that students indicated a positive experience with ORS, and that the referral process was seamless.

The 2017 CSNA noted that there were 8,400 students in Rhode Island with IEP's including students in formal school settings, students who are home-schooled, and students in other types of non-traditional school settings. It also indicated that students under Section 504 appear to be underserved. The CSNA further noted that "at-risk" students with learning disabilities were potentially not accessing services because of resistance to identifying as having a disability.

According to the CSNA, students and their parents indicated they are unaware of the full scope of services available to them, and had difficulty understanding written materials provided by ORS. The VR agency reported that it is responding to these concerns by developing materials about ORS that are easier to comprehend for both students and parents. ORS is also considering strategies to better connect to "at-risk" students outside of the schools, and to remove students feeling stigmatized by receiving VR services. In addition, ORS is expanding outreach to other programs, such as youth centers, family resource centers, career and education programs, and institutions of higher education, particularly disability support services, to increase access to underserved youth and students with disabilities.

Provision of Pre-Employment Transition Services

Required Activities

Once a student with a disability registers for pre-employment transition services, the VR counselor may authorize any of the needed required activities. Fees for vendor services are based on a flat rate for each service, rather than on an hourly rate; however, the fee schedules for each activity include the scope of service and the expected hours required to provide the activity. The amount paid varies depending on the particular activity type.

The vendor provides a report to the VR counselor upon completion of the activity and ORS also tracks expenditures for each service on a monthly basis. The VR counselors hold regular monthly meetings with vendor staff to monitor the delivery of services and to ensure any developing issues are detected and addressed. When issues are identified in service provision the VR counselors are able to raise these issues and resolve them with the vendor and supervisor.

ORS does not use third-party agreements to provide transition or pre-employment transition services but is exploring other service provision arrangements. For example, ORS is considering using vendors to work with LEAs in order to better document the services that are being provided by the LEAs.

Authorized Activities

ORS indicated it is not providing or tracking pre-employment transition services authorized activities, giving preference to spending all available funds on the provision of required activities. The review team noted that some of the services being provided by ORS are countable as authorized activities. ORS agreed that while it could report some of these authorized activities toward the 15 percent reserve, it projected that the 15 percent reserve and expend requirement will be met and additional expenditures will not need to be assigned to the reserve. ORS indicated that reporting more than15 percent toward the reserve is problematic given the OOS and the current status of all categories being closed. Additional expenditures in excess of the 15 percent reserve might be perceived negatively as affecting on ORS' ability to serve its traditional adult population of individuals with significant and most significant disabilities. ORS indicated it needs to maintain a careful balance in this regard.

Pre-Employment Transition Coordination Activities

The VR counselors located in each school attend administrative and advisory council meetings, and Rhode Island Transition Council meetings as well as student IEP meetings. The staff time required to attend these meetings is recorded using a tracking sheet. ORS indicated it has received technical assistance from WINTAC in this area.

Status of Implementation of Policies and Procedures

At the time of the on-site review, ORS was in the process of revising its policies in the form of regulations and was developing accompanying internal procedures. This created an environment in which the VR counselors operate with policies and procedures that are in a state of change. The review team noted a minor level of inconsistency in understanding all requirements among staff concerning specific requirements and procedures; however, all staff interviewed had a solid grasp of the mission and priorities of the agency, indicating that, while there are some deficits in knowledge of the details in the policy and procedures, the practices are in keeping with the intent of the policy and procedures. ORS uses fact sheets to provide guidance on policies. Policies are in the form of regulations and any modifications will require revision through the full rule making process. At the time of the on-site visit, ORS was in the process of finalizing the development of the accompanying draft procedures. These procedures are used to more fully describe and implement the policies. ORS may amend this sub regulatory guidance without going through the rule making process.

Provision of Transition Services

ORS reported using the same vendor-based service delivery and fee structure to provide transition services to individuals with disabilities but does not provide transition services under the services to groups authority.

ORS' transition activities include—

- Project Search;
- A summer employment program for secondary students;
- After school programs; and
- A summer work program for individuals in postsecondary education.

ORS offers Project Search to students in their last year of high school, which includes a classroom component provided by the LEA, and a rotation of three internships supported by ORS. The internships are unpaid work-based learning opportunities that take place with employers in the community.

ORS' summer employment programs are community-based paid work experience, although ORS will occasionally place individuals in an unpaid internship when necessary if no other internship opportunity is available. Individuals in the summer employment programs receive two paid positions over two summers. The first placement is used to acquire basic work experience and general work skills. ORS then uses the second placement to focus on an occupation that is closely related to or in the occupational area on the individuals IPE. This is intended to help students to better assess their career choices and obtain marketable work experience in their chosen occupations.

ORS addresses the technology needs of transition age youth through the Assistive Technology Access Partnership. ORS initiated a sensory lab for assistive technology to ensure individuals have the equipment that is necessary to succeed in postsecondary education or employment.

State Educational Agency (SEA) Agreement

ORS is in the process of revising its interagency agreement with the State educational agency, termed a Cooperative Agreement, with the Rhode Island Department of Education (RIDE), which was last updated in 2016. The draft agreement outlines financial responsibility in broad terms related to the responsibilities of ORS and RIDE under the Rehabilitation Act of 1973, as amended by Title IV of WIOA and the IDEA. It further specifies that ORS' provision of transition services does not supplant transition services that are necessary for a free and appropriate public education or transition under IDEA. Under the Cooperative Agreement, ORS is required to assign a VR counselor to each comprehensive high school in the State and spells out the procedure to be followed by LEAs to facilitate attendance of the assigned VR counselor at IEP meetings. The Cooperative Agreement also included provisions for monitoring and for dispute resolution. RIDE's roles and responsibilities were described as those required under the IDEA. At the time of the on-site visit, all provisions for the SEA agreement in 34 C.F.R. § 361.22 were not included in the existing agreement and the RSA team provided technical assistance to address those provisions that needed to be included in the draft agreement.

IPE Development for Students and Youth with Disabilities

ORS substantially meets the requirement that transition students receive an IPE within 90 days of eligibility with 92.1 percent receiving an IPE within 90 days for cases that were closed in the first three quarters of FFY 2017. To accomplish this, the transition counselors make use of what ORS calls "exploratory goals" that assist the student to more fully explore and revise an employment goal as the student learns more about potential occupations and develops a greater awareness of his or her potential. VR counselors reported a challenge in obtaining signatures from parents or guardians on the IPE and indicated this is an impediment to further improvement in this area.

C. Observations and Recommendations

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

3.1 State Educational Agency (SEA) Agreement with the Rhode Island Department of Education (RIDE)

Issue: Does ORS have an executed SEA agreement that is in compliance 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: Although ORS was in the process of revising its interagency agreement with the State educational agency, termed a Cooperative Agreement, with the Rhode Island Department of Education (RIDE) at the time of the monitoring visit, the existing agreement with RIDE was not in compliance with the minimum requirements of a formal interagency agreement with a SEA pursuant to Section 101(a)(11)(D) of the Rehabilitation Act, as amended by Title IV of WIOA, and 34 C.F.R. § 361.22(b). While the agreement was last updated in March 2016, to extend the agreement through June 30, 2018, the updated agreement did not include requirements relating to pre-employment transition services as required by Section 101(a)(11)(D)(i) of the Rehabilitation Act and 34 C.F.R. § 361.22(b)(1), including how these services differ from transition services and the referral processes for each of these services. In addition, the role and responsibilities of RIDE are not clearly spelled out in the agreement. These items must be identified in the agreement. The agreement does not address the coordination and documentation requirements

with regard to students and youth with disabilities who are seeking subminimum wage employment in 34 C.F.R. § 361.22(b)(5), including the assurance that neither the SEA nor LEA will enter into a contract or other arrangement with entities for the purpose of operating a program under which a youth with a disability is engaged in work compensated at a subminimum wage (34 C.F.R. § 361.22(b)(6)). Although Rhode Island does not allow payment of subminimum wage currently, this assurance must be included in the SEA agreement.

Conclusion: Pursuant to Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R § 361.22(b), ORS must enter into a formal interagency agreement with RIDE that is compliant 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, ORS is 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 ORS—

3.1.1 Revise the current SEA agreement between ORS and RIDE to comply with the requirements at Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R. § 361.22 (b); and

3.1.2 Submit the revised formal interagency agreement between ORS and RIDE for RSA's review, as part of ORS' corrective actions associated with the FFY 2018 Section 107 Monitoring Review.

Agency Response:

3.1.1 ORS has finalized an amended MOU with RIDE that covers September 1, 2019 through June 30, 2023. This takes the place of the expired MOU from June 30, 2018; both parties had agreed to an extension until this document was signed. Both RIDE and ORS agree that further amendments that may need to be put in place to comply with Section 101 and the 34 C.F.R. requirements noted. See attached MOU.
ORS will revise this MOU per these regulation requirements. RIDE has agreed to work with ORS on any amendments necessary.

3.1.2 ORS will submit this newly signed MOU to RSA for review, as well as any further revisions necessary to comply with the FFY 2018 Section 107 Monitoring Review. RIDE has agreed to work with ORS on any amendments necessary.

RSA Response: ORS provided the referenced MOU to RSA for review in an attachment with its response to the draft report and it is not included in this final report**.** RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance.

Request for Technical Assistance: ORS requests technical assistance to assist with any modifications necessary to MOU to get to full compliance.

E. Technical Assistance

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

Reporting of Authorized Activities

The RSA team provided technical assistance to ORS regarding the reporting of authorized activities toward the 15 percent reserve in the context of ORS' need to balance reporting pre-employment transition services expenditures with the optics of an OOS with all categories closed where adults and students in need of VR services are on a waiting list. ORS indicated that it has not been reporting activities that could be included as authorized activities under the reserve as ORS does not envision falling short of the required 15 percent reserve. ORS added that exceeding the 15 percent is problematic when it is operating under an OOS with all categories closed, as anything over 15 percent spent on students with disabilities for pre-employment transition services is controversial when ORS has adults with most significant disabilities on the waiting list and is currently unable to move forward with any new IPEs. The RSA team acknowledged the concerns and provided technical assistance regarding the pros and cons of slightly over reporting in order to ensure the reserve is still met, in the event some of the reported expenditures are disallowed. Additionally, the RSA team clarified that pre-employment transition services required activities must be made available to all students with disabilities in need of such services and that these services could not cease once expenditures approached the 15 percent reserve requirement.

Feedback on Policies, Draft Procedures and Cooperative Agreement

During the brief time available to review the document on-site, the team noted a few areas in ORS' regulations that were inaccurate or incompletely addressed that would need to be supplemented with more detailed or corrected internal procedures to ensure ORS' practices were consistent with the requirements of the Rehabilitation Act and accompanying regulations. The RSA team offered to provide further technical assistance as needed.

The RSA team also reviewed the draft Cooperative Agreement with RIDE and provided feedback, particularly regarding the limited coverage of financial responsibility of both parties. The review team discussed the current process in Rhode Island where the DSU director is not the signatory to all MOUs and the potential concerns this creates in terms of full participation in the development of agreements and control of the expenditures related to MOUs.

Maximum Age for Pre-Employment Transition Services

The RSA team discussed the ability to provide pre-employment transition services through the end of the school year for students who turn 22 during the school year in response to ORS' question about when pre-employment transition services must cease after the student ages out of the State's specified IDEA age range. The age range in Rhode Island is 14 to 21, however ORS has been operating under the assumption that it can serve individuals who have turned age 22 during the school year until the end of the school year based on information it received through other technical information sources. The RSA review team indicated that the cessation of services to students with disabilities must coincide with the maximum age under IDEA and suggested that ORS explore whether the IDEA age range in Rhode Island allows for continuation

of services for students with disabilities to continue for those who turn 22 years of age during the school year.

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

The ORS Supported Employment Services Program assists eligible individuals with the most significant disabilities to find and keep a job in an integrated work setting, paying at least the prevailing minimum wage and pay commensurate with wages earned by non-disabled workers performing the same tasks. ORS counselors provide supported employment services to individuals with the most significant disabilities based on a determination of the individual's needs and informed choice as specified in the individual's IPE. In addition, counselors have specific liaison assignments to the Department of Developmental Disabilities, the Department of Mental Health, and the RI Department of Education (RIDE). All VR counselors provide supported employment services and refer individuals to community rehabilitation programs for supported employment services, including extended services. Supported employment services may include job-coaching, assistive technology and personal assistance services, among others.

The VR counselor may use trial work experiences in community-based, integrated work settings during the eligibility determination process to determine if individuals with the most significant disabilities are capable of benefitting from VR services that would lead to a competitive integrated employment outcome in supported employment. ORS has established an expectation that employment must be at least ten hours per week, and work must be in an integrated setting in the community at minimum wage or above commensurate with workers without disabilities. Job coaching/training occurs after placement. ORS provides intensive ongoing supports for a period of five months for those with long-term supports in place and up to twenty-four months for those without long-term supports in place. Long-term ongoing supports are provided through other funding sources such as BHDDH. Natural supports may be used by the consumer for job supports, transportation, and social connections in the workplace and are often identified prior to the job placement. Youth over age 17 must apply for eligibility for developmental services with BHDDH and if determined not eligible for DD services, then ORS can provide extended services for up to 48 months or until a youth turns age 25, whichever occurs first.

Individuals with the most significant disabilities participate in community-based work experiences in an integrated setting, which provides opportunities for an individual to experience

a variety of work situations, in addition to identifying on-the-job and off-the-job supports needed to maintain employment. The goal is for the individual to experience a total of 40 paid working hours with needed supports and assistance to adapt to the work environment.

ORS approves services from over sixty CRPs based on each program's ability to provide services through qualified staff and a commitment to assist individuals with the most significant disabilities to reach competitive integrated employment goals consistent with their IPE. ORS created a fee-for-service structure for CRPs to provide community-based work experience; job development; job coaching; and job retention. Under the Supported Employment Job Development and Placement Services system, payment to vendors is based on four milestones: supported employment job development and placement; employment in the placement for four weeks or more; post-placement retention and supports that may be provided on or off site at 20 weeks; and, post-placement extensions when needed under specific situations to address critical issues.

Under the Interim Settlement Agreement and the Consent Decree with the State of Rhode Island and the U.S. Department of Justice, Employment First principles and practices are used in planning and service delivery for adults, in-school youth, and out-school youth with significant intellectual disabilities (I/DD) who need access to the continuum of supported employment services in order to work. Three State agencies— ORS, RIDE and BHDDH—are required to develop and implement a service delivery system that ensures adults and youth with I/DD have access to integrated competitive employment opportunities in order to make fully informed choices about work. According to ORS, the Consent Decree obligates ORS to provide in-school youth with I/DD a 120-day trial work experience prior to leaving high school and obligates CRP personnel providing supported employment job coaching and job placement services to meet certain criteria/credentials to provide services. In addition, the Consent Decree obligates the State of Rhode Island to establish a Continuous Quality Improvement review of each agency providing supported employment services. Considerable CRP development will be necessary to meet the needs of all ORS adult and youth eligible for supported employment services and to expand CRP access to funding source options such as Ticket to Work.

ORS has revised its draft regulations and internal procedures to be consistent with the Federal requirements related to extending the duration of supported employment services from 18 to 24 months; to include competitive integrated employment and the short-term basis; customized employment; extended services for youth with most significant disabilities for up to four years or until the youth reaches the age of 25, whichever occurs first; and to reflect the regulatory requirements for achieving an employment outcome in supported employment, transition to extended services, and closing a supported employment service record. RSA provided technical assistance related to some of the newer provisions under the Rehabilitation Act while on-site and ORS reported that additional sections related to procedures outlined in the supported employment policies still in draft form were due to be finalized by December 2018.

The most recent comprehensive statewide needs assessment (CSNA) included recommended action strategies to enhance the provision of supported employment. The following represent possible strategies for exploration:

- Develop materials about Office of Rehabilitation Services that are easier to comprehend for both students and parents;

- Consider strategies on how to better connect to "at-risk" students outside of the schools, as students report feeling stigmatized;
- Provide opportunity for youth to access Office of Rehabilitation Services information outside of school (mental health centers, youth centers, higher education, etc.).
- Expand outreach to other programs, such as youth centers, family resource centers, and career & technical education programs.
- Strengthen connections to higher education, particularly disability support services coordinators, to increase access to underserved youth.
- Assist schools in increasing communication and coordination for "at-risk" youth.

Performance of the Supported Employment Program

A summary analysis of the data on the performance of the Supported Employment program revealed the following:

- The number of individuals who achieved a supported employment outcome increased from 96 in FFY 2015 to 116 in FFY 2016 and to 101 in the first three quarters of FFY 2017;
- The percentage of competitive employment outcomes decreased from 100 percent in FFY 2015, to 87.1 percent during the first three quarters of FFY 2017;
- The five services most often provided to individuals in competitive supported employment in the first three quarters of FFY 2017 included: career assessment (100 percent); information and referral service (97.7 percent); job placement assistance (86.6 percent); on-the-job supports (86.4 percent); and maintenance (56.8 percent); and
- In the first three quarters of FFY 2017, the average hours worked per week for competitive employment outcomes was 19.2 hours per week and the median hourly earnings was $9.63 per hour, increasing from FFY 2015.

ORS attributed the decrease in competitive employment outcomes to the changes in the Rhode Island minimum wage in 2017, and staff not updating the wage at case closure from the wage paid at placement. Under the Consent Decree, ORS' supported employment outcomes must be in competitive integrated employment at or above minimum wage. This same error may also indicate that median wage data may not be accurate. RSA suggested that data system "rounding" might also contribute to wage errors. Despite this, ORS has seen an increase in median hourly wage from 2015 through 2017.

C. Observations and Recommendations

RSA's review of the ORS 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 the ORS' performance in this focus area did not result in the identification of findings and corresponding corrective actions to improve performance.

E. Technical Assistance

Upon review of ORS' policies and procedures, RSA recommended that ORS revise its supported employment internal procedures regarding the definition of "supported employment services" and "extended services" to be consistent with 34 C.F.R. §§ 361.5(c)(54)(iii) and 361.5(c)(19).

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

Non-Federal entities are required to have an internal controls process designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of reporting for internal and external use, and compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This includes the methods and procedures used to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements. During the time of the on-site visit, the agency was formally amending and updating outdated program policies.

Additionally, within both programmatic and fiscal departments, ORS had recently experienced significant staff turnover. New staff orientation was complicated by a lack of written processes or procedures for implementing the terms and conditions of the grant award. RSA's on-site discussions with staff often resulted in the agency's inability to provide supporting documentation or detail how past processes were completed or previous projects implemented. ORS fiscal staff reported that it had little to no written processes for complying with the terms and conditions of the award when hired. As a result, staff worked hard to begin the process of writing procedures and implementing internal controls. At the time of the review, the agency's fiscal staff had made significant progress on developing strong internal processes and implementing procedures; however, while most of the internal controls are strong in practice, they have not been formally written.

ORS' Federal and non-Federal obligations and expenditures are processed in the State financial system where ORS maintains budgets, unobligated balances, authorizations, and liquidations and unliquidated authorizations. This system is electronic and entirely web-based. All authorizations from the case management system are in the financial system and all invoices are electronically maintained in the system with the original authorization record. Payments cannot be processed against authorizations unless the supporting invoice is included in the system and approved. However, as mentioned in more detail in Section 5-C of this report, the agency paid for expenditures with the FFY award based upon the date the invoice was received, not the date the authorization or obligation occurred. All information reported in the required Federal financial report (SF-425) is obtained and compiled from the agency's State financial system.

ORS was one of the first VR agencies to implement written policies and procedures related to prior approval. The policies detailed various items of cost requiring prior approval, as well as processes for staff and vendors to obtain prior approval for equipment and participant support costs. In addition, the agency implemented internal controls regarding requests for prior approval sent to RSA for review and approval, including the development of a request form used by agency staff detailing the justification of the prior approval request, the method of purchase and cost allocation, if applicable, proposed date of purchase or obligation, grant award number, and total cost. ORS was the first VR agency to develop a formal process and the form was shared nationally with other VR agencies that adopted and modified the form.

Historically, ORS has benefitted from requesting and receiving additional Federal funds during the reallotment process. Due to different State appropriations, the agency has been able to match and fully use those additional Federal funds. However, ORS has come to rely on the additional Federal funding, and with the decrease in Federal funds given up by other agencies during the reallotment process, ORS has struggled to adjust to the decrease in Federal funding it has received through reallotment.

C. Findings and Corrective Actions

5.1 Internal Control Deficiencies

Issue: Whether ORS maintained effective internal control over the Federal award to provide reasonable assurance that ORS is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. This area of review is included on pages 50 and 51 of the MTAG.

Requirement: A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. These methods of administration (i.e., the agency's internal controls) must include procedures to ensure accurate data collection and financial accountability (34 C.F.R. § 361.12). Additionally, 2 C.F.R. § 200.302(b)(7) requires the non-Federal entity to have written procedures for determining allowability of costs in accordance with Subpart E - Cost Principles of this part and the terms and conditions of the Federal award.

"Internal controls" means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations (2 C.F.R. § 200.61).

Additionally, 2 C.F.R. § 200.303, among other things, requires a non-Federal entity to—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award…;

- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards; and
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

In accordance with the Uniform Guidance (2 C.F.R. § 200.302(a)), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the—

- Preparation of reports required by general and program specific terms and conditions; and
- Tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

In its guidance The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds, the U.S. Department of Education (Department) made clear to grantees that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting.

Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to non-compliance with Federal and State requirements.

Analysis: RSA identified the following issues related to internal controls:

Missing/Inaccurate Internal Controls

During the monitoring visit, including on-site discussions with ORS management and review of the agency's policy manuals, RSA found that the agency did not have sufficient policies, procedures and internal controls to ensure compliance with applicable Federal requirements. The Rhode Island Office of Internal Audit's Internal Control Guide provides guidance to State agencies concerning steps necessary to ensure appropriate internal controls are implemented. The guide highlights the need for State agencies to develop strong internal controls necessary to ensure program requirements are met, annually evaluate the effectiveness of the internal control system, and establish and implement changes necessary to ensure the continued integrity of the system, including clearly documenting the objectives of each standard. RSA found that written processes either did not exist or did not include the details necessary to provide a reasonable assurance that the agency is managing the award in compliance with Federal statutes, requirements, and the terms and conditions of the award.

While the agency had general policies, there were few written procedures or processes for implementing the policies. For example, the agency's documentation did not include the benchmark for ensuring compliance, who was responsible for the internal control, how the control would be reviewed periodically to determine whether it was effective, how non-compliance, if identified, would be corrected, etc. For some of the processes, ORS was able to

describe steps taken to address some of these concerns; however, the processes were not documented. Consequently, ORS was unable to demonstrate that adequate safeguards and internal controls were documented, implemented, and in compliance with Federal requirements. ORS indicated it had no processes for updating or creating procedures or internal controls. When considering staff turnover in key positions, the lack of documented internal control processes may result in loss of continuity necessary to identify and correct non-compliance.

A review of the following areas where the agency had not appropriately accounted for Federal and/or non-Federal funds identified a lack of written internal control processes (list is not exhaustive):

- Contract monitoring, as applicable, for vendors, other than CRPs;
- Determining and reviewing rates of payments for vendors and CRPs;
- Establishment projects;
- Assignment of obligations and liquidations to the correct FFY award (period of performance);
- Journaling, reclassifying expenditures, and accounting adjustments;
- Determining allocable infrastructure costs and shared services (proportional benefit); and
- Ensuring obligations and expenditures reported on the SF-425 meet requirements and are accurate.

<u>Inadequate Financial Reporting Internal Controls</u>

Due to the lack of agency internal controls regarding Federal financial reporting, RSA reviewed the Federal financial reports (SF-425) and supporting documentation of expenditures reported. The following areas were not appropriately accounted for in the agency's reports:

Non-Federal Share –A review of ORS' FFY 2017 SF-425 supporting documentation found that the agency reported, on line 12b, non-Federal expenditures, for the provision of pre-employment transition services. The instructions for line 12b, state that agencies are to report the total amount of Federal funds expended for the provision of pre-employment transition services. As a result of the inaccurate reporting, the agency overreported the amount of Federal award funds expended for pre-employment transition services. The lack of written processes for tracking and accounting for expenditures reported on the Federal financial reports resulted in unallowable expenditures being reported.

Program income – The agency's FFY 2016 and 2017 fourth quarter SF-425 reports reported program income as a deduction from outlays (10m), instead of an addition (10n) to supplement Federal funds as required in 34 C.F.R. § 361.63(c)(3)(i). Additionally, the FFY 2017 SF-425 reports showed an increase in program income reported as received between the fourth and final quarters. In accordance with 34 C.F.R. § 361.63(c)(1)(i), program income is considered earned in the fiscal year in which it is received. Therefore, the agency should have reported the additional program income, received during the carryover year, on the subsequent FFYs financial report. ORS did not have policies or internal controls regarding the tracking, expending, and reporting of program income.

Indirect Expenditures – ORS' FFY 2017 SF-425 reports did not include the required

reporting of indirect costs (line 11). Instead of reporting the type of rate, the period covered, the base of the rate, and the Federal share on line 11f, as required in PD-15-05, ORS left the entire section blank.

Conclusion: The absence of internal control procedures has affected the agency's ability to accurately account for and report Federal and non-Federal expenditures in accordance with Federal statutes, regulations, and terms and conditions of the awards. ORS does not maintain effective internal controls over the Federal award that provide reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303. RSA is particularly concerned about the overall lack of written processes or internal controls for Federal requirements. Collectively, these material deficiencies suggest generalized, systemic deficiencies within the agency's control environment. During the on-site visit, RSA staff informed ORS of deficiencies in the agency's internal controls.

Corrective Action Steps:

RSA requires that ORS, within 6 months after the issuance of the final monitoring report—

5.1.1 Update policies, procedures, and internal controls to reflect Federal requirements, as required by 34 C.F.R. § 361.50 and 2 C.F.R. § 200.302(b)(7) and submit them to RSA for review;

5.1.2 Develop, and submit to RSA for review, written internal controls governing oversight of grant-supported activities, particularly with respect to contract monitoring, determining rates of payment, establishment, determining cost allocation including those related to infrastructure costs and shared services within the one-stop system, and reporting requirements, as required by 2 C.F.R. § 200.328(a);

5.1.3 Implement approved internal controls and provide documentation that controls are effective in identifying/preventing non-compliance; and

5.1.4 Reconcile FFYs 2016 and 2017 SF-425 reports with the internal controls. Provide RSA with a reconciliation report that identifies the correct amounts that should have been reported on the agency's SF-425 reports. Upon RSA's review of the reconciliation, revise the FFYs 2016 and 2017 SF-425 reports.

Agency Response:

5.1.1 ORS has begun development and implementation of policies and procedures for Indirect Costs, Obligations and Expenditures Data Collection, Period of Performance Obligations, Prior Approval and Program Income. These documents are part of the overall Procedures Manual in section marked Fiscal Procedures. See attached for review.

5.1.2 ORS has no current contracts in place for any grant-supported activities, relying mostly on fee for service delivery systems. However, ORS requests technical assistance and guidance as to how best to fulfill requirements of 2 C.F.R. § 200.302(b)(7) and 200.331 to ensure future compliance with regulatory statutes.

5.1.3 ORS has begun implementation and development of internal controls which are included in attached Policy/Procedure guidance for review. These internal controls were discussed

with RSA fiscal arm during review, and further elaborated on by ORS Chief Financial Officer since then. These approved internal controls will allow ORS to provide documentation that the internal controls are effective and will maintain Federal compliance. The guidance encompasses the overall policy, the internal controls around that policy, and the procedures that will need to be maintained.

5.1.4 ORS CFO will reconcile FFY 16 and 17 SF425'S with these internal controls and provide RSA with a reconciliation report that identifies the correct amounts.

RSA Response: ORS provided the referenced policies and procedures in its response to RSA for review. These are not included in this final report. RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. The finding and the required corrective action items remain unchanged.

Request for Technical Assistance: ORS requests technical assistance around contract development and how best to fulfill requirements of 2 C.F.R. § 200.302(b)(7) and 200.331 to ensure future compliance with regulatory statutes.

5.2 Incorrect Assignment of Obligations and Expenditures to the Federal Award

Issue: Whether ORS assigns obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12, 2 C.F.R. §§ 200.77, 200.302, 200.303(a), 200.309 and 34 C.F.R. § 76.702. This area of review is included on pages 50 of the MTAG.

Requirements: As a recipient of Federal VR and Supported Employment funds, ORS must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and enable ORS to carry out all required functions, including financial reporting (34 C.F.R. § 361.12). In accordance with the Uniform Guidance, 2 C.F.R. § 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The Uniform Guidance, at 2 C.F.R. § 200.302(b), requires the financial management system of each non-Federal entity to provide for the following: (1) identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds. Each grant award has a defined "period of performance," which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 C.F.R. § 200.309, see also 34 C.F.R. §§ 76.703 and 76.709). Grantees must implement internal controls to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 C.F.R. § 200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is

necessary for ORS to correctly account for VR funds so RSA can be assured the agency has satisfied requirements for, among other things, match (34 C.F.R. § 361.60), maintenance of effort (MOE) (34 C.F.R. § 361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 C.F.R. § 361.65(a)(3)).

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

Analysis: RSA reviewed the agency's policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award. RSA also reviewed supporting documentation of obligations and expenditures to determine whether ORS was correctly assigning and reporting obligations and expenditures to the proper period of performance in accordance with Federal requirements. RSA found that, depending on the type of obligation or expenditure, ORS was not assigning obligations to the correct FFY award based upon the date the obligation of the expenditure occurred.

Through the review of agency policies and discussions with agency staff, RSA found that ORS pays for expenditures based upon the date the agency receives the invoice. For services authorized in the case management system, the agency reviews the invoices to determine the appropriate Federal award(s) to assign the expenditures to and pays for the service with the Federal award available, based upon the date in which invoices are received. For multi-year contracts that are authorized within the State accounting system, ORS creates a purchase order at the beginning of the State fiscal year (SFY) for that SFY. All invoices received are based upon the issuance date of the purchase order. Additionally, travel reimbursements are obligated to the Federal award open at the time the request for reimbursement is received, rather than liquidating the obligations from the Federal award to which the obligation should have been assigned (34 C.F.R. § 76.707(f)). Consequently, ORS could not demonstrate that obligations and the liquidation of those obligations, for property, services, and contracts were charged to the correct Federal award.

Federal Funds

RSA's review of the supporting documentation identified expenditures charged to the incorrect FFY because the invoices were paid based on the date the invoice was received instead of the date the authorization was created or when the obligation occurred.

The agency also reclassified Federal expenditures from one Federal grant award to another via journal adjustments. While reclassifications are generally acceptable when made in accordance with the appropriate accounting principles and the State's requirements, the agency must ensure that expenditures reclassified to a different FFY are allowable charges to the FFY to which they are being assigned. Reclassifications must be accounted for in a manner that permits the tracking

of specific obligations and expenditures to ensure the reclassified expenditures are incurred during the appropriate period of performance (2 C.F.R. § 200.309). Because the agency uses the date of invoice, rather than the date of obligation when paying invoices, the agency is unable to ensure that expenditures reclassified from one Federal award to another are for allowable costs assignable to the award to which they were reclassified (2 C.F.R. § 200.309). Additionally, the agency did not have internal controls detailing procedures and requirements for reclassification of expenditures.

Non-Federal Funds

ORS accounts for and reports VR expenditures paid with non-Federal funds in a similar manner to the Federal funds process mentioned above. Specifically, the agency does not account for the date the obligation occurred to ensure the liquidation of non-Federal expenditures is assigned to the correct FFY for match and maintenance of effort (MOE) purposes. Because the agency does not appropriately assign non-Federal obligations to the correct period of performance, the agency cannot ensure that the liquidation of those obligations is from the proper Federal award. If the non-Federal expenditures are charged to an incorrect Federal award, those expenditures are not an allowable source of match for the Federal award.

Conclusion: Based upon the information above, RSA has determined that ORS is not in compliance with Federal requirements (34 C.F.R. § 361.12, 34 C.F.R. § 76.702, and 2 C.F.R. § 200.302) to accurately account for and report obligations and ensure expenditures are paid from the correct Federal award. As a result, RSA cannot determine whether the agency satisfied requirements related to match, MOE, and the reservation of funds for the provision of pre-employment transition services. As a recipient of Federal VR and Supported Employment funds, ORS must have procedures in place that ensure proper and efficient administration of its VR program and that enable ORS to carry out all required functions. The methods of administration must ensure accurate data collection and financial accountability (34 C.F.R. § 361.12 and 2 C.F.R. § 200.302).

Corrective Actions:

RSA requires that ORS—

5.2.1 Revise its financial data collection and analysis process so that ORS can—

a) Ensure all Federal and non-Federal obligations are properly accounted for and obligated to the correct FFY award in the agency's financial management system;
b) Account for all expenditures and accurately liquidate Federal and non-Federal expenditures from the correct FFY award based upon the correct assignment of obligations; and
c) Ensure all reclassified expenditures are assigned to the correct FFY award based upon the date in which the obligation was incurred;

5.2.2 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance. These policies must address—

a) The assignment of obligated Federal and non-Federal funds to the appropriate FFY award and the liquidation of such funds based upon the assignment of obligation; and
b) The reclassification of expenditures to ensure all expenditures meet the requirements of the Federal award and are appropriately accounted for based upon the FFY in which the obligation was incurred; and

5.2.3 Develop and implement a written internal control process, as required in 2 C.F.R. § 200.303, including a monitoring component, that ensures sustained compliance with and correction of the specific areas identified in 5.2.1 and 5.2.2.

Agency Response:

5.2.1

a. ORS has begun implementation and development of the attached Policy/Procedure guidance regarding Obligations and Expenditures Data Collection. These were discussed with RSA fiscal arm during review, and further elaborated on by ORS Chief Financial Officer since then. These guidance procedures will allow ORS to provide documentation that the internal controls are effective and will maintain Federal compliance. The guidance encompasses the overall policy, the internal controls around that policy, and the procedures that will need to be maintained. This guidance is included in the Fiscal Procedures portion of our overall Procedures guide.

5.2.1

b. ORS has begun to revise procedures for the collection of data based on date of obligation (rather than paid date). This written guidance will be submitted to RSA upon completion.

5.2.1

c. ORS has begun to revise procedures to ensure all reclassified expenditures are appropriated based on date of obligation (rather than paid date). This written guidance will be submitted to RSA upon completion.

5.2.2

a. ORS has begun to revise all procedures regarding assignment of expenditures to be based on the date of obligation. This written guidance will be submitted to RSA upon completion.

5.2.2

b. ORS has begun to revise all procedures regarding the reclassification of expenditures to be based on the date of obligation. This written guidance will be submitted to RSA upon completion.

5.2.4 ORS has begun rewriting all policies and procedures to include internal controls and will reevaluate periodically to ensure all Federal requirements are met. ORS will submit all rewritten policies to RSA upon completion.

RSA Response: ORS provided the referenced policy/procedure guidance in its response to the draft report for RSA review. These documents are not included in this final report. RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. The finding and the required corrective action items remain unchanged.

Request for Technical Assistance: ORS requests technical assistance following submission of the written guidance to ensure compliance with findings.

5.3 Unallocable Costs

Issue: Whether ORS satisfied the requirements for cost allocation in 2 C.F.R. § 200.405, as well as personnel cost allocation requirements in 2 C.F.R. §§ 200.430 and 200.431. This area of review is included on page 51 and 52 of the MTAG.

Requirements: In accordance with Uniform Guidance at 2 C.F.R. § 200.405(a), a cost is allocable to a Federal award or cost objective if the goods or services involved are chargeable to that cost objective in accordance with the relative benefit received. Additionally, in accordance with 2 C.F.R. § 200.430(i)(1)(vii), charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and must, among other things, support the distribution of the employee's salaries or wages among specific activities or cost objectives if the employee works on more than one Federal award.

The Uniform Guidance in 2 C.F.R. § 200.62(a)(3) also defines "internal control over compliance requirements for Federal awards" as being a process that ensures, among other things, that obligations, liquidations and transactions are accurately recorded and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Analysis: RSA reviewed the agency's written processes and procedures, including allocation of costs for personnel, to ensure the agency was assigning personnel costs, including fringe benefits, in accordance with the Uniform Guidance in 2 C.F.R. part 200. RSA determined that not all ORS staff time is allocated to the correct cost objective. ORS administers multiple programs, including the VR, State Independent Living Services, Independent Living Services for Older Individuals Who are Blind, and Supported Employment programs. However, agency staff were not allocating time between the separate cost objectives appropriately. For example, staff that work with multiple programs (cost objectives) were charged only to the VR program even though their functions required them to work with all the programs ORS administers.

The salaries of two administrative staff that work with multiple programs are paid based upon time allocation compiled from past years completed time studies with 2 percent of their time paid for with other funding sources and 98 percent paid for with VR funds. As required in 2 C.F.R. § 200.430(i)(1)(vii), the agency does not have processes to support the actual distribution of these employee's salaries or wages based upon time benefitting each program, and the employees' salaries are not treated as indirect costs. The salary costs charged to the grant award for these individuals is not reconciled against the actual time and effort worked on the program. RSA also determined that holiday, vacation, and sick time were not allocated in proportion to the hours

worked on each cost objective for agency staff. Staff who allocated direct time to multiple cost objectives still charged all holiday, vacation, and sick time to the VR program.

Similar to personnel costs, RSA found that the agency was not cost allocating certain items of cost that should be either included as indirect expenditures in the indirect cost rate, or directly charged to all Federal awards based upon the relative benefit received in accordance with 2 C.F.R. § 200.405. In particular, the agency charged all office equipment directly to the VR award when the equipment was used by staff working on more than one cost objective or Federal award. The equipment was not cost allocated out to all programs based upon the relative benefit received.

Conclusion: ORS did not satisfy the general cost allocation and personnel cost allocation requirements in the Uniform Guidance (2 C.F.R. §§ 200.405 and 200.430), as the agency was improperly charging unallocable personnel and equipment costs to the VR grant award. Additionally, the agency did not have sufficient internal controls to verify the proper assignment of personnel staff time to the appropriate cost objective. The improper allocation of personnel and equipment costs resulted in unallowable costs being charged to the VR program. The unallowable direct costs and personnel costs represent questioned costs.

Corrective Actions:

RSA requires that ORS—

5.3.1 Immediately cease using VR funds to pay for direct and personnel costs that must be allocated to other cost objectives;
5.3.2 Revise and implement internal control policies or procedures to correctly assign costs to the correct cost objectives;
5.3.3 Revise FFYs 2016 and 2017 SF-425 reports to remove unallowable and unallocable direct costs;
5.3.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with cost allocation requirements and accurate SF-425 reporting; and
5.3.4.1 Provide RSA with an accounting, by FFY, of the amount of funds inappropriately charged to the VR award for FFYs 2016, 2017, 2018, and 2019.

Agency Response:

5.3.1 ORS has ceased using VR funds to pay for direct and personnel costs that should be allocated to other cost objectives. The practice currently in use provides for an estimated assignment of personnel charges. As this is inadequate, ORS requires technical assistance to resolve this issue. Per recommendation, ORS requested help from another State and is awaiting response.

5.3.2 ORS will begin to allocate purchase costs of equipment based on a per employee cost. Equipment costs that are assigned to personnel who do not work on the VR program will be reallocated per journal entry.

5.3.3 ORS will revise FFY 2016 and 2017 SF-425's to reflect inappropriate charges. ORS requests technical assistance in how to determine and document personnel costs without

doing time studies. ORS requests help to learn how other agencies are addressing this issue, and how to better report cost allocations provided through the State Cost Allocation plan and how to provide proper backup.

5.3.4 ORS will develop policy and procedures for the allocation of funds once technical assistance is provided. ORS has begun to write policy, procedure and internal controls regarding the purchase of equipment. This written guidance will be submitted to RSA upon completion.

5.3.5 ORS will provide RSA with an accounting, by FFY, of the amount of funds inappropriately charged to the VR award for FFYs 2016, 2017, 2018, and 2019 upon completion.

RSA Response: RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. The finding and the required corrective action items remain unchanged.

Request for Technical Assistance: ORS requests technical assistance to develop written guidance that will ensure compliance with these findings**.**

5.4 Establishment Requirements Not Met

Issue: Whether ORS satisfied establishment requirements in Section 103(b)(2) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(16) and (17), 34 C.F.R. §§ 361.29, 361.49, and 361.60(b)(3)(i). This area of review is included on page 53 and 54 of the MTAG.

Requirements: Section 111(a)(1) of the Rehabilitation Act and 34 C.F.R. § 361.3 require that VR funds be used solely for the provision of VR services or for the administration of the VR program under the State Plan. VR services may be provided both to individuals and to groups of individuals with disabilities (Section 103 of the Rehabilitation Act and 34 C.F.R. §§ 361.48 and 361.49). Among the permissible services to groups, a State may establish, develop, or improve a public or nonprofit CRP (Section 103(b)(2) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(1)). Federal regulations at 34 C.F.R. § 361.5(c)(16) and (17) describe the types of activities that can be performed when establishing, developing, or improving a CRP or establishing, developing, or improving a facility for a CRP:

(16) Establishment, development, or improvement of a public or nonprofit community rehabilitation program means—
  (i) The establishment of a facility for a public or nonprofit community rehabilitation program as defined in paragraph (c)(17) of this section to provide vocational rehabilitation services to applicants or eligible individuals;
  (ii) Staffing, if necessary to establish, develop, or improve a public or nonprofit community rehabilitation program for the purpose of providing vocational rehabilitation services to applicants or eligible individuals, for a maximum period of four years, with Federal financial participation available at the applicable matching rate for the following levels of staffing costs:
    (A) 100 percent of staffing costs for the first year;
    (B) 75 percent of staffing costs for the second year;
    (C) 60 percent of staffing costs for the third year;

(D) 45 percent of staffing costs for the fourth year; and

(iii) Other expenditures related to the establishment, development, or improvement of a public or nonprofit community rehabilitation program that are necessary to make the program functional or increase its effectiveness in providing vocational rehabilitation services to applicants or eligible individuals but are not ongoing operating expenses of the program.

For purposes of staffing costs, the non-Federal entity is required to provide the applicable matching rate for each of the years of the project. The VR non-Federal share for expenditures made by the State under the VR program is 21.3 percent (34 C.F.R. § 361.60).

Section 101(a)(15) of the Rehabilitation Act and 34 C.F.R. § 361.29 require that the designated State unit (DSU) engage in substantial planning prior to initiating "establishment" activities pursuant to Section 103(b)(2) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(1). The DSU, together with its State Rehabilitation Council (SRC), must conduct an assessment of VR needs in the State every three years and include the results of that needs assessment in its State Plan (Section 101(a)(15)(A) of the Rehabilitation Act and 34 C.F.R. § 361.29(a)). The assessment must identify the VR needs of individuals with the most significant disabilities and those from unserved or underserved populations, and include a description of the need to establish, develop, or improve CRPs in the State (Section 101(a)(15)(A) of the Rehabilitation Act and 34 C.F.R. § 361.29(a)(1)). The DSU must use the results from its triennial needs assessment to develop goals and priorities for carrying out its VR program (Section 101(a)(15)(C) of the Rehabilitation Act and 34 C.F.R. § 361.29(c)). The DSU also must develop strategies to address the identified VR needs within the State and to achieve its goals and priorities, including those related to the establishment, development, or improvement of a CRP (Section 101(a)(15)(D) of the Rehabilitation Act and 34 C.F.R. § 361.29(d)).

Agencies are also required to have written policies governing the nature and scope of each of the VR services specified in 34 C.F.R. § 361.48 and the criteria under which each service is provided, including those related to the establishment, development or improvement of a CRP (34 C.F.R. § 361.50(b)(1)). The policies must describe the nature and scope of the establishment and construction authorities, include the nature and scope of services that will be provided to groups of individuals with disabilities, and the criteria that will be used to determine the provision of those services.

Analysis: RSA's FFY 2012 monitoring report included a finding concerning the interagency agreements for transition services ORS had in place with Rhode Island Department of Elementary and Secondary Education (RIDE). As a result of the finding, ORS developed interim contracts with vendors to change the agreements. The plan was to change the agreements to fee-for-service agreements.

In FFY 2013, the agency entered into an agreement with The Sherlock V. Center on Disabilities (Sherlock) housed at Rhode Island College, for technical assistance, consultation, employer relations, and vendor activities. ORS entered into agreement with Sherlock, under a sole source justification, as the only vendor with current capabilities to coordinate employment initiatives and provide navigators for adolescents and their families transitioning from school to adult life. The scope of the agreement included increasing ORS vendor and stakeholder capabilities to implement evidence-based practices. This included workshops, trainings, developing infrastructure capacities such as staff development, data management, and fiscal management.

For each objective, ORS agreed to pay the vendor a proportional share of the cost of each project or a proportional share of staff time.

In FFY 2015, the agency signed an amendment to the agreement eliminating the original scope of work, budget, and the payment and report schedules. These items were replaced with new scopes of work, budgets, and payment and report schedules, on April 1, 2015. The intent of the amendment was to assist Sherlock to become a benefits counseling fee-for-service provider by paying for initial staffing costs. The new scope of work required the contractor to develop a collaborative system to support the statewide expansion for coordinated benefits counseling access including the provision of benefits counseling and dissemination of work incentives information. The new scope also required the vendor to increase ORS vendor capacity to provide supported employment services within the State.

The amended budget summary changed the funding scope to four years specifying the costs ORS would pay Sherlock for staffing costs over the remainder of the contract, paying the applicable matching rate for staffing costs in each FFY of the contract outlined below:

- Year 1 (FFY 2014) - 100 percent of staffing costs;
- Year 2 (FFY 2015) - 75 percent of staffing costs;
- Year 3 (FFY 2016) - 60 percent of staffing costs; and
- Year 4 (FFY 2017) - 45 percent of staffing costs.

Additionally, the VR agency reimbursed the vendor for additional expenses and activities related to the establishment of the entity (e.g., supplies and travel costs).

Discussions with ORS indicated the agency was clear in their intent to utilize the establishment authority in 34 C.F.R. §§ 361.5(c)(16) and 361.29(d) with regard to the Sherlock contract. While the agency appropriately applied the applicable matching rate to the levels of staffing in each FFY of the contract, they did not follow all the pre-planning activities required for an agency to use the establishment authority. Additionally, the agency did not follow the State's procurement processes regarding amendment of the contract nor did the agency monitor the activities of the contractor to ensure all activities and expenditures were for the services outlined in the scope of the agreement.

<u>Failure to meet Pre-Planning Requirements and lack of Written Policies</u>

ORS and the SRC were required to conduct an assessment of VR needs and a description of the need to establish, develop, or improve CRPs in the State (Section 101(a)(15)(A) of the Rehabilitation Act and 34 C.F.R. § 361.29(a)(1)) and then develop goals, priorities and strategies to address the needs identified related to the establishment, development, or improvement of a CRP (Section 101(a)(15)(D) of the Rehabilitation Act and 34 C.F.R. § 361.29(d)). Additionally, ORS was required to have policies outlining the provision of all services, including those provided through the establishment, development or improvement of a CRP (34 C.F.R. § 361.50(b)(1)). During the course of the on-site monitoring visit and the RSA team's discussions with staff, the agency indicated it had not included a description of the need to establish, develop or improve a CRP in the State plan, nor did the State plan contain goals, priorities or strategies related to the establishment, development or improvement of the CRP. The agency indicated the intent was to assist the CRP in building its capacity to provide benefits

counseling on a fee-for-service basis. Additionally, ORS did not have written policies related to the provision of services under the establishment authority. Because ORS did not satisfy all the pre-planning requirements, it was not authorized to use VR funds under Section 103(b)(2)(A) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(1) to establish, develop, or improve a CRP.

Lack of Contract Monitoring and Internal Controls

As noted above, in FFY 2015 the agency amended the original contract to change the scope of the agreement that ORS had entered into under a sole source justification. Rhode Island State purchasing requirements under Section 37-2-21(a) state that a sole source contract may be awarded for a supply, service, or construction item without competition when, under published regulations, the chief purchasing officer or purchasing agent, determines, in writing, that there is only one source for the required supply, service, or construction item. Because the scope of work for the contract was amended significantly from the original scope of work, the agency did not take necessary steps to ensure the contractor still met the sole source justification requirements under the significantly revised contract provisions.

As stated in Finding 5.1, the agency lacked written processes for monitoring all contracts. ORS indicated during on-site discussions, that it did not monitor this contract to ensure the contractor was following the terms and conditions of the agreement. Additionally, the agency did not monitor the contractor to ensure only allowable VR services were being provided to VR participants. To ensure the vendor was providing only allowable VR services to VR participants. RSA requested copies of supporting documentation for services rendered by the contractor that was to be submitted with the contractor's invoices. The agency was unable to provide such documentation for the latter part of the agreement and indicated it stopped receiving the required documentation from the contractor. ORS did not have sufficient internal controls for contract monitoring to accurately account for all Federal and non-Federal funds spent in the VR program as it is required to do by 2 C.F.R. § 200.328. RSA cannot determine, with certainty during the monitoring process whether ORS used Federal VR funds only for allowable and authorized program activities.

Conclusion: ORS improperly used the establishment authority under Section 103(b)(2)(A) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(1) because ORS did not satisfy all of the pre-planning requirements, did not have written policies governing establishment (34 C.F.R. § 361.50), did not follow its own State procurement processes (2 C.F.R. § 200.317), and did not conduct monitoring to ensure allowable costs were charged to the VR award for the purposes of the agreement (2 C.F.R. § 200.303). For these reasons, ORS lacked the authority to use VR program funds to establish, develop, or improve a CRP.

Corrective Actions:

RSA requires that ORS—

5.4.1 Ensure that it satisfies all pre-planning requirements in Section 101(a)(15) of the Rehabilitation Act and 34 C.F.R. § 361.29, and develops written policies governing the provision of services prior to engaging in future "establishment" projects;

5.4.2 Procure services in a manner consistent with State procurement policies and ensure that VR program funds are used only for allowable program activities; and

5.4.3 Develop and implement internal controls to ensure monitoring of contractors and vendors, as required by 2 C.F.R. § 200.328.

Agency Response:

5.4.1 ORS has no current contracts in place for any grant-supported activities, relying mostly on fee for service delivery systems. However, ORS requests technical assistance and guidance as to how best to fulfill requirements of 34 C.F.R. § 361.50 and State procurement processes (2 C.F.R. § 200.317) to ensure future compliance with regulatory statutes.

5.4.2 ORS will develop and submit to RSA the written guidance, procedure and internal control completed following technical assistance that will ensure compliance with this finding.

5.4.3 ORS will develop and submit to RSA the internal control process out of this technical assistance to ensure compliance with this finding.

Request for Technical Assistance: ORS requests technical assistance to develop written guidance that will ensure compliance with these findings.

5.5 Prior Approval Requirements Not Met

Issue: Whether ORS satisfied prior approval requirements in 2 C.F.R. § 200.407. This area of review is included on page 51 of the 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. 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: RSA requested the agency's written policies, procedures, or processes that ensure the agency was meeting the prior approval requirements when applicable. ORS provided policies and procedures for prior approval only for the authorization and expenditure of equipment for the agency. It did not have prior approval policies or procedures consistent with all expenditures requiring approval as identified in Uniform Guidance at 2 C.F.R. § 200.407 that require approval from RSA as the Federal awarding agency. To determine whether the lack of complete processes resulted in non-compliance with the prior approval requirements, RSA reviewed agency expenditures and contracts provided by ORS. Discussions with the agency prior to and during the on-site, as well as a review of its expenditures and contracts, indicated that the ORS spent Federal funds on expenditures and obligations that require prior approval. The agency purchased equipment in accordance with 2 C.F.R. §§ 200.33 and 200.439, exceeding the Federal capitalization threshold of $5,000, since the State capitalization threshold is higher. Additionally, during the on-site review, RSA identified expenditures for rearrangement and reconversion costs (2 C.F.R. § 200.462) that were charged directly to the VR award without prior approval from RSA.

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

Corrective Actions: RSA requires that ORS—

5.5.1 Within three months after the issuance of the 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 and the Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants, issued by OSERS on October 29, 2019.

Agency Response:

5.5.1 ORS has developed and implemented the attached Policy/Procedure guidance regarding Prior Approval. These were discussed with RSA fiscal arm during review, and further elaborated on by ORS Chief Financial Officer since then. These guidance procedures will allow ORS to provide documentation that the internal controls are effective and will maintain Federal compliance. The guidance encompasses the overall policy, the internal controls around that policy, and the procedures that will need to be maintained. These are part of the Fiscal Procedures portion of our overall Procedures guide.

RSA Response: ORS provided the referenced policy/procedure guidance documents referenced in its response to RSA for review. These documents are not included in this final report. RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. The finding and the required corrective action items remain unchanged.

Request for Technical Assistance: ORS requests technical assistance. The agency has requested technical assistance from RSA in providing the agency with samples of strong internal controls other VR agencies have developed and implemented. ORS would also request technical assistance/training at the management/supervisor level (and possibly line staff level) depending on what final approval encompasses.

D. Technical Assistance

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

Internal Controls

RSA provided technical assistance to ORS regarding the definition of and requirements for internal controls and reviewed the requirements for internal controls in the Uniform Administrative Requirements at 2 C.F.R. §§ 200.302(b)(4) and 200.303. In addition, RSA reviewed each item that the non-Federal entity must adhere to in 2 C.F.R. § 200.303 and discussed what constitutes good internal controls. The agency must have written guidance for establishing and maintaining effective internal control over the Federal award available to all staff for their reference in order for internal controls to work. Good internal control includes a developed process that is used to test and verify if the internal controls work for the agency, and they must include a process used to take action when instances of non-compliance are identified. RSA and ORS also discussed the importance of ensuring that policies not only reflect the requirements of the law but should address how the agency will enact those requirements in order to determine if ORS is complying with applicable Federal and State policies.

Match/Maintenance of Effort

RSA provided technical assistance to ORS regarding match requirements for the VR award in 34 C.F.R. § 361.60, and subsequent maintenance of effort requirements in 34 C.F.R. § 361.62. Specifically, RSA and ORS discussed allowable sources of match in the VR program (34 C.F.R. § 361.60(b)), including State funds allocated for acquisition of new facilities and subsequent renovation of facilities for use in the Randolph-Sheppard program. Additionally, RSA and ORS discussed the requirement that the non-Federal funds for match purposes are applicable in the program for the fiscal year in which the funds were appropriated, meaning the non-Federal funds for match must be obligated or expended in the year of the appropriation of the award. If non-Federal funds are obligated after the year of appropriation, the match is applied to the subsequent Federal fiscal year.

Additionally, RSA and ORS discussed how maintenance of effort is calculated based upon the total non-Federal expenditures in any given FFY compared to those expenditures for the fiscal year two years prior. The implementation of WIOA allowed for RSA to reduce the amount otherwise payable to the State in a subsequent FFY award Section 111(b)(2) and 34 C.F.R. § 361.62).

Cost allocation

RSA provided technical assistance to ORS regarding cost allocation requirements for items such as equipment and other items used by staff who work on multiple cost objectives (2 C.F.R.

§ 200.405). A cost is allocable to a particular Federal award or other cost objective if the goods or services are chargeable or assignable to that award in accordance with the relative benefit received. For equipment, such as IT systems, used by staff that work on multiple cost objectives such as the VR and OIB awards, and by staff whose time and effort is covered through a cost allocation plan or indirect cost rate, the non-Federal entity must ensure the cost of the equipment is not paid for with one Federal award, but must ensure allocation of costs for the equipment is based on the relative benefit received from all staff that use that equipment. This may include a cost allocation methodology for assigning costs that reflects the proportional amount of time assignable and chargeable to each award, or via the indirect cost rate or cost allocation plan (2 C.F.R. §§ 200.405(d) and 200.416). When determining reasonableness, the agency must have a documented process demonstrating how the reasonableness and allocation were determined based upon proportional benefit to the award. This would include setting rates for vendors. Additionally, RSA and ORS discussed the process to reconcile costs in order to demonstrate that costs charged to each Federal award or by an indirect cost rate or cost allocation plan were based upon the relative benefit received (2 C.F.R. § 200.303(c)).

Period of Performance

RSA provided technical assistance to ORS regarding agency internal controls to ensure accurate Federal reporting and accounting of Federal and non-Federal expenditures. RSA and ORS reviewed the requirements in 34 C.F.R. § 76.707 that detail when an obligation is incurred for specific transactions along with the FAQ document issued on March 22, 2017 regarding the period of performance (RSA: Period of Performance for Formula Grant Awards FAQs). In addition, RSA and ORS discussed adjusting agency accounting practices to ensure obligations and liquidations are accounted for with the same Federal award, including different transactions in order to determine when an obligation occurs based upon the type of transaction. RSA and ORS also discussed multi-year contracts and the encumbrance of Federal funds for these types of contracts. This included reviewing the State's policies regarding procurement processes to ensure that whatever method the agency employs would comply with both State and Federal requirements. RSA and the agency discussed period of availability of Federal funds at the end of the period of performance, including the requirement to liquidate all remaining obligations within 90 days at the end of the period of performance (2 C.F.R. § 200.328(b)).

Prior Approval

RSA provided technical assistance to ORS regarding prior approval requirements in the Uniform Guidance (2 C.F.R. § 200.407 including the list of activities that may require prior approval and the requirements under each activity to determine if prior approval was applicable for its grant awards. Under each activity, RSA and the agency discussed possible costs, with specific examples, that may require prior approval. In particular, RSA and ORS reviewed requirements for obligating equipment in the Randolph-Sheppard program and discussed additional items of costs requiring prior approval. RSA and ORS reviewed the agency's policy related to prior approval to determine if it addressed key elements, including—

- The process the agency has for obtaining prior approval;
- The process fiscal staff and contract staff use to determine if a cost should receive prior approval;

- Who in the agency needs to be aware of prior approval and who determines when prior approval is required; and
- Who compiles and reviews the requests with applicable information and sends the approval request to RSA.

Technical Assistance Requested

The agency requested technical assistance from RSA in providing the agency with samples of strong internal controls other VR agencies have developed and implemented.

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.

RSA reviewed ORS' progress and status in meeting its role as a WIOA core program and required partner under the Joint WIOA Final Rule at 20 C.F.R. part 678 (subpart F of 34 C.F.R. part 361). RSA found that ORS is meeting substantially the intent and spirit of the requirements outlined by WIOA in terms of ensuring that VR is participating and collaborating within the process.

ORS participates in the development and discussion of workforce development activities for Rhode Island through the State and local workforce development boards, as well as through interagency committee meetings, including participation in State Plan development and implementation. Through this participation, ORS ensures that the one-stop delivery system is accessible physically and programmatically to individuals with disabilities and fulfills the requirement for direct access to VR services within the one-stop center.

Governance

State Workforce Development Boards (SWDBs) and Local Workforce Development Boards (LWDBs), must include representation from all six core programs, including the VR program, to 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 SWIB 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 (other than Section 112 or part C of Title I).

SWDB

ORS is meeting the intent of the requirements outlined by WIOA with respect to SWDB membership requirements through the Governor's Workforce Board (GWB). The GWB is formally established under Rhode Island General Law 42-102 as the State's primary policy making authority on workforce development matters. The GWB oversees and coordinates implementation of the WIOA and State workforce development policy through the Job Development Fund. The board consists of 23 members representing business, labor, education, community and government agencies.

The GWB resides in the Governor's Skills Cabinet alongside the Rhode Island Department of Education, the Department of Labor and Training, the Office of the Postsecondary Commissioner, Community College of Rhode Island, and the Board of Education. The GWBs Strategic Plan is closely aligned with the Rhode Island Combined State Plan and includes—

- Demand driven strategic investments that meet employer demand and establish a pipeline of skilled workers for in demand occupations;
- Career pathways strategies to provide employment, education, training and support services for youth and adults, particularly those with barriers to employment;
- Alignment of policy and networking of government agencies and resources to coordinate efforts and achieve efficiency and effectiveness throughout the workforce system; and
- Analysis of work force investments in high growth industries and evaluation of performance to measure return on investments and guide future investments and policy development.

The GWB's Strategic Plan can be found here: https://gwb.ri.gov/wp-content/uploads/2017/06/GWB-Biennial-Plan-FY1819-FINAL.pdf?189db0

Prior to the onsite review the RSA team noted the GWB membership roster failed to meet the requirements for a business majority and had several vacancies. However, the five vacancies were filled during the week of the on-site review. ORS confirmed the Director of the Rhode Island Department of Human Services (DHS) represents the State VR program as well as the Temporary Assistance to Needy Families (TANF) program on the GWB. The ORS Director reports to the Deputy Director, External Affairs, who in turn reports to the Director of DHS. The Director of DHS represents the VR and TANF programs as a voting member on the GWB.

As described in previous sections the Consent Decree between Rhode Island and the US DOJ also plays a role in workforce development and interagency coordination. According to ORS, the Consent Decree requires BHDDH and ORS to work closely together to meet the competitive integrated employment goals requirements under the Consent Decree.

LWDB

RSA confirmed ORS' participation on all of the LWDBs through representation by ORS regional administrators or designees. Rhode Island has three LWDBs: Providence-Cranston, West Warwick, and Woonsocket. ORS staff are voting members on each of the three LWDBs and participate regularly in scheduled local board meetings.

Each local area contains one America's Job Center (AJC) and each LWDB is involved in the certification of the AJC. The Governor's Commission on Disabilities is also involved in the certification reviews and continued accessibility of the AJCs.

One-Stop Operations

The one-stop 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.

Access to VR Services in One-Stop Centers

In accordance with 34 C.F.R. § 361.420, each required one-stop partner program must provide access to its programs or activities. Ideally, the one-stop delivery system should bring together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals with disabilities.

At the time of the on-site review, there were three one- stop career centers in Rhode Island. These centers are identified as netWORKri Offices and located in Providence, West Warwick, and Woonsocket. ORS administrators indicated that VR staff are present in all three of the netWORKri Offices with space provided for the VR counselors' use. In addition, Rhode Island maintains a virtual one stop career center, EmployRI, which can be accessed at https://www.employri.org/vosnet/Default.aspx

At the time of the on-site review, ORS and its core partners were developing a uniform registration form that will allow for better tracking and referral of common participants. ORS continues to work with the other workforce partners to improve communication on the available services, to identify training needs, and to cross-train staff to better serve individuals with disabilities. ORS is also collaborating with the workforce system to better serve individuals under the Consent Decree, and workforce dollars have been made available to address this need. ORS reported that it participates in monthly or quarterly meetings with all one-stop partners, including joint staffing of cases and discussion of how to better serve individuals with disabilities. These efforts have resulted in good relationships with one-stop staff, the ability and willingness for one-stop staff to ask questions or seek assistance at any time, and a significant improvement in services for individuals with disabilities.

Accessibility

In the past, Rhode Island Department of Labor and Training (DLT) operated the one-stops in the State. However, after the passage of WIOA, the LWDBs used a competitive bid process to select one-stop operators, and the same vendor won the contracts in all three local areas to operate the netWORKri offices. The contract requirements include both program and physical accessibility and ORS indicated that Rhode Island's netWORKri offices are fully accessible and in compliance with both WIOA Section 188 regulations on non-discrimination and Rhode Island General Laws Section 28-5 Fair Employment Practices. In addition, each netWORKri office is monitored and inspected bi-annually by the LWDB and the Rhode Island Governor's Commission on Disabilities and all were found to be in full compliance as of the last recertification.

During the review, ORS indicated the one-stop partners in Rhode Island are working to improve the accessibility of materials for non-English speaking consumers and are in the process of identifying more bilingual front line staff to create a "language bank" of people who are physically present in the one stop centers who are able to assist with interpretation for non-English speaking consumers. Rhode Island also has a State policy requiring access to phone interpreters through a designated phone interpreter service.

Memoranda of Understanding and Roles and Responsibilities

In accordance with 34 C.F.R. § 361.420 and 34 C.F.R. § 463.420, each required one-stop partner program must enter into a MOU that meets the requirements of 34 C.F.R. § 361.500(b) and 34 C.F.R. § 463.500(b) with the LWDB relating to the operation of the one-stop delivery network.

Rhode Island has two MOUs for the State's one-stop centers. One agreement covers the West Warwick and Woonsocket one-stop centers and a second agreement covers the Providence-Cranston one-stop. These agreements outline services to be provided by each partner agency in detail along with staffing requirements, infrastructure funding, and dispute resolution.

The West Warwick and Woonsocket agreement was signed on December 1, 2017, and the Providence-Cranston agreement was signed on November 29, 2017. In both agreements the signatory was not the ORS Director but rather the DHS director. This creates concerns regarding both the involvement of the ORS director in the development of these agreements as well as the

potential that ORS is not in compliance with 34 C.F.R. § 361.13, as ORS may be giving up administrative control of the funds identified in the infrastructure section of each MOU.

Infrastructure Costs

In accordance with 34 C.F.R. § 361.420(b)(2)(i), each required partner must use a portion of funds made available to the partners program to jointly fund the one-stop infrastructure through contributions that are based upon a reasonable cost allocation methodology by which infrastructure costs are charged to each partner based upon proportionate use and relative benefit received.

The one-stop MOUs contain infrastructure cost agreements and in both agreements the costs are allocated across the partner programs based on "seat costs," which is the term used to describe the number of full-time equivalent employees (FTE) identified for each program. The total infrastructure costs are divided by the total number of seats and then allocated to most of the identified programs based on the number of seats associated with a program.

Both agreements specify the number of staff that ORS will provide and as such the seat costs are nominally proportionate based on staff numbers. However, both agreements include one-stop programs that are assigned "0" seats, and thus are assigned no share of the infrastructure costs, increasing the costs for the other partners, including ORS. In addition, the Providence-Cranston agreement contains unidentified miscellaneous costs that may not be amenable to proportionate allocation based on an FTE methodology.

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.

Performance Data Collection and Reporting

The State performance report required by Section 116(d)(2) of WIOA and 34 C.F.R. § 361.160 must be submitted annually using the template developed by DOL and the Department of Education. For VR specific standards, RSA recently updated the RSA-911 to include effectiveness in serving employers in the primary indicators of performance identified in 34 C.F.R. § 361.155. In accordance with RSA Technical Assistance Circular (TAC) 17-01, Performance Accountability Guidance for Workforce Innovation and Opportunity Act Title I, Title II, Title III and Title IV Core Programs, States must select two of three approaches while participating in a pilot program to measure the effectiveness in serving employers.

ORS indicated that Rhode Island will be using "retention with the same employer" and "employer penetration rate" as its measures of employer effectiveness, which aligns well with Rhode Island's strategic plan strategies. At the time of the review, Rhode Island was still collecting baseline data for these measures and had not yet assessed the effectiveness of these measures.

Performance Data Sharing

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

The Rhode Island DLT uses a vendor-developed management information system (MIS) that integrates reporting and case management for the WIOA Adult Dislocated Worker, Youth and Wagner-Peyser core programs as well as the Trade Adjustment Assistance for Workers, Jobs for Veterans State Grant and other ETA programs. The vendor has already made the necessary enhancements and database changes needed to meet WIOA reporting and service delivery requirements. This includes the new reporting around eligible training providers.

The Adult Education and VR programs, located at the Departments of Education and Human Services respectively, have their own systems of reporting that are not integrated into the DLT system. However, both programs have a long history of working together to support WIOA data needs including the sharing of wage record information. Given the data-driven decision-making requirements of both WIOA and Rhode Island's more expansive performance data usage, at the time of the review, Rhode Island was reviewing several emerging cloud-based umbrella technologies that would permit agencies to keep existing databases while providing for common intake, reporting, and data analysis needs. As noted previously, Rhode Island has been exploring a common intake form and ORS has requested additional technical assistance in this area to help avoid any potential pitfalls that could result from a common form.

ORS indicated that an omnibus MOU for data sharing that is uniform across all four WIOA titles has been in place since October 17, 2017. This MOU includes provisions for all data elements required by each agency, including ORS access to the State UI wage data needed for WIOA performance reporting purposes. The Rhode Island State UI agency asks for data in a very precise format and if ORS uses that format the costs of wage data queries is negligible and DLT has indicated there will be no cost for the wage data queries. At the time of the review, interstate wage data was not yet available, and Rhode Island was reviewing the proposed State Wage Information System (SWIS) agreement.

ORS also has a data sharing agreement with BHDDH and RIDE and current data matching between these agencies is accomplished using a spreadsheet.

C. Observations and Recommendations

RSA's review of ORS' 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 ORS' performance in this focus area did not result in the identification of findings.

E. Technical Assistance

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

State Workforce Development Board Representation:

ORS, which administers the VR program— one of the core partner workforce development programs—that is authorized under the Rehabilitation Act of 1973, as amended by Title IV of WIOA, is housed in the Rhode Island Department of Human Services (DHS), which also houses the Temporary Assistance to Needy Families (TANF) program. The DHS commissioner represents both the TANF and VR programs on the Governor's Work Board (GWB). The TANF program is not a core program under WIOA; therefore, the DHS commissioner only represents one core program on the GWB. However, the VR program is not represented on the GWB by an individual with optimum policy-making authority for the VR program.

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 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 ORS director 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 specify certain functions that are the sole responsibility of the VR agency, including development and implementation of policies, allocation and expenditure of VR funds, and participation as a partner in the workforce development system. This would include the VR program's participation on the State Board pursuant to 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(iii) and 20 C.F.R. § 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)). In other words, the ORS director does not have the authority to delegate to the DHS commissioner the authority to represent the VR program on the GWB. To do so would also be delegating the authority to commit the VR program to particular courses of action with respect to the development and implementation of policies and the allocation and expenditure of VR funds on behalf of the VR program, which is one of the core partner programs in the workforce development system. None of these authorities can be delegated to another individual, including the DHS commissioner. Therefore, the GWB has failed to comply 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 DHS commissioner represent the VR program on the GWB. After

consultation with DOL on this matter, we recommend that Rhode Island revise its GWB composition by appointing the ORS director to the GWB to represent the VR program. As such, this VR program representative would be in addition to the representative of the TANF program. Enforcement of this matter falls under the jurisdiction of DOL.

MOU and Infrastructure Agreement

The RSA team provided technical assistance regarding the one-stop MOU and the included infrastructure funding agreements. Specifically, the team discussed cost allocation methodologies and discussed the requirement that the DSU maintain control of the funds used for infrastructure costs.

Data Collection and Common Intake

The RSA team provided technical assistance on data collection related to UI wage data, including information on the draft SWIS agreement, and information regarding common data systems and common intake forms. The team noted areas where common intake forms have been problematic for other agencies and provided technical assistance to ensure that a common intake or registration form does not remove the VR program from the application process, or automatically assume that all individuals with disabilities either need or are applying for VR services.

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.

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

Row	Performance category	2015	2016	2017
1	Number of total applicants	2,832	2,738	2,446
2	Number of total eligible individuals	2,073	2,056	1,941
3	Agency implementing order of selection (Y/N)	Yes	Yes	Yes
4	Number of individuals on order of selection waiting list at year-end	36	25	28
5	Percent eligible of individuals had IPE who received no services	22.2%	26.8%	30.6%
6	Number of individuals in plan receiving services	5,084	5,350	5,468

Data source: RSA-113

Table 2a. Rhode Island 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	572	29.1	595	26.9	344	10.5
2	Exited from trial work experience	5	0.3	14	0.6	6	0.2
3	Exited with employment	644	32.7	648	29.3	563	17.2
4	Exited without employment	288	14.6	405	18.3	1893	57.8
5	Exited from OOS waiting list	7	0.4	38	1.7	13	0.4
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	453	23.0	513	23.2	457	13.9
7	Employment rate*		69.1		61.5		22.9
8	Competitive employment outcomes	642	99.7%	645	99.5%	537	95.4%
9	Average hourly earnings for competitive employment outcomes**	$12.05		$12.29		$12.62	
10	Average hours worked for competitive employment outcomes	28.1		27.3		28.4	
11	Median hourly earnings for competitive employment outcomes	$10.00		$10.00		$10.50	
12	Median hours worked for competitive employment outcomes	30.0		25.0		30.0	
13	Quarterly median earnings for competitive employment outcomes***	$3,744.00		$3,549.00		$3,900.00	
14	Competitive employment outcomes meeting SGA	350	54.5	332	51.5	295	54.9
15	Competitive employment outcomes with employer-provided medical insurance	135	21.0	125	19.4	96	17.9

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. Rhode Island 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	116	22.1	134	20.5	74	6.2
2	Exited from trial work experience	1	0.2	9	1.4	6	0.5
3	Exited with employment	183	34.8	179	27.3	186	15.7
4	Exited without employment	88	16.7	151	23.1	747	62.9
5	Exited from OOS waiting list	3	0.6	9	1.4	1	0.1
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	135	25.7	173	26.4	174	14.6
7	Employment rate*		67.5%		54.2%		19.9%
8	Competitive employment outcomes	183	100.0%	179	100.0%	177	95.2%
9	Average hourly earnings for competitive employment outcomes**	$10.35		$10.47		$10.95	
10	Average hours worked for competitive employment outcomes	27.0		25.2		27.5	
11	Median hourly earnings for competitive employment outcomes	$9.00		$9.63		$10.00	
12	Median hours worked for competitive employment outcomes	25.0		24.0		25.0	
13	Quarterly median earnings for competitive employment outcomes***	$3,159.00		$3,003.00		$3,575.00	
14	Competitive employment outcomes meeting SGA	86	47.0	74	41.3	89	50.3
15	Competitive employment outcomes with employer-provided medical insurance	28	15.3	28	15.6	19	10.7

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.

**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. Rhode Island 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	454	31.5	461	29.6	270	12.9
2	Exited from trial work experience	4	0.3	5	0.3	0	0.0
3	Exited with employment	461	32.0	469	30.1	377	18.1
4	Exited without employment	200	13.9	254	16.3	1146	54.9
5	Exited from OOS waiting list	4	0.3	29	1.9	12	0.6
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	318	22.1	340	21.8	283	13.6
7	Employment rate*		69.7		64.9		24.8
8	Competitive employment outcomes	459	99.6	466	99.4	360	95.5
9	Average hourly earnings for competitive employment outcomes**	$12.73		$12.99		$13.44	
10	Average hours worked for competitive employment outcomes	28.5		28.1		28.9	
11	Median hourly earnings for competitive employment outcomes	$10.00		$10.86		$11.00	
12	Median hours worked for competitive employment outcomes	30.0		27.5		30.0	
13	Quarterly median earnings for competitive employment outcomes***	$4,095.00		$3,978.00		$4,368.00	
14	Competitive employment outcomes meeting SGA	264	57.5	258	55.4	206	57.2
15	Competitive employment outcomes with employer-provided medical insurance	107	23.3	97	20.8	77	21.4

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. Rhode Island 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)	14.1	16.9	26.7
2	Educational Institutions (post-secondary)	0.5	1.0	1.6
3	Medical Health Provider (Public or Private)	9.6	8.3	8.3
4	Welfare Agency (State or local government)	7.4	8.8	6.5
5	Community Rehabilitation Programs	11.9	13.5	13.3
6	Social Security Administration (Disability Determination Service or District office)	1.1	1.3	0.9
7	One-stop Employment/Training Centers	1.5	1.7	1.6
8	Self-referral	21.0	13.7	14.9
9	Other Sources	22.7	22.2	18.5
10	American Indian VR Services Program	0	0	0
11	Centers for Independent Living	0	0	0
12	Child Protective Services	0	0	0
13	Consumer Organizations or Advocacy Groups	0	0	0
14	Employers	0	0	0.1
15	Faith Based Organizations	0	0	0
16	Family/Friends	0	0	0
17	Intellectual and Developmental Disabilities Providers	0	0	0
18	Mental Health Provider (Public or Private)	1.1	1.3	1.0
19	Public Housing Authority	0	0	0
20	State Department of Correction/Juvenile Justice	0.2	0.7	0.7
21	State Employment Service Agency	0	0	0
22	Veteran's Administration	0	0	0
23	Worker's Compensation	0.1	0.1	0.0
24	Other State Agencies	2.6	3.5	5.0
25	Other VR State Agencies	0	0	0
26	Total Identified Referral Sources	93.7	92.8	99.1
27	Other Referral Sources (unknown)	6.3	7.2	0.9

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. Rhode Island 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)	49.6	53.3	67.4
2	Educational Institutions (post-secondary)	1.3	1.2	1.0
3	Medical Health Provider (Public or Private)	3.6	4.9	3.5
4	Welfare Agency (State or local government)	1.7	3.2	1.9
5	Community Rehabilitation Programs	5.5	4.1	3.7
6	Social Security Administration (Disability Determination Service or District office)	0.6	0	0.1
7	One-stop Employment/Training Centers	0.4	0.6	0.2
8	Self-referral	10.6	7.8	6.5
9	Other Sources	17.9	16.8	12.5
10	American Indian VR Services Program	0	0	0
11	Centers for Independent Living	0	0	0
12	Child Protective Services	0	0	0
13	Consumer Organizations or Advocacy Groups	0	0	0
14	Employers	0	0	0
15	Faith Based Organizations	0	0	0
16	Family/Friends	0	0	0
17	Intellectual and Developmental Disabilities Providers	0	0	0
18	Mental Health Provider (Public or Private)	0.8	0.6	0.4
19	Public Housing Authority	0	0	0
20	State Department of Correction/Juvenile Justice	0.2	0.2	0.2
21	State Employment Service Agency	0	0	0
22	Veteran's Administration	0	0	0
23	Worker's Compensation	0	0	0
24	Other State Agencies	1.9	1.8	2.5
25	Other VR State Agencies	0	0	0
26	Total Identified Referral Sources	94.1	94.5	99.8
27	Other Referral Sources	5.9	5.5	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 3c. Rhode Island 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)	1.1	1.5	3.6
2	Educational Institutions (post-secondary)	0.1	0.9	1.9
3	Medical Health Provider (Public or Private)	11.9	9.8	11.1
4	Welfare Agency (State or local government)	9.5	11.1	9.1
5	Community Rehabilitation Programs	14.3	17.4	18.8
6	Social Security Administration (Disability Determination Service or District office)	1.3	1.8	1.4
7	One-stop Employment/Training Centers	1.9	2.2	2.4
8	Self-referral	24.8	16.2	19.6
9	Other Sources	24.4	24.5	21.9
10	American Indian VR Services Program	0	0	0
11	Centers for Independent Living	0	0	0
12	Child Protective Services	0	0	0
13	Consumer Organizations or Advocacy Groups	0	0	0
14	Employers	0	0	0.1
15	Faith Based Organizations	0	0	0
16	Family/Friends	0	0	0
17	Intellectual and Developmental Disabilities Providers	0	0	0
18	Mental Health Provider (Public or Private)	1.2	1.5	1.3
19	Public Housing Authority	0	0	0
20	State Department of Correction/Juvenile Justice	0.1	0.9	1.0
21	State Employment Service Agency	0	0	0
22	Veteran's Administration	0	0	0
23	Worker's Compensation	0.1	0.1	0.0
24	Other State Agencies	2.9	4.2	6.4
25	Other VR State Agencies	0	0	0
26	Total Identified Referral Sources	93.7	92.1	98.7
27	Other Referral Sources	6.3	7.9	1.3

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 4a. Rhode Island Combined Agency Outcomes by Disability Type for All Individuals at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	49	5.3	35	3.3	47	1.9
2	Visual - Employment rate		63.3		62.9		57.4
3	Auditory and Communicative - Individuals served	56	6.0	47	4.5	131	5.3
4	Auditory and Communicative - Employment rate		76.8		87.2		15.3
5	Physical - Individuals served	124	13.3	152	14.4	324	13.2
6	Physical - Employment rate		63.7		53.9		21.9
7	Intellectual and Learning disability - Individuals served	283	30.4	350	33.2	836	34.0
8	Intellectual and Learning disability - Employment rate		72.8		62.3		24.9
9	Psychosocial and psychological- Individuals served	420	45.1	469	44.5	1118	45.5
10	Psychosocial and psychological- Employment rate		67.9		60.8		21.2

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 4b. Rhode Island Combined Agency Outcomes by Disability Type for Individuals below Age 25 at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	6	2.2	3	0.9	3	0.3
2	Visual - Employment rate		33.3		66.7		66.7
3	Auditory and Communicative - Individuals served	16	5.9	6	1.8	30	3.2
4	Auditory and Communicative - Employment rate		81.3		66.7		10.0
5	Physical - Individuals served	7	2.6	13	3.9	51	5.5
6	Physical - Employment rate		57.1		46.2		17.6
7	Intellectual and Learning disability - Individuals served	157	57.9	203	61.5	512	54.9
8	Intellectual and Learning disability - Employment rate		70.1		56.2		21.7
9	Psychosocial and psychological- Individuals served	85	31.4	105	31.8	337	36.1
10	Psychosocial and psychological- Employment rate		63.5		50.5		18.1

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 4c. Rhode Island Combined Agency Outcomes by Disability Type for Individuals Age 25 and Older at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	43	6.5	32	4.4	44	2.9
2	Visual - Employment rate		67.4		62.5		56.8
3	Auditory and Communicative - Individuals served	40	6.1	41	5.7	101	6.6
4	Auditory and Communicative - Employment rate		75.0		90.2		16.8
5	Physical - Individuals served	117	17.7	139	19.2	273	17.9
6	Physical - Employment rate		64.1		54.7		22.7
7	Intellectual and Learning disability - Individuals served	126	19.1	147	20.3	324	21.3
8	Intellectual and Learning disability - Employment rate		76.2		70.7		29.9
9	Psychosocial and psychological- Individuals served	335	50.7	364	50.3	781	51.3
10	Psychosocial and psychological- Employment rate		69.0		63.7		22.5

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 5a. Rhode Island Combined Agency Number of Days from Application to Eligibility Determination for All Individuals at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017* Percent
0 – 60 days	1,129	81.1	1,314	81.9	2,409	82.3
More than 60 days	263	18.9	290	18.1	517	17.7
Total eligible	1,392	100.0	1,604	100.0	2,926	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.

Table 5b. Rhode Island Combined Agency Number of Days from Application to Eligibility Determination for Individuals below Age 25 at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	317	77.5	413	80.7	947	85.5
More than 60 days	92	22.5	99	19.3	161	14.5
Total eligible	409	100.0	512	100.0	1,108	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.

Table 5c. Rhode Island Combined Agency Number of Days from Application to Eligibility Determination for Individuals 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 – 60 days	812	82.6	901	82.5	1,462	80.4
More than 60 days	171	17.4	191	17.5	356	19.6
Total eligible	983	100.0	1,092	100.0	1,818	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.

Table 6a. Rhode Island 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	103	98.1	371	95.1	930	94.4
More than 90 days	2	1.9	19	4.9	55	5.6
Total served	105	100.0	390	100.0	985	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. Rhode Island 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	10	100.0	68	90.7	316	92.1
More than 90 days	0	0.0	7	9.3	27	7.9
Total served	10	100.0	75	100.0	343	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. Rhode Island 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	93	97.9	303	96.2	614	95.6
More than 90 days	2	2.1	12	3.8	28	4.4
Total served	95	100.0	315	100.0	642	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. Rhode Island 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	0.3	0.2	0.1
2	Training- Bachelor degree training	5.9	4.1	4.8
3	Training- Junior or community college training	3.5	3.7	3.8
4	Training- Occupational or vocational training	46.1	42.5	38.4
5	Training- On-the-job training	0.0	0.0	0.0
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	2.6	1.8	0.9
8	Training- Job readiness training	5.4	8.2	7.2
9	Training- Disability-related skills training	1.5	1.5	0.4
10	Training- Miscellaneous training	3.3	3.6	3.0
11	Career- Assessment	96.2	97.3	96.6
12	Career- Diagnosis and treatment of impairment	15.5	12.1	8.3
13	Career- Vocational rehab counseling and guidance	0.0	0.0	0.0
14	Career- Job search assistance	3.0	1.9	1.2
15	Career- Job placement assistance	63.3	61.1	50.2
16	Career- On-the-job supports-short term	1.9	2.2	1.6
17	Career- On-the-job supports-SE	12.8	14.4	10.9
18	Career- Information and referral services	29.5	62.3	61.6
19	Career- Benefits counseling	0.0	0.0	0.1
20	Career- Customized employment services	0.0	0.0	0.0
21	Other services- Transportation	18.2	17.4	19.4
22	Other services- Maintenance	47.9	47.3	35.6
23	Other services- Rehabilitation technology	17.2	15.0	13.0
24	Other services- Reader services	0.0	0.0	0.0
25	Other services- Interpreter services	1.1	0.8	0.9
26	Other services- Personal attendant services	0.2	0.3	0.1
27	Other services- Technical assistance services	2.0	1.1	3.7
28	Other services- Other services	31.7	32.3	26.8

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. Rhode Island 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	0.0	0.0	0.0
2	Training- Bachelor degree training	7.4	2.7	2.9
3	Training- Junior or community college training	5.9	3.0	4.4
4	Training- Occupational or vocational training	40.2	33.9	25.7
5	Training- On-the-job training	0.0	0.0	0.0
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	2.6	1.5	1.1
8	Training- Job readiness training	4.8	9.7	8.5
9	Training- Disability-related skills training	0.7	0.6	0.1
10	Training- Miscellaneous training	4.1	4.2	3.5
11	Career- Assessment	97.8	97.3	98.9
12	Career- Diagnosis and treatment of impairment	4.8	3.6	2.4
13	Career- Vocational rehab counseling and guidance	0.0	0.0	0.0
14	Career- Job search assistance	1.8	1.5	1.1
15	Career- Job placement assistance	55.4	49.4	35.5
16	Career- On-the-job supports-short term	1.8	4.2	2.4
17	Career- On-the-job supports-SE	10.0	11.2	7.8
18	Career- Information and referral services	26.6	57.3	63.5
19	Career- Benefits counseling	0.0	0.0	0.0
20	Career- Customized employment services	0.0	0.0	0.0
21	Other services- Transportation	33.9	28.2	28.5
22	Other services- Maintenance	35.4	37.9	26.3
23	Other services- Rehabilitation technology	13.3	7.9	8.6
24	Other services- Reader services	0.0	0.0	0.0
25	Other services- Interpreter services	0.7	0.0	0.1
26	Other services- Personal attendant services	0.0	0.0	0.0
27	Other services- Technical assistance services	1.1	0.3	1.5
28	Other services- Other services	21.4	31.2	26.6

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.

**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. Rhode Island 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	0.5	0.3	0.1
2	Training- Bachelor degree training	5.3	4.7	5.9
3	Training- Junior or community college training	2.6	4.0	3.5
4	Training- Occupational or vocational training	48.6	46.3	46.1
5	Training- On-the-job training	0.0	0.0	0.0
6	Training- Apprenticeship training	0.0	0.0	0.0
7	Training- Basic academic remedial or literacy training	2.6	1.9	0.9
8	Training- Job readiness training	5.6	7.5	6.5
9	Training- Disability-related skills training	1.8	1.9	0.5
10	Training- Miscellaneous training	3.0	3.3	2.6
11	Career- Assessment	95.6	97.4	95.2
12	Career- Diagnosis and treatment of impairment	19.8	15.9	12.0
13	Career- Vocational rehab counseling and guidance	0.0	0.0	0.0
14	Career- Job search assistance	3.5	2.1	1.2
15	Career- Job placement assistance	66.6	66.4	59.2
16	Career- On-the-job supports-short term	2.0	1.2	1.1
17	Career- On-the-job supports-SE	13.9	15.9	12.8
18	Career- Information and referral services	30.7	64.6	60.4
19	Career- Benefits counseling	0.0	0.0	0.1
20	Career- Customized employment services	0.0	0.0	0.0
21	Other services- Transportation	11.8	12.4	13.9
22	Other services- Maintenance	53.0	51.6	41.4
23	Other services- Rehabilitation technology	18.8	18.3	15.8
24	Other services- Reader services	0.0	0.0	0.0
25	Other services- Interpreter services	1.2	1.1	1.3
26	Other services- Personal attendant services	0.3	0.4	0.1
27	Other services- Technical assistance services	2.4	1.5	5.1
28	Other services- Other services	35.9	32.8	26.9

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. Rhode Island 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	0.3	$38.18	0.8	$13.00	0.6	$22.00
2	Arts, Design, Entertainment, Sports, and Media	0.9	$13.13	0.5	$14.51	1.7	$12.00
3	Building and Grounds Cleaning and Maintenance	6.2	$9.00	7.4	$10.00	7.3	$10.00
4	Business and Financial Operations Occupations	1.1	$20.00	0.8	$13.84	1.7	$19.23
5	Community and Social Services Occupations	3.4	$12.71	1.7	$11.00	3.9	$13.00
6	Computer and Mathematical Occupations	2.0	$17.44	1.9	$14.00	0.7	$28.00
7	Constructive and Extraction Occupations	3.6	$13.00	3.1	$12.50	2.2	$14.50
8	Education, Training, and Library Occupations	3.0	$13.00	2.2	$15.83	2.8	$13.00
9	Farming, Fishing, and Forestry Occupations	0	NA	0	NA	0	NA
10	Food Preparation and Serving Related Occupations	14.8	$9.00	15.7	$9.63	14.5	$10.00
11	Healthcare Practitioners and Technical Occupations	1.9	$24.00	2.3	$19.70	2.6	$25.00
12	Healthcare Support Occupations	6.9	$10.08	9.0	$11.00	8.4	$12.00
13	Installation, Maintenance, and Repair Occupations	4.2	$9.50	4.7	$10.31	3.7	$10.00
14	Legal Occupations	0.3	$36.25	0.3	$13.23	0.2	$15.00
15	Life, Physical, and Social Science Occupations	0.5	$24.05	0.3	$29.05	0.2	$25.78
16	Management Occupations	1.2	$16.93	2.0	$14.00	1.1	$21.54
17	Military Specific Occupations	0.5	$9.52	0	NA	0	NA
18	Office and Administrative Support Occupations	23.2	$9.50	24.7	$10.00	22.5	$10.00
19	Personal Care and Service Occupations	5.1	$10.00	4.7	$10.00	5.6	$10.00
20	Production Occupations	3.9	$13.00	2.3	$10.57	2.6	$12.30
21	Protective Service Occupations	1.7	$10.00	1.7	$9.67	3.4	$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0.2	$10.10	0.2	$20.00	0	NA
24	Sales and Related Occupations	8.9	$9.00	9.5	$9.60	7.6	$9.90
25	Transportation and Material Moving Occupations	6.2	$10.00	4.5	$11.00	6.7	$11.00
26	Total competitive employment outcomes		$10.00		$10.00		$10.50

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. Rhode Island 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	NA	0.6	$12.00	0	NA
2	Arts, Design, Entertainment, Sports, and Media	1.1	$18.13	0	NA	0	NA
3	Building and Grounds Cleaning and Maintenance	3.3	$9.00	3.9	$10.00	5.1	$10.00
4	Business and Financial Operations Occupations	0	NA	0.6	$9.00	1.1	$13.00
5	Community and Social Services Occupations	3.3	$11.27	0.6	$10.00	0.6	$14.93
6	Computer and Mathematical Occupations	3.8	$13.00	2.2	$16.60	0.6	$40.00
7	Constructive and Extraction Occupations	1.1	$10.50	1.7	$14.00	1.1	$12.00
8	Education, Training, and Library Occupations	1.6	$10.00	1.1	$13.80	1.7	$11.27
9	Farming, Fishing, and Forestry Occupations	0	NA	0	NA	0	NA
10	Food Preparation and Serving Related Occupations	18.0	$9.00	21.8	$9.60	19.8	$9.84
11	Healthcare Practitioners and Technical Occupations	0.5	$9.00	1.7	$15.00	1.1	$9.60
12	Healthcare Support Occupations	5.5	$9.75	6.7	$11.00	6.8	$13.38
13	Installation, Maintenance, and Repair Occupations	7.1	$9.00	7.3	$10.00	7.3	$9.60
14	Legal Occupations	0	NA	0	NA	0	NA
15	Life, Physical, and Social Science Occupations	0.5	$9.00	0	NA	0	NA
16	Management Occupations	0	NA	0.6	$9.60	0	NA
17	Military Specific Occupations	1.6	$9.52	0	NA	0	NA
18	Office and Administrative Support Occupations	20.2	$9.00	27.9	$9.62	22.0	$10.00
19	Personal Care and Service Occupations	8.2	$10.00	5.0	$9.61	6.8	$10.00
20	Production Occupations	3.3	$15.20	1.1	$9.50	3.4	$12.00
21	Protective Service Occupations	1.1	$9.50	2.8	$9.61	2.8	$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	14.8	$9.00	12.8	$9.60	14.1	$9.61
25	Transportation and Material Moving Occupations	4.9	$9.00	1.7	$11.00	5.6	$11.00
26	Total competitive employment outcomes		$9.00		$9.63		$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. Rhode Island 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	0.4	$38.18	0.9	$14.00	0.8	$22.00
2	Arts, Design, Entertainment, Sports, and Media	0.9	$10.00	0.6	$14.51	2.5	$12.00
3	Building and Grounds Cleaning and Maintenance	7.4	$9.00	8.8	$10.00	8.3	$10.00
4	Business and Financial Operations Occupations	1.5	$20.00	0.9	$14.42	1.9	$20.33
5	Community and Social Services Occupations	3.5	$13.50	2.1	$11.28	5.6	$12.75
6	Computer and Mathematical Occupations	1.3	$21.05	1.7	$14.00	0.8	$21.00
7	Constructive and Extraction Occupations	4.6	$14.00	3.6	$12.00	2.8	$17.00
8	Education, Training, and Library Occupations	3.5	$13.50	2.6	$15.83	3.3	$14.65
9	Farming, Fishing, and Forestry Occupations	0	NA	0	NA	0	NA
10	Food Preparation and Serving Related Occupations	13.5	$9.52	13.3	$9.63	11.9	$10.00
11	Healthcare Practitioners and Technical Occupations	2.4	$26.50	2.6	$19.85	3.3	$27.00
12	Healthcare Support Occupations	7.4	$10.51	9.9	$11.15	9.2	$11.75
13	Installation, Maintenance, and Repair Occupations	3.1	$9.50	3.6	$12.00	1.9	$13.35
14	Legal Occupations	0.4	$36.25	0.4	$13.23	0.3	$15.00
15	Life, Physical, and Social Science Occupations	0.4	$37.03	0.4	$29.05	0.3	$25.78
16	Management Occupations	1.7	$16.93	2.6	$14.45	1.7	$21.54
17	Military Specific Occupations	0	NA	0	NA	0	NA
18	Office and Administrative Support Occupations	24.4	$10.00	23.4	$11.00	22.8	$10.80
19	Personal Care and Service Occupations	3.9	$10.00	4.5	$10.80	5.0	$11.00
20	Production Occupations	4.1	$11.00	2.8	$12.00	2.2	$13.30
21	Protective Service Occupations	2.0	$10.50	1.3	$10.00	3.6	$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0.2	$10.10	0.2	$20.00	0	NA
24	Sales and Related Occupations	6.5	$9.25	8.2	$9.63	4.4	$10.00
25	Transportation and Material Moving Occupations	6.8	$11.00	5.6	$11.00	7.2	$10.96
26	Total competitive employment outcomes		$10.00		$10.86		$11.00

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 9a. Rhode Island 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	737	55.6	816	52.1	1,753	64.6
2	Disability too significant to benefit from VR services - ineligible	0	0	3	0.2	1	0.0
3	No longer interested in receiving services or further services	345	26.0	447	28.6	552	20.3
4	Death	6	0.5	7	0.4	13	0.5
5	Transferred to another agency	12	0.9	13	0.8	18	0.7
6	No disabling condition – ineligible	5	0.4	2	0.1	1	0.0
7	No impediment to employment - ineligible	6	0.5	2	0.1	1	0.0
8	Transportation not feasible or available	1	0.1	0	0	0	0
9	Does not require VR services - ineligible	3	0.2	4	0.3	0	0
10	All other reasons	198	14.9	259	16.5	362	13.3
11	Extended employment	0	0	0	0	3	0.1
12	Individual in institution other than a prison or jail	3	0.2	1	0.1	1	0.0
13	Individual is incarcerated in a prison or jail	9	0.7	11	0.7	8	0.3

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 9b. Rhode Island 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 numbe r	2015 Percent	2016 number	2016 Percent	2017 number	2017 Percent
1	Unable to locate or contact	213	62.1	275	57.8	719	71.8
2	Disability too significant to benefit from VR services - ineligible	0	0	3	0.6	1	0.1
3	No longer interested in receiving services or further services	95	27.7	140	29.4	198	19.8
4	Death	0	0	2	0.4	3	0.3
5	Transferred to another agency	1	0.3	2	0.4	7	0.7
6	No disabling condition - ineligible	1	0.3	0	0	0	0
7	No impediment to employment - ineligible	1	0.3	1	0.2	0	0
8	Transportation not feasible or available	0	0	0	0	0	0
9	Does not require VR services - ineligible	1	0.3	0	0	0	0
10	All other reasons	29	8.5	48	10.1	67	6.7
11	Extended employment	0	0	0	0	2	0.2
12	Individual in institution other than a prison or jail	0	0	0	0	0	0
13	Individual is incarcerated in a prison or jail	2	0.6	5	1.1	5	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 9c. Rhode Island 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	522	53.3	541	49.7	1,034	60.4
2	Disability too significant to benefit from VR services - ineligible	0	0	0	0	0	0
3	No longer interested in receiving services or further services	250	25.5	307	28.2	354	20.7
4	Death	6	0.6	5	0.5	10	0.6
5	Transferred to another agency	11	1.1	11	1.0	11	0.6
6	No disabling condition - ineligible	4	0.4	2	0.2	1	0.1
7	No impediment to employment - ineligible	5	0.5	1	0.1	1	0.1
8	Transportation not feasible or available	1	0.1	0	0	0	0
9	Does not require VR services - ineligible	2	0.2	4	0.4	0	0
10	All other reasons	169	17.2	211	19.4	295	17.2
11	Extended employment	0	0	0	0	1	0.1
12	Individual in institution other than a prison or jail	3	0.3	1	0.1	1	0.1
13	Individual is incarcerated in a prison or jail	7	0.7	6	0.6	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.

Fiscal Data Tables

Table 6.1 Rhode Island-Combined (RI-C) VR Resources and Expenditures—FFYs 2015–2017

VR Resources and Expenditures	2015	2016	2017
Total program expenditures	$18,011,239	$16,681,229	$14,798,881
Federal expenditures	$14,174,845	$12,910,845	$10,935,711
State agency expenditures (4th quarter)	$3,836,394	$3,770,385	$3,863,170
State agency expenditures (latest/final)	$3,836,394	$3,770,384	$3,863,170
Federal formula award amount	$10,174,845	$10,393,765	$10,403,513
MOE penalty from prior year	$0	$0	$0
Federal award amount relinquished during reallotment	$0	$0	$0
Federal award amount received during reallotment	$4,000,000	$2,517,080	$532,198
Federal funds transferred from State VR agency	$0	$0	$0
Federal funds transferred to State VR agency	$0	$0	$0
Federal award amount (net)	$14,174,845	$12,910,845	$10,935,711
Federal award funds deobligated	$0	$0	$0
Federal award funds used	$14,174,845	$12,910,845	$10,935,711
Percent of formula award amount used	139.31%	124.22%	105.12%
Federal award funds matched but not used	$0	$0	$0

Table 6.2 Rhode Island-Combined (RI-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	$3,836,394	$3,494,295	$2,959,729
Match provided (actual)	$3,836,394	$3,770,384	$3,863,170
Match difference**	$0	-$276,089	-$903,441
Federal funds matched (actual)	$14,174,845	$12,910,845	$10,935,711
Percent Federal funds matched	100.00%	100.00%	100.00%
MOE required	$3,526,554	$3,770,060	$3,836,394
MOE: Establishment/construction expenditures	$0	$0	$0
MOE actual	$3,836,394	$3,770,384	$3,863,170
MOE difference**	-$309,840	-$324	-$26,776

* 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 Rhode Island-Combined (RI-C) Program Income and Carryover—FFYs 2015–2017*

Program Income and Carryover	2015	2016	2017*
Program income received	$41,495	$20,384	$112,460
Program income disbursed	$41,495	$20,384	$112,460
Program income transferred	$0	$0	$0
Program income used for VR program	$41,495	$20,384	$112,460
Federal grant amount matched	$14,174,845	$12,910,845	$10,935,711
Federal expenditures 9/30	$7,694,664	$8,454,885	$9,138,261
Federal unliquidated obligations 9/30	$0	$0	$174,724
Carryover amount	$6,480,181	$4,455,960	$1,622,726
Carryover as percent of award	45.72%	34.51%	14.84%

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

Table 6.4 Rhode Island-Combined (RI-C) RSA-2 Expenditures—FFYs 2015–2017*

RSA-2 Expenditures	2015	2016	2017
Total expenditures	$18,822,164	$18,572,923	$18,499,454
Administrative costs	$1,881,218	$3,186,002	$2,282,692
Administration as Percent expenditures	9.99%	17.15%	12.34%
Purchased services expenditures	$8,263,226	$7,046,786	$6,491,234
Purchased services as a Percent expenditures	43.90%	37.94%	35.09%
Services to groups	$652,863	$587,003	$2,191,232
Services to groups percentage	3.47%	3.16%	11.84%

*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

Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	15	15	50%	50%
Date of Eligibility Determination	29	1	97%	3%
Date of IPE	15	15	50%	50%
Start Date of Employment in Primary Occupation at Exit or Closure	29	1	97%	3%
Weekly Earnings at Exit or Closure	30	0	100%	0%
Employment Status at Exit or Closure	30	0	100%	0%
Type of Exit or Closure	30	0	100%	0%
Date of Exit or Closure	29	1	97%	3%

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	6	20%
Files with documentation for four or more data elements examined	0	0%
Files with no required documentation	0	0%

APPENDIX C: 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	96		118		101	
Competitive employment outcomes	96	100.0	116	98.3	88	87.1
Median hourly earnings for competitive employment outcomes	$9.00		$9.60		$9.63	
Average hours worked for competitive employment outcomes	18.3		16.6		19.2	

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.
**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**
Assessment	100.0
Information and referral services	97.7
Job placement assistance	88.6
On-the-job supports-SE	86.4
Maintenance	56.8

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	31.8	$10.00
Food Preparation and Serving Related Occupations	29.5	$9.63
Building and Grounds Cleaning and Maintenance	10.2	$9.61
Transportation and Material Moving Occupations	8.0	$10.00
Installation, Maintenance, and Repair Occupations	5.7	$9.60

Data source: RSA-911
Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.