

**FEDERAL FISCAL YEAR 2019
MONITORING REPORT
ON THE
COMMONWEALTH OF THE NORTHERN
MARIANA ISLANDS
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS**



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

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TABLE OF CONTENTS

| | Page |
|--|------|
| Section 1: The Scope of the Review | 1 |
| Section 2: Focus Area – Performance of the State Vocational Rehabilitation Services and State Supported Employment Services Programs..... | 3 |
| Section 3: Focus Area –Pre-Employment Transition Services for Students with Disabilities | 9 |
| Section 4: Focus Area – Financial Management of the State Vocational Rehabilitation Services and State Supported Employment Services Programs..... | 13 |
| Appendix A: State Vocational Rehabilitation Services and State Supported Employment Services Programs Performance Tables | 20 |
| Appendix B: Fiscal Data Tables | 31 |

SECTION 1: THE 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 Commonwealth of the Northern Mariana Islands (CNMI) Office of Vocational Rehabilitation (OVR) in Federal fiscal year (FFY) 2019, 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 State Vocational Rehabilitation Services and State Supported Employment Services Programs;
 - Pre-Employment Transition Services for Students with Disabilities; and
 - Financial Management of the State Vocational Rehabilitation Services and State Supported Employment Services Programs.

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an off-site review from August 5 through September 26, 2019, is described in detail in the [State Vocational Rehabilitation Services and State Supported Employment Services Programs Federal Fiscal Year 2019 Monitoring and Technical Assistance Guide](#).

B. Review Team Participants

Members of the RSA review team included Christyne Cavataio and Zera Hoosier (VR Unit), Joseph Doney and Andrea Hall (Technical Assistance Unit), Andrew Kerns (Data Collection and Analysis Unit), and Arseni Popov (Fiscal Unit). Although not all team members participated in the off-site review calls, 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 OVR for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the Client Assistance Program, advocates, and other stakeholders in the monitoring process.

SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS

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 through conducting an analysis of VR program data. The analysis below, along with any accompanying findings and corrective actions, is based on a review of the programmatic data contained in Appendix A of this report. The data used in the analysis are those collected and reported by the VR agency.

B. Analysis of the Performance of the VR Program

VR Agency Profile

Resources: Appendix A—Tables 1, 2, and 3

Over the three-year period covered in this review, the total number of applicants decreased from 133 individuals in FFY 2016, to 99 individuals in FFY 2018. OVR attributed this decline to the damage caused by several severe storms that struck CNMI during the three-year period. Typhoon Soudelor, a category five storm, struck CNMI in early FFY 2016, resulting in extensive damage to the agency's administration building and the relocation of all staff to field offices. Since there were no alternative energy sources, OVR did not have power restoration for several weeks, and the majority of the islands' residents did not receive power for three to six months. Due to shortages in the construction field, the agency was unable to procure contractors, which delayed the return to the administration building until March 2018. CNMI experienced two additional category five typhoons in September and October 2018. The effects of these last two storms were still being felt in FFY 2019. At the time of the review, the island was struggling to recover especially in the more remote areas. To assist with counteracting the negative effects of the pattern of natural disasters experienced by the islands over the past few years, OVR has increased outreach, business engagement, and networking activities throughout the three most heavily populated islands.

In program year (PY) 2017, OVR reported that 97.8 percent of individuals who did not have an eligibility determination extension in place were determined eligible within 60 days from the date of application. OVR also reported 15.0 percent of eligibility determinations made in PY 2017 were made after OVR and the applicant agreed to an extension. In PY 2017, OVR reported that 59.5 percent of individuals determined eligible had their individualized plans for employment (IPEs) developed within 90 days from the date of eligibility determination.

Of the 62 individuals who exited the VR program in PY 2017, 19 individuals, or 31 percent, achieved competitive integrated employment; none of these individuals were reported as having achieved supported employment. During the same period, when considering only those

individuals who exited after receiving services, OVR achieved an employment rate of 35.8 percent.

The VR Process

Resources: Appendix A—Tables 1, 2, 4, and 5

As reported on the RSA-113 Quarterly Cumulative Caseload Report, the total number of applicants declined by 25 percent, from 133 individuals in FFY 2016, to 99 individuals in FFY 2018. In addition, the number of eligible individuals decreased by 31 percent, from 92 individuals in FFY 2016, to 70 individuals in FFY 2018. During the same period, the percentage of eligible individuals with an IPE who received no services decreased from 27.2 percent in FFY 2016 to 21.4 percent in FFY 2018.

Of the 62 individuals who exited the VR program in PY 2017, nine individuals, or 14.5 percent, exited from various stages of the VR process prior to the development of an IPE, and 34 individuals, or 54.8 percent, exited the VR program after receiving services under an IPE but without an employment outcome. OVR data show that 25 individuals, or 40.3 percent, were reported as being “no longer interested in receiving services or further services.”

VR Services

Resources: Appendix A—Tables 6 and 7

Of the 174 participants who received VR services in PY 2017, 89 participants, or 51.2 percent, received the following training services: junior or community college training (14.4 percent), occupational or vocational training (9.2 percent), on the job training (21.3 percent), job readiness training (4.6 percent), and miscellaneous training (1.7 percent). No one received Graduate or Bachelor’s Degree training, which the agency attributed to the lack of educational institutions in the territory leading to these degrees. Only one college is located in the territory, and it offers only four-year degrees in business or education. OVR stated that its VR participants were not interested in these careers.

Of the career services provided to participants in PY 2017, 129 individuals (74.1 percent) received vocational guidance and counseling, 77 individuals (44.3 percent) received job search assistance, and 43 individuals (24.7 percent) received diagnosis and treatment of impairment.

In PY 2017, seven participants, or four percent, received supported employment services; no youth with most significant disabilities received extended services; and none of the 62 participants who exited achieved supported employment.

In terms of other services provided to participants in PY 2017, 61 individuals (35.1 percent) received transportation services, 45 individuals (25.9 percent) received rehabilitation technology services, and 23 individuals (13.2 percent) received maintenance services. OVR indicated that limited public transportation is available only on the main island of Saipan.

OVR did not report any measurable skill gains (MSGs) in any of the categories in PY 2017. The agency stated that some of its participants did receive MSGs, but they did not have a process to

record the supporting documentation. The agency was in the process of developing a procedure and was starting to work with schools to get supporting documentation for postsecondary MSGs. As stated above, there is only one college in the territory with limited options for postsecondary skill gains.

Quality of Employment Outcomes

Resources: Appendix A—Tables 1, 4, 5, 6, 8, 9, and 10

In PY 2017, the 19 individuals who achieved competitive integrated employment earned median hourly wages of \$7.20 and worked a median of 40 hours per week. Of these individuals who achieved employment, 4.5 percent continued to receive supplemental security income (one individual) and 27.3 percent maintained medical insurance coverage through Medicaid. Approximately 22.7 percent of individuals with medical coverage at exit received coverage through their employers.

In PY 2017, eight individuals achieved employment in office and administrative support occupations, three individuals achieved employment in building and grounds cleaning and maintenance occupations, three individuals achieved employment in protective service occupations, and three individuals achieved employment in transportation and material moving occupations.

Occupations with the highest median hourly earnings in which OVR assisted individuals to secure employment included tax examiners and collectors and revenue agents (\$13.70), correctional officers and jailers (\$10.20), and stock clerks and order fillers (\$10.10).

Pre-Employment Transition Services

Resources: Appendix A—Tables 11 and 12

Of the 127 students with disabilities reported by OVR in PY 2017, 55.1 percent received a pre-employment transition service. Of those students with disabilities who received a pre-employment transition service, approximately ten percent applied for VR services in PY 2017, while 90 percent were potentially eligible for VR services.

Of the 278 pre-employment transition services provided in PY 2017, the services most often provided were job exploration counseling (26.6 percent) and counseling on enrollment opportunities in postsecondary education (25.9 percent). However, no one received work-based learning experiences during the same period.

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 to measure whether performance goals are being achieved. Although OVR had written procedures for conducting case reviews, staff indicated that they relied primarily on memory or historical practices rather than following written procedures.

Policies and Procedures

OVR's Program Services Policy and Procedure Manual available on its website is dated December 2018. In addition, OVR provided RSA with draft internal control documents dated February 2019, which outline case documentation procedures and requirements throughout its VR process.

OVR's Consumer Tracking System User Guide, dated April 3, 2019, outlines how staff track and document the provision of VR services throughout the process, including requirements for reporting RSA-911 Case Service Report data. OVR reported that all its cases are reviewed by a supervisor and stated that managers know the review checklist from memory and do not refer to a written checklist procedure.

D. Findings and Corrective Actions

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

2.1 Internal Controls and Monitoring

Issue: Does OVR have written policies in place to ensure accurate data collection and reporting.

Requirements: VR agencies must employ methods of administration for the proper and efficient administration of the VR portion of the State Plan and carry out all functions required by the VR program, including procedures to ensure accurate data collection and financial responsibilities, in accordance with 34 C.F.R. § 361.12. In addition, 2 C.F.R. § 200.303 requires that VR agencies develop an internal controls process to provide a reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, established and implemented as a measure of checks and balances to ensure proper expenditures of funds, including the evaluation and monitoring of compliance with statutes, regulations, and the terms and conditions of Federal awards.

RSA's PD-16-04, issued on September 27, 2016, and revised on June 14, 2017, clarifies that, in accordance with 34 C.F.R. § 361.47, VR agencies must maintain verifying documentation in an individual's case service record, particularly regarding the eligibility determination, development of the IPE, VR services provided, and service record closure. The internal controls developed and implemented by the agency must extend beyond tracking of the data reported through the RSA-911 and must include the necessary supporting documentation in accordance with 34 C.F.R. § 361.47.

Analysis: During the review process, RSA analyzed the VR and Supported Employment Program Performance Tables described in Appendix A. The Number of MSGs Earned, Number of Participants Who Earned MSGs, and Types of MSGs for OVR in PY 2017 listed in Table 7 indicated that OVR did not record any MSGs earned by any VR participants. OVR indicated that some of its VR participants earned MSGs, but staff were unable to record them in the case file or report them on the RSA-911 because the agency did not have policies in place to collect the supporting documentation.

Conclusion: In accordance with 34 C.F.R. § 361.12, OVR must implement policies and procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. OVR must develop and implement policies and procedures for collecting accurate data and for verifying the accuracy and reliability of the data through the required supporting documentation. In addition, OVR must monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. § 200.303. Based on OVR's practices for conducting service record reviews and their existing procedures, RSA determined that OVR was not in compliance with the requirements in 34 C.F.R. § 361.12 or 2 C.F.R. § 200.303.

Corrective Action 2.1 RSA requires that OVR—

- 2.1.1 Develop policies and procedures to obtain and maintain supporting documentation in an individual's case service record pursuant to the requirements of 34 C.F.R. § 361.47 and PD-16-04;
- 2.1.2 Implement internal controls to ensure all supporting documentation is maintained within each case service record in accordance with 2 C.F.R. § 200.303; and
- 2.1.3 Develop and implement internal control procedures to ensure that case service records contain the required supporting documentation for data elements submitted through the RSA-911 report.

Agency Response: Our agency concurs with the compliance finding and recommended corrective actions. OVR will develop a plan to improve its internal controls to ensure service record requirements are met.

Request for Technical Assistance: Technical assistance and guidance from RSA will be requested during development of the corrective action plan.

E. Technical Assistance

During the off-site monitoring review, RSA provided technical assistance to OVR as described below.

Internal Controls

- RSA provided technical assistance to OVR regarding the finalization of a comprehensive internal control policy. RSA reviewed the preliminary internal control process, provided feedback, and encouraged OVR to move forward with training and implementation of the policy.

Reporting of Data

- OVR requested technical assistance on how to collect and record MSGs and improve recording of services delivered. RSA encouraged OVR to review the criteria for all MSG categories and provide training to its staff as necessary.

Employment Outcomes

- RSA discussed with OVR strategies to improve the number of individuals exiting the VR program with employment after receiving services under an IPE. Strategies discussed included increasing the frequency of participant contact and communication in order to maintain engagement. OVR acknowledged that participant engagement was an issue due to unfilled vacancies and staff turnover within the agency.

Timely IPE Development

- To improve the development of IPEs within 90 days and the use of extensions if additional time is needed in accordance with 34 C.F.R. § 361.45(a) and (e), RSA suggested that OVR assess and evaluate its current procedures for tracking and monitoring counselor performance and the efficient practices used by high-performing VR counselors and supervisors to increase timely IPE development, including the use of case management tools for, and supervisory review of, timely IPE development.

SECTION 3: FOCUS AREA –PRE-EMPLOYMENT TRANSITION SERVICES FOR STUDENTS WITH DISABILITIES

A. Purpose

The Rehabilitation Act, as amended by Title IV of WIOA, places heightened emphasis on the provision of services, including pre-employment transition services under Section 113, to students 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 the RSA review team assessed the VR agency's performance and technical assistance needs related to the provision of pre-employment transition services to students with disabilities.

B. Implementation of Pre-Employment Transition Services

The VR agency must consider various requirements in providing or arranging for the provision of pre-employment transition services for students with disabilities under Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a). Students with disabilities may receive pre-employment transition services as either potentially eligible or eligible individuals for the VR program. A discussion of OVR's service delivery system and implementation of pre-employment transition services follows.

Structure of Service Delivery

OVR reported that it provides pre-employment transition services to students with disabilities between the ages of 16 and 21 who are either eligible or potentially eligible for VR services. OVR provides pre-employment transition services to students with disabilities directly by VR counselors and through service contracts with two providers in the Commonwealth. OVR reported that its counselors and two service providers, in collaboration with the LEAs, provide the required pre-employment transition service activities described in 34 C.F.R. § 361.48(a)(2) in the five schools in CNMI, spanning the three islands--Saipan, Rota, and Tinian, all under one school district. OVR stated these activities were not provided with the same level of consistency statewide. Activities were provided by the schools on the island of Saipan, while VR counselors provided some of the services directly and/or delivered them through conferences to students on the islands of Rota and Tinian.

OVR employs three counselors, all of whom provide services to all individuals with disabilities, including students and youth with disabilities. Each counselor is assigned to work with the five schools across the Commonwealth. VR counselors in collaboration with school staff provide or arrange for the provision of pre-employment transition services to students with disabilities in classroom settings. VR counselors are also co-located in the schools and were onsite one to two days per month. OVR staff are required to complete an internal record of time spent directly providing the required activities. OVR indicated that it provided four of the five required activities but did not provide work-based learning experiences. The agency acknowledged that it

understood the need to provide work-based learning opportunities in the Commonwealth but cited a shortage of businesses as the reason for its inability to provide such opportunities to students with disabilities.

The agency reported that, in particular, the islands of Rota and Tinian were underserved as documented in the FFY 2017 comprehensive statewide needs assessment (CSNA). Pre-employment transition services were most often provided to students through attendance at conferences held on a quarterly or semi-annual basis by VR counselors when opportunities to travel were provided. Another challenge was that austerity measures were in place during the period of review which decreased VR counselor work schedules from 80 hours per pay period to 72 hours per pay period. The reduction in work schedules for VR counselors directly affected the availability of services to students with disabilities.

During the period of review, OVR did not engage in third-party cooperative arrangements, interagency transfers, or establishment projects for the provision of VR services, including pre-employment transition services and transition services.

Outreach and Planning for the Delivery of Pre-Employment Transition Services

OVR reported its VR counselors receive referrals for pre-employment transition services from students with disabilities, schools, parents/legal guardians, authorized representatives, and community agencies. VR counselors attend transition planning and individualized education program (IEP) meetings when invited by the local educational agency (LEA) in addition to participating in job fairs, orientations, and open houses. As a result of OVR's FFY 2017 CSNA and as outlined in its modification to the FFY 2018 State Plan, a heightened emphasis was placed on outreach in the community to individuals with significant disabilities, including students and youth with significant and most significant disabilities, and underserved populations, with a focus on the need for pre-employment transition services. Outreach activities are conducted by the VR counselors with a primary focus on provision of information to school staff, students, parents, and community professionals. These efforts are conducted through the dissemination of brochures and business cards; presentations conducted during the school's open houses and orientations; school visits; attendance at IEP meetings; participation in community activities; job fairs; and through interagency meetings.

In addition, OVR reported that economic pressures have resulted in the agency's need to re-evaluate its process for conducting outreach to the community and building capacity. OVR reported that, at the time of this review, it was in the process of hiring a Pre-Employment Transition services Coordinator/Trainer to increase collaboration between WIOA partners with the goal of increasing outreach efforts to the underserved population of students with disabilities on the islands of Rota and Tinian.

State Educational Agency (SEA) Agreement

OVR provided a copy of its interagency agreement with the Public School System's Special Education Program in effect during the period of review (FFYs 2016-2018), which was revised on April 2, 2018.

Provision of Pre-Employment Transition Services

In PY 2017, OVR served 127 students with disabilities. Of the total students served, 70 students, or 55.1 percent, received pre-employment transition services. Of these, 63 were potentially eligible students with disabilities and 7 were eligible individuals who had applied for the VR program.

OVR reported challenges in documenting services provided by schools due to late data submissions and lack of reporting.

C. Findings and Corrective Actions

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

Finding 3.1 Provision of Required Pre-Employment Transition Service Activities.

Issue: Is OVR making available all required pre-employment transition services to students with disabilities in accordance with 34 C.F.R. § 361.48(a)(2).

Requirement: Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a) require each State ensure that the designated State unit, in collaboration with the LEAs involved, provide, or arrange for the provision of, pre-employment transition services for all students with disabilities. Further, 34 C.F.R. § 361.48(a)(2) requires the State VR agency to provide required activities to include job exploration counseling; work-based learning; counselling on opportunities for enrollment in comprehensive transition or post-secondary educational programs; workplace readiness training; and instruction in self advocacy.

Analysis: OVR reported having difficulties providing the five required activities due to limited staff, lack of available vendors, and a reduction in businesses in the Commonwealth. As part of the monitoring process, RSA reviewed documents related to the provision of required activities in accordance with Section 113(b) of the Rehabilitation Act and 34 C.F.R. § 361.48(a)(2). OVR reported working with a school cooperative program to provide work-based learning experiences but has not directly provided these services nor maintained documentation for students who may also have been OVR consumers or potentially eligible VR consumers. RSA staff noted inconsistencies in documentation received and information provided during the off-site monitoring review by OVR staff. Due to OVR's inability to track students participating in work-based learning, it was unclear as to the extent these opportunities were made available to students with disabilities.

Conclusion: During the period of review, RSA determined that OVR did not ensure that, in collaboration with the LEAs involved, it would provide, or arrange for the provision of, all five required activities for all students with disabilities in accordance with Section 113(b) of the Rehabilitation Act and 34 C.F.R. § 361.48(a)(2).

Corrective Action 3.1 RSA requires that OVR—

- 3.1.1 Develop and implement systems, including documentation and data collection, to support and track the provision of pre-employment transition services, including work-based learning experiences, for eligible and potentially eligible students at the individual student level; and
- 3.1.2 Modify the current tracking and reporting mechanisms in order to ensure that OVR is capturing and reporting each of the five required activities provided to each potentially eligible (non-applicants and applicants) and VR eligible individuals in receipt of such services, whether provided in-house or purchased and/or coordinated through other local or private funding sources.

Agency Response: Our agency concurs with the compliance finding and recommended corrective actions. OVR will develop a plan to improve documentation and data collection efforts in order to properly track and report pre-employment transition services.

Request for Technical Assistance: Technical assistance and guidance from RSA will be requested during development of the corrective action plan.

D. Technical Assistance

During the off-site monitoring review, RSA discussed methods to provide work-based learning experiences for students with disabilities. OVR requested assistance in developing policies to change the age of initial transition and pre-employment transition services for students with disabilities from 16 to 14 years of age in order to coincide with the proposed changes in the public school system. OVR had an intensive technical assistance agreement with the Workforce Innovation Technical Assistance Center during the period of this review and planned to continue this collaboration to update and strengthen existing policies on pre-employment transition services.

SECTION 4: FOCUS AREA – FINANCIAL MANAGEMENT OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS

A. Purpose

Through this focus area RSA assessed the financial management and fiscal accountability of the VR and Supported Employment programs to ensure that: funds were being used only for intended purposes; there were sound internal controls and reliable reporting systems; available resources were maximized for program needs; and funds supported the achievement of employment outcomes for individuals with disabilities, including those with the most significant disabilities, and the needs of students with disabilities for pre-employment transition services.

B. Scope of Financial Management Review

During the monitoring process, RSA reviewed the following areas related to financial management and accountability:

Period of Performance

Period of performance is the time during which the non-Federal entity (grantee) may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). In order to accurately account for Federal and non-Federal funds, the VR agency must ensure that allowable non-Federal and Federal obligations and expenditures are assigned to the correct FFY award. RSA uses the financial information reported by the grantee to determine each VR agency's compliance with fiscal requirements (e.g., reservation of funds, matching, MOE, etc.). The RSA review team assessed OVR's performance in meeting the period of performance requirements related to the proper assignment of obligations and expenditures to the correct grant award(s).

VR Program Match

VR program regulations require that the State must incur a portion of expenditures under the VR services portion of the Unified or Combined State Plan from non-Federal funds to meet its cost sharing requirements (34 C.F.R. § 361.60). The required Federal share for expenditures made by the State, including expenditures for the provision of VR services and the administration of the VR services portion of the Unified or Combined State Plan, is 78.7 percent. The State's share is 21.3 percent. The RSA review team assessed OVR's performance in meeting the matching requirements for the VR program, including whether the matching level was met, as well as whether the sources of match were consistent with Federal requirements and any applicable MOE issues.

Supported Employment Program Match

Supported Employment program regulations require that the State expend 50 percent of its total Supported Employment program allotment for the provision of supported employment services, including extended services, to youth with the most significant disabilities. The Supported Employment program funds required to be reserved and expended for services to youth with the most significant disabilities are awarded through the SE-B grant award. The Federal share for expenditures from the State's SE-B grant award is 90 percent. The statutorily required 10 percent match requirement applies to the costs of carrying out the provision of supported employment services, including extended services, to youth with the most significant disabilities. This means that the 10 percent is applied to total expenditures, including both the Federal and non-Federal shares, incurred for this purpose, and that the non-Federal share must also be spent on the provision of supported employment services, including extended services, to youth with the most significant disabilities.

The RSA review team assessed the matching requirements for the Supported Employment program, including an assessment of whether the matching level was met, as well as whether the sources of the match were consistent with Federal requirements.

Prior Approval

The Uniform Guidance (2 C.F.R. § 200.407) requires prior written approval (prior approval) for various grant award activities and proposed obligations and expenditures. RSA reviews and approves prior approval requests on behalf of the Department of Education. The RSA review team examined OVR's internal controls to ensure that the VR agency was meeting the prior approval requirements.

Vendor Contracts

The RSA team reviewed three areas related to vendor contracts:

- Determining rates of payment;
- Supporting documentation for payments; and
- Contract monitoring.

This review area included contracts for the provision of pre-employment transition services.

RSA reviewed OVR's fiscal performance data from FFYs 2016 through 2018 of the VR and Supported Employment programs as well as internal control policies and procedures for the allocation and expenditure of VR and Supported Employment program funds.

During the off-site calls, OVR staff described systems the agency used to authorize, account for and issue payment for VR and Supported Employment services.

In FFY 2016, OVR reported \$109,396 as VR carryover (13.4 percent of the net Federal award). That amount increased to \$150,456 by FFY 2017, which represented 17.3 percent of the net Federal award. In FFY 2018, the amount increased to \$203,073 (23.8 percent of the net Federal award). In other words, between FFYs 2016 and 2018, carryover as a percent of the net Federal

award almost doubled. The agency fully matched its VR grant award in FFYs 2016 through 2018. The agency did not report any program income earned for FFYs 2016 through 2018.

The agency did not meet the MOE requirements for FFY 2018. However, OVR determined that the issue was the result of incorrect reporting. Subsequently, on June 13th, 2019, OVR requested to correct its 4th quarter SF-425 report for FFY 2018 (H126A180078). On June 14th, 2019, OVR resubmitted a revised report that showed \$68,207 on line 10j (Recipient share of expenditures) instead of the previously reported \$44,192. As a result of this correction, the agency met MOE requirements for FFY 2018.

The agency relinquished no funds during the years in review; however, in FFY 2017, OVR requested \$74,977 in reallocation and was awarded \$42,889. All VR funds were fully expended by the end of the period of performance for each award; OVR did not de-obligate any unused Federal funds during the years in review.

OVR experienced turnover in recent years. According to OVR, this has led, in part, to inaccurate, incomplete, and late reporting and misunderstanding of Federal regulations governing VR formula grant awards. A new OVR Director was appointed on April 22, 2019.

C. Findings and Corrective Actions

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

4.1 Internal Control Deficiencies

Issue: Does OVR maintain effective internal control over the Federal award to provide reasonable assurance that it is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

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).

"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 Department states 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:

a. Prior Approval Requirements Not Met

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 to 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.

The RSA Financial Management Specialist requested the agency's written processes that would demonstrate the agency met the prior approval requirements during the period in review. OVR informed RSA that such processes had not been developed and the agency had no final policies and procedures regarding prior approval, including procedures for identifying instances that require approval and the process for obtaining prior approval (2 C.F.R. § 200.407).

b. Inaccurate Financial Reporting

In accordance with the Uniform Guidance at 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. 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 (see also 34 C.F.R. § 361.12).

RSA's review of OVR's SF-425 financial reports, for FFYs 2016 through FFY 2018, identified the following issues:

1. Inaccurate Reporting

Numerous reporting errors were identified in OVR's SF-425 reports, including inaccurate reporting of match, indirect costs, and draws from G5.

VR:

- The agency submitted several SF-425 reports for quarters 2 and 6 without accurately showing indirect costs for each year being reviewed; the agency has not corrected the reports to date;
- For FFY 2018, the match increased after quarter 4; the agency must ensure that it has internal controls to accurately track and report all match in the year of appropriation.
- OVR was not allocating or expending the required 15 percent of its grant award for pre-employment transition services for FFYs 2016 and 2017; and
- For FFY 2018, the SF-425 report for quarter 6 showed \$735,873 in Federal expenditures, while G5 showed that the agency had drawn \$735,863.

Supported Employment:

- For FFY 2016, the SF-425 report for quarter 4 showed \$3,572 in Federal expenditures, while G5 showed that the agency had drawn \$5,604; and
- For FFY 2016, the match increased after quarter 4; the agency must ensure that it has internal controls to accurately track and report all match in the year of appropriation.

2. Late Reporting

The agency lacks sufficient processes to ensure all reports are submitted timely.

VR:

- The fourth quarter SF-425 report for FFY 2018 was submitted over 6 months late (06/14/2019).

Supported Employment:

- The SF-425 reports for the Supported Employment 187-A and 187-B grants for FFY 2018 (quarter 4) were submitted late (12/31/2018).

Conclusion: OVR does not maintain effective internal controls over the Federal award that provide reasonable assurances that the non-Federal entity is managing its 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. Specific internal control areas of deficiency included documentation of control activities to ensure prior approval was obtained, when required, and the submission of accurate and timely financial reports.

While these control deficiencies suggest elevated risk to OVR's effectiveness and efficiency of operations, reliability of reporting, and compliance with applicable laws and regulations, the risk will be greatly reduced through management's development of internal controls at a level of detail necessary to address the complexity of its systems. The corrective action steps listed below will support OVR in developing its ability to correct processes that have led to the internal controls non-compliance finding.

Corrective Action 4.1 RSA requires that OVR—

- 4.1.1 Within 90 days after the issuance of the final monitoring report, develop and submit prior approval internal control processes to RSA for review. Within 30 days after RSA's completion of this review, implement internal control processes and demonstrate compliance; and
- 4.1.2 Within 90 days after the issuance of the final monitoring report, develop and submit internal controls to ensure that financial reports (e.g., RSA-2 and SF-425) are accurate, complete, and timely. Within 30 days after RSA completes review of the internal controls, OVR must implement the internal controls. Additionally, OVR must, in cooperation with the RSA financial management specialist, accurately and timely identify all Federal financial reports that require revisions.

Agency Response: OVR concurs with the compliance finding and recommended corrective actions and will request and work with RSA to develop a plan for correcting these findings.

Request for Technical Assistance: OVR would like to request technical assistance to carry out the corrective actions.

D. Technical Assistance

In the course of conducting monitoring activities, RSA provided technical assistance to OVR on the topics below.

Prior Approval

- The Uniform Guidance requirements for prior approval and the Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants, issued by OSERS on October 29, 2019.

Match/MOE and Program Income

- Tracking and disbursement of program income;
- Tracking and reporting of match in the year of appropriation; and
- MOE requirements.

Internal Controls and Contract Monitoring

- Implementation of internal controls to ensure preparation and submission of accurate, complete, and timely SF-425 financial reports;
- The development and implementation of written policies and procedures regarding contract monitoring; and
- Contract provisions for non-Federal entity contracts under Federal awards. The Uniform Guidance at 2 C.F.R. Appendix II to § 200 provides a list of provisions that all contracts made by the non-Federal entity under the Federal award must contain, as applicable. RSA discussed the provisions with the VR agency and suggested that OVR review the requirements with State procurement and legal staff who are responsible for the contracting process.

Technical Assistance Requested:

- OVR requested clarification regarding allowable advertising costs under 2 C.F.R. § 200.421(b).
- Contract monitoring processes, including a risk assessment.
- Proper cost allocation, especially for travel and training costs.
- Establishment projects for CRPs.

APPENDIX A: STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS PERFORMANCE TABLES

Note: Calculations for these tables can be found in Appendix C of the MTAG.

Table 1— CNMI OVR Agency Profile (PY 2017)

Table 2— CNMI OVR Summary Statistics from RSA-113 (FFYs 2016-2018)

Table 3— CNMI OVR Number and Percentage of Participants Served by Primary Disability Type (PY 2017)

Table 4— CNMI OVR Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PY 2017)

Table 5— CNMI OVR Number and Percentage of Individuals Exiting by Reason during the VR Process (PY 2017)

Table 6— CNMI OVR Services Provided to Participants (PY 2017)

Table 7— CNMI OVR Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gain (PY 2017)

Table 8— CNMI OVR Median Hourly Earnings, Median Hours Worked per Week, Sources of Support, and Medical Insurance Coverage for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PY 2017)

Table 9— CNMI OVR Standard Occupational Classification (SOC) Titles (Major Groups): Percentages of Employment Outcomes and Median Hourly Earnings for Participants Who Exited with Competitive Employment or Supported Employment (PY 2017)

Table 10— CNMI OVR Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PY 2017)

Table 11— CNMI OVR Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PY 2017)

Table 12— CNMI OVR Number and Percentage of Required Pre-Employment Transition Services Provided (PY 2017)

Table 1— CNMI OVR Agency Profile (PY 2017)

| VR Agency Profile Data | Number/Percentage |
|---|--------------------------|
| Employment Rate | 35.8% |
| Number of Participants Exiting in Competitive Integrated Employment or Supported Employment | 19 |
| Measurable Skill Gains Performance Indicator | #N/A |
| Percentage of Participants Eligible for Measurable Skill Gains | #N/A |
| Percentage of Timely Eligibility Determinations | 97.8% |
| Percentage of Eligibility Determination Extensions | 15% |
| Percentage of Timely IPE Development | 59.5% |
| Number of Applicants | 56 |
| Number of Individuals Determined Eligible | 53 |
| Number of Individuals with an IPE and No VR Services Provided | 26 |
| Number of Participants (with an IPE and VR Services Provided) | 33 |

Table 2— CNMI OVR Summary Statistics from RSA-113 (FFYs 2016-2018)

| Performance Category | FFY 16 | FFY 17 | FFY 18 |
|--|---------------|---------------|---------------|
| Total Applicants | 133 | 84 | 99 |
| Total Eligible Individuals (Before IPE) | 92 | 63 | 70 |
| Agency Implementing Order of Selection | No | No | No |
| Individuals on Order of Selection Waiting List at Year-End | - | - | - |
| Percentage of Eligible Individuals with IPE Who Received No Services | 27.2% | 23.8% | 21.4% |
| Individuals with IPE Receiving Services | 226 | 191 | 167 |

Table 3— CNMI OVR Number and Percentage of Participants Served by Primary Disability Type (PY 2017)

| Primary Disability Type by Group | Number of Participants | Percent |
|---|-------------------------------|----------------|
| Visual | 8 | 4.6% |
| Auditory or Communicative | 15 | 8.6% |
| Physical | 66 | 37.9% |
| Cognitive | 54 | 31.0% |
| Psychological or Psychosocial | 31 | 17.8% |

| Detailed Primary Disability Type | Number of Participants | Percent |
|--|-------------------------------|----------------|
| Blindness | 2 | 1.1% |
| Other Visual Impairments | 6 | 3.4% |
| Deafness, Primary Communication Visual | - | 0.0% |
| Deafness, Primary Communication Auditory | 1 | 0.6% |
| Hearing Loss, Primary Communication Visual | - | 0.0% |
| Hearing Loss, Primary Communication Auditory | 1 | 0.6% |
| Other Hearing Impairments (Tinnitus, Meniere's Disease, hyperacusis, etc.) | 12 | 6.9% |
| Deaf-Blindness | - | 0.0% |
| Communicative Impairments (expressive/receptive) | 1 | 0.6% |
| Mobility Orthopedic/Neurological Impairments | 9 | 5.2% |
| Manipulation/Dexterity Orthopedic/Neurological Impairments | 2 | 1.1% |
| Both Mobility and Manipulation/Dexterity Orthopedic/Neurological Impairments | 3 | 1.7% |
| Other Orthopedic Impairments (e.g., limited range of motion) | 11 | 6.3% |
| Respiratory Impairments | 4 | 2.3% |
| General Physical Debilitation (e.g., fatigue, weakness, pain, etc.) | - | 0.0% |
| Other Physical Impairments (not listed above) | 37 | 21.3% |
| Cognitive Impairments (e.g., impairments involving learning, thinking, processing information and concentration) | 54 | 31.0% |
| Psychosocial Impairments (e.g., interpersonal and behavioral impairments, difficulty coping) | 2 | 1.1% |
| Other Mental Impairments | 29 | 16.7% |

Table 4— CNMI OVR Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PY 2017)

| | |
|---|----|
| Number of Individuals Who Exited the VR Program | 62 |
|---|----|

| Exit Type | Number of Individuals | Percent |
|---|------------------------------|----------------|
| Individual exited as an applicant, prior to eligibility determination or trial work experience | 1 | 1.6% |
| Individual exited during or after a trial work experience | 1 | 1.6% |
| Individual exited after eligibility, but from an order of selection waiting list | - | 0.0% |
| Individual exited after eligibility, but prior to a signed IPE | 6 | 9.7% |
| Individual exited after an IPE without an employment outcome | 34 | 54.8% |
| Individual exited after an IPE in noncompetitive and/or nonintegrated employment | - | 0.0% |
| Individual exited after an IPE in competitive and integrated employment or supported employment | 19 | 30.6% |
| Individual exited as an applicant after being determined ineligible for VR services | 1 | 1.6% |
| Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services | - | 0.0% |

| Supported Employment | Number of Participants |
|---|-------------------------------|
| Number of Participants Who Exited with a Supported Employment Outcome in Competitive Integrated Employment | |
| Number of Participants Who Exited with a Supported Employment Outcome in Noncompetitive and/or Nonintegrated Employment | |

Table 5— CNMI OVR Number and Percentage of Individuals Exiting by Reason during the VR Process (PY 2017)

| Reason for Exit | Number of Individuals | Percent |
|---|------------------------------|----------------|
| Individual is No Longer Available for Services Due to Residence in an Institutional Setting Other Than a Prison or Jail | - | 0.0% |
| Health/Medical | 1 | 1.6% |
| Death of Individual | 6 | 9.7% |
| Reserve Forces Called to Active Duty | - | 0.0% |
| Foster Care | - | 0.0% |
| Ineligible after determined eligible | - | 0.0% |
| Criminal Offender | - | 0.0% |
| No Disabling Condition | 1 | 1.6% |
| No Impediment to Employment | - | 0.0% |
| Does Not Require VR Service | - | 0.0% |
| Disability Too Significant to Benefit from Service | - | 0.0% |
| No Long Term Source of Extended Services Available | - | 0.0% |
| Transferred to Another Agency | - | 0.0% |
| Achieved Competitive Integrated Employment Outcome | 19 | 30.6% |
| Extended Employment | - | 0.0% |
| Extended Services Not Available | - | 0.0% |
| Unable to Locate or Contact | 5 | 8.1% |
| No Longer Interested in Receiving Services or Further Services | 25 | 40.3% |
| All Other Reasons | 5 | 8.1% |
| Number of Individuals Who Exited the VR Program | | 62 |

Table 6— CNMI OVR VR Services Provided to Participants (PY 2017)

| | |
|---|-----|
| Total Number of Participants Who Received VR Services | 174 |
|---|-----|

| Training Services Provided to Participants | Number of Participants | Percent |
|---|-------------------------------|----------------|
| Graduate Degree Training | - | 0.0% |
| Bachelor Degree Training | - | 0.0% |
| Junior or Community College Training | 25 | 14.4% |
| Occupational or Vocational Training | 16 | 9.2% |
| On-the-Job Training | 37 | 21.3% |
| Apprenticeship Training | - | 0.0% |
| Basic Academic Remedial or Literacy Training | - | 0.0% |
| Job Readiness Training | 8 | 4.6% |
| Disability Related Skills Training | - | 0.0% |
| Miscellaneous Training | 3 | 1.7% |
| Randolph-Sheppard Entrepreneurial Training | - | 0.0% |
| Customized Training | - | 0.0% |

| Career Services Provided to Participants | Number of Participants | Percent |
|--|-------------------------------|----------------|
| Assessment | 35 | 20.1% |
| Diagnosis and Treatment of Impairment | 43 | 24.7% |
| Vocational Rehabilitation Counseling and Guidance | 129 | 74.1% |
| Job Search Assistance | 77 | 44.3% |
| Job Placement Assistance | 11 | 6.3% |
| Short-Term Job Supports | - | 0.0% |
| Supported Employment Services | 7 | 4.0% |
| Information and Referral Services | 12 | 6.9% |
| Benefits Counseling | 2 | 1.1% |
| Customized Employment Services | - | 0.0% |
| Extended Services (for youth with the most significant disabilities) | - | 0.0% |

| Other Services Provided to Participants | Number of Participants | Percent |
|--|-------------------------------|----------------|
| Transportation | 61 | 35.1% |
| Maintenance | 23 | 13.2% |
| Rehabilitation Technology | 45 | 25.9% |
| Personal Attendant Services | 3 | 1.7% |
| Technical Assistance Services | - | 0.0% |
| Reader Services | - | 0.0% |
| Interpreter Services | 1 | 0.6% |
| Other Services | 22 | 12.6% |

Table 7— CNMI OVR Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gains (PY 2017)

| Measurable Skill Gains Earned and Participants Earning Measurable Skill Gains | Number |
|--|---------------|
| Number of Measurable Skill Gains Earned | |
| Number of Participants Who Earned a Measurable Skill Gains | |

| Types of Measurable Skill Gains | Number |
|--|---------------|
| Educational Functioning Level | |
| Secondary Diploma | |
| Postsecondary Transcript/Report Card | |
| Training Milestone | |
| Skills Progression | |

**Table 8— CNMI OVR Median Hourly Earnings, Median Hours Worked per Week, Sources of Support and Medical Insurance Coverage for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PY 2017)
Median Hourly Earnings and Hours Worked per Week at Exit**

| | |
|--|--------|
| Number of Participants Who Exited in Competitive and Integrated Employment or Supported Employment | 22 |
| Median Hourly Earnings at Exit | \$7.20 |
| Median Hours Worked per Week at Exit | 40 |

| Primary Source of Support at Exit | Number of Participants | Percent |
|---|-------------------------------|----------------|
| Personal Income | 21 | 95.5% |
| Family and Friends | 1 | 4.5% |
| Public Support | - | 0.0% |
| Other Sources | - | 0.0% |
| Public Support at Exit | Number of Participants | Percent |
| Social Security Disability Insurance (SSDI) at Exit | - | 0.0% |
| Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Exit | 1 | 4.5% |
| Temporary Assistance for Needy Families (TANF) at Exit | - | 0.0% |
| General Assistance (State or local government) at Exit | 2 | 9.1% |
| Veterans' Disability Benefits at Exit | - | 0.0% |
| Workers' Compensation at Exit | - | 0.0% |
| Other Public Support at Exit | - | 0.0% |
| Medical Insurance Coverage at Exit | Number of Participants | Percent |
| Medicaid at Exit | 6 | 27.3% |
| Medicare at Exit | - | 0.0% |
| State or Federal Affordable Care Act Exchange at Exit | - | 0.0% |
| Public Insurance from Other Sources at Exit | - | 0.0% |
| Private Insurance Through Employer at Exit | 5 | 22.7% |
| Not Yet Eligible for Private Insurance Through Employer at Exit | 1 | 4.5% |
| Private Insurance Through Other Means at Exit | - | 0.0% |

Table 9— CNMI OVR Standard Occupational Classification (SOC) Titles (Major Groups): Percentages of Employment Outcomes and Median Hourly Earnings for Participants Who Exited with Competitive

| SOC Title | Number of Participants | Median Hourly Earnings |
|--|-------------------------------|-------------------------------|
| Office and Administrative Support Occupations | 8 | 7.8 |
| Protective Service Occupations | 3 | 9.9 |
| Transportation and Material Moving Occupations | 3 | 7.3 |
| Building and Grounds Cleaning and Maintenance Occupations | 3 | 7.1 |
| Community and Social Services Occupations | 2 | 7.3 |
| Food Preparation and Serving Related Occupations | 1 | 7.1 |
| Business and Financial Operations Occupations | 1 | 13.7 |
| Personal Care and Service Occupations | 1 | 7.1 |
| Constructive and Extraction Occupations | 1 | 8.2 |
| Sales and Related Occupations | 1 | 7.0 |
| Military Specific Occupations | 0 | 0.0 |
| Computer and Mathematical Occupations | 0 | 0.0 |
| Farming, Fishing, and Forestry Occupations | 0 | 0.0 |
| Randolph-Sheppard vending facility operator | 0 | 0.0 |
| Healthcare Practitioners and Technical Occupations | 0 | 0.0 |
| Arts, Design, Entertainment, Sports, and Media Occupations | 0 | 0.0 |
| Education, Training, and Library Occupations | 0 | 0.0 |
| Architecture and Engineering Occupations | 0 | 0.0 |
| Production Occupations | 0 | 0.0 |
| Legal Occupations | 0 | 0.0 |
| Randolph-Sheppard vending facility clerk | 0 | 0.0 |
| Life, Physical, and Social Science Occupations | 0 | 0.0 |
| Management Occupations | 0 | 0.0 |
| Healthcare Support Occupations | 0 | 0.0 |
| Unpaid Family Worker | 0 | 0.0 |
| Homemaker | 0 | 0.0 |
| Installation, Maintenance, and Repair Occupations | 0 | 0.0 |

Table 10— CNMI OVR Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PY 2017)

| No. | SOC Title | Number of Participants | Median Hourly Earnings |
|-----|---|------------------------|------------------------|
| 1 | Stock Clerks and Order Fillers | 3 | 10.1 |
| 2 | Security Guards | 1 | 7.1 |
| 3 | Office and Administrative Support Workers, All Other | 1 | 6.7 |
| 4 | Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 1 | 7.2 |
| 5 | Childcare Workers | 1 | 7.1 |
| 6 | Police and Sheriff's Patrol Officers | 1 | 9.9 |
| 7 | Correctional Officers and Jailers | 1 | 10.2 |
| 8 | Tax Examiners and Collectors, and Revenue Agents | 1 | 13.7 |
| 9 | Counselors, All Other | 1 | 7.3 |
| 10 | Landscaping and Groundskeeping Workers | 1 | 7.1 |

Table 11— CNMI OVR Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PY 2017)

| Students with Disabilities | Number/Percentage of Students |
|---|--------------------------------------|
| Total Students with Disabilities Reported | 127 |
| Students with Disabilities Reported with 504 Accommodation | 1 |
| Students with Disabilities Reported with IEP | 124 |
| Students with Disabilities Reported without 504 Accommodation or IEP | 2 |
| Total Students with Disabilities Who Received a Pre-Employment Transition Service | 70 |
| Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service | 63 |
| Students with Disabilities, Who Applied for VR Services, and Received a Pre-Employment Transition Service | 7 |
| Percentage of Students with Disabilities Reported Who Received a Pre-Employment Transition Service | 55.1% |

Table 12— CNMI OVR Number and Percentage of Required Pre-Employment Transition Services Provided (PY 2017)

| Pre-Employment Transition Services | Number of Pre-Employment Transition Services Provided | Percent of Total Pre-Employment Transition Services Provided |
|---|--|---|
| Total Pre-Employment Transition Services Provided | 278 | |
| Job Exploration Counseling | 74 | 26.6% |
| Work-Based Learning Experiences | 0 | 0.0% |
| Counseling on Enrollment Opportunities | 72 | 25.9% |
| Workplace Readiness Training | 66 | 23.7% |
| Instruction in Self-Advocacy | 66 | 23.7% |

APPENDIX B: FISCAL DATA TABLES

Note: Calculations for these tables can be found in Appendix F of the MTAG.

VR Resources and Expenditures—FFYs 2016–2018
Table V.1 Northern Marianas-Combined VR Resources and Expenditures—FFYs 2016–2018*

| VR Resources and Expenditures | 2016 | 2017 | 2018* |
|---|------------|------------|------------|
| Total program expenditures | \$861,617 | \$923,566 | \$781,272 |
| Federal expenditures | \$817,456 | \$867,301 | \$737,080 |
| State agency expenditures (4 th quarter) | \$44,161 | \$56,265 | \$44,192 |
| State agency expenditures (latest/final) | \$44,161 | \$56,265 | \$44,192 |
| Federal formula award amount | \$817,456 | \$824,412 | \$853,608 |
| Reserve amount required for pre-employment transition services (15 percent) | \$122,618 | \$130,095 | \$128,041 |
| Amount expended on pre-employment transition services | \$58,143 | \$54,434 | \$45,446 |
| Percentage expended on pre-employment transition services | 7.11% | 6.28% | 5.32% |
| MOE penalty from prior year | \$0 | \$0 | \$0 |
| Federal award amount relinquished during reallocation | \$0 | \$0 | \$0 |
| Federal award amount received during reallocation | \$0 | \$42,889 | \$0 |
| Federal funds transferred from State VR agency | \$0 | \$0 | \$0 |
| Federal funds transferred to State VR agency | \$0 | \$0 | \$0 |
| Federal award amount (net) | \$817,456 | \$867,301 | \$853,608 |
| Federal award funds deobligated | \$0 | \$0 | \$0 |
| Federal award funds used | \$817,456 | \$867,301 | \$853,608 |
| Percent of formula award amount used | 100.00% | 105.20% | 100.00% |
| Federal award funds matched but not used | -\$654,288 | -\$659,411 | -\$690,326 |

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

Table V.1 Northern Marianas-Combined - VR Resources and Expenditures—Descriptions, Sources and Formulas

| VR Resources and Expenditures | Source/Formula |
|--|--|
| Total program expenditures | The sum of the Federal and non-Federal expenditures. Source/Formula: Table V.1: Federal expenditures plus State expenditures (latest/final) |
| Federal expenditures | The cumulative amount of disbursements from Federal funds. Source/Formula: SF-425 line 10e from latest/final report |
| State expenditures (4 th quarter) | The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 th of the award period. Source/Formula: SF-425 line 10j from 4 th quarter report |
| State expenditures (latest/final) | The cumulative amount of disbursements and unliquidated obligations from State funds as reported on the agency’s latest or final SF-425 report. Final reports do not include unliquidated obligations. Source/Formula: SF-425 line 10j from latest/final report |
| Federal formula award amount | The amount of the Federal funds available to the agency based on the formula mandated in the Rehabilitation Act. Formula/Source: Federal formula award calculation |
| Reserve amount required for pre-employment transition services | The amount of Federal funds required to be reserved and expended (15percent) for the provision of pre-employment transition services. Formula/Source: (((((SF-425 line 10j lesser of the 4th quarter or latest/final) divided by .213) multiplied by .787) multiplied by .15) or (4th quarter grant award amount multiplied by .15)) whichever is less |
| Amount expended on pre-employment transition services | The amount of Federal funds the agency spent on the provision of pre-employment transition services. Formula/Source: SF-425 line 12b from latest/final report |
| Percentage expended on pre-employment transition services | The percent of Federal funds the agency spent on the provision of pre-employment transition services. Formula/Source: Amount expended on pre-employment transition services divided by (((SF-425 line 10j lesser of the 4 th quarter or latest/final) divided by .213) multiplied by .787) or (4 th quarter grant award amount) whichever is less) |
| MOE penalty from prior year | The amount of the Maintenance of Effort (MOE) deficit from the previous FFY which resulted in a MOE penalty against the current FFY. Source/Formula: Table V.2: MOE difference from prior year |

| VR Resources and Expenditures | Source/Formula |
|---|--|
| Federal award amount relinquished during reallocation | Amount of Federal award voluntarily relinquished through the reallocation process. Formula/Source: RSA-692 |
| Federal award received during reallocation | Amount of funds received through the reallocation process. Source/Formula: RSA-692 |
| Federal funds transferred from State VR agency | Amount of award funds transferred from State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation |
| Federal funds transferred to State VR agency | Amount of award funds transferred to State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation |
| Federal award amount (net) | Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallocation and transfers). Formula/Source: Federal formula award calculation, RSA-692, agency documentation, SF-425 : Federal formula calculation minus MOE penalty minus funds relinquished in reallocation plus funds received in reallocation plus funds transferred from agency minus funds transferred to agency |
| Federal award funds deobligated | Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched Federal funds. Source/Formula: Agency deobligation request documentation, G5 closeout reports |
| Federal award funds used | Amount of Federal award funds expended. Source/Formula: Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 th quarter or latest/final: Federal award amount (net) (calculation above) minus Federal award funds deobligated |
| Percent Federal formula award used | Percent of Federal formula award funds used. Source/Formula: Federal award funds used (calculation above) divided by Federal formula award amount |
| Federal award funds matched but not used | This represents unused Federal award funds for which the agency provided match. Source/Formula: Table V.2 Federal award funds matched (actual) minus Table V.1 Federal award funds used |

Table V.2 Northern Marianas-Combined (MP-C) Non-Federal Share and Maintenance of Effort—FFYs 2016–2018*

| Non-Federal Share (Match) and Maintenance of Effort (MOE) | 2016 | 2017 | 2018* |
|--|-------------|-------------|--------------|
| Match required per net award amount | \$221,243 | \$234,733 | \$231,027 |
| Match provided (actual) | \$44,161 | \$56,265 | \$44,192 |
| Match difference** | \$177,082 | \$178,468 | \$186,835 |
| Federal funds matched (actual) | \$163,168 | \$207,890 | \$163,282 |
| Percent Federal funds matched | 19.96% | 23.97% | 19.13% |
| MOE required | \$44,161 | \$32,219 | \$68,207 |
| MOE: Establishment/construction expenditures | \$0 | \$0 | \$0 |
| MOE actual | \$68,207 | \$56,265 | \$44,192 |
| MOE difference** | - \$24,046 | - \$24,046 | \$24,015 |

* 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 V.2 Northern Marianas-Combined - Non-Federal Share and Maintenance of Effort—Descriptions, Sources and Formulas

| Non-Federal Share (Match) and Maintenance of Effort (MOE) | Source/Formula |
|--|---|
| Match required per net award amount | Non-Federal funds required based upon the net amount of the Federal award. Source/Formula: (Table V.1 Federal award amount net divided by 0.787) multiplied by 0.213 |
| Match provided (actual) | Amount of match (non-Federal share) provided, by the agency. Source/Formula: SF-425 line 10j lesser of the 4 th quarter or latest/final |
| Match difference** | The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. Source/Formula: SF-425 lesser of the 4 th quarter or latest/final: ((Federal formula award amount divided by 0.787) multiplied by 0.213) minus SF-425 line 10j |
| Federal funds matched (actual) | Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. Source/Formula: (Match provided actual divided by .213) multiplied by .787 |
| Percent of Federal funds matched | Percent of Federal funds matched. Source/Formula: Federal funds matched divided by Federal award amount net |
| Maintenance of Effort (MOE) required | Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State’s non-Federal expenditures two years prior, i.e. Recipient Share of Expenditures. Source/Formula: SF-425 4 th quarter or latest/final report: line 10j minus line 12a |
| MOE: Establishment / construction expenditures | Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes. Source/Formula: SF-425 latest/final report: line 12a |
| MOE actual | Non-Federal share provided by agency minus establishment/construction expenditures for CRPs. Source/Formula: SF-425: Match provided actual minus establishment/construction expenditures. |

| | |
|------------------|--|
| MOE difference** | The difference between MOE required and the actual MOE provided. Source/Formula: MOE required minus MOE actual |
|------------------|--|

Table V.3 Northern Marianas-Combined (MP-C) Program Income and 4th Quarter Data—FFYs 2016–2018*

| Program Income and Carryover | 2016 | 2017 | 2018* |
|--|-------------|-------------|--------------|
| Program income received | \$0 | \$0 | \$0 |
| Program income disbursed | \$0 | \$0 | \$0 |
| Program income transferred | \$0 | \$0 | \$0 |
| Program income used for VR program | \$0 | \$0 | \$0 |
| Federal grant amount matched (4 th quarter) | \$163,168 | \$207,890 | \$163,282 |
| Federal expenditures (4 th quarter) | \$708,060 | \$716,845 | \$650,535 |
| Federal unliquidated obligations (4 th quarter) | \$31,083 | \$82,124 | \$111,987 |

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

Table V.3 Northern Marianas-Combined - Program Income and 4th Quarter Data—Descriptions, Sources and Formulas

| Program Income and Carryover | Source/Formula |
|--|---|
| Program income received | Total amount of Federal program income received by the grantee. Source/Formula: SF-425 latest/final line 10l |
| Program income disbursed | Amount of Federal program income disbursed, including transfers. Source/Formula: SF-425 latest/final: line 10m plus line 10n |
| Program income transferred | Amount of Federal program income transferred to other allowable programs. Source/Formula: SF-425 latest/final: line 12e plus line 12f plus line 12g plus line 12h |
| Program income used for VR program | Amount of Federal program income utilized for the VR program. Source/Formula: SF-425 latest/final: Program income expended minus program income transferred |
| Federal grant amount matched (4 th quarter) | Federal funds an agency is able to draw down based upon on reported non-Federal reported on the 4 th quarter SF-425 for the FFY of appropriation, not to exceed net award amount. Source/Formula: Table V.2 Federal funds matched actual |
| Federal expenditures (4 th quarter) | Federal funds expended as reported on the 4 th quarter SF-425 for the FFY of appropriation. This does not include unliquidated obligations. Source/Formula: SF-425 4 th quarter: line 10e |
| Federal unliquidated obligations (4 th quarter) | Federal funds obligated but not liquidated as reported on the 4 th quarter SF-425 for the FFY of appropriation. Source/Formula: SF-425 4 th quarter: line 10f |