

**FEDERAL FISCAL YEAR 2020  
REPORT  
ON THE REVIEW OF THE  
DELAWARE  
DIVISION FOR THE VISUALLY IMPAIRED  
VOCATIONAL REHABILITATION  
AND  
SUPPORTED EMPLOYMENT PROGRAMS**



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

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# SECTION 1: THE SCOPE OF THE REVIEW

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## **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.

In Federal fiscal year (FFY) 2020, RSA conducted a focused review of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the Delaware Division for the Visually Impaired (DE DVI). 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; and
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
  - Performance of the VR and Supported Employment programs; and
  - Financial Management of the VR and Supported Employment programs.

The nature, scope, and focus of this review and the process by which RSA carried out its monitoring activities from July 17, 2020 through October 5, 2020, was defined by information, documents, and data submitted by DVI, as well as technical assistance requests from the VR agency.

## **B. Review Team Participants**

Members of the RSA review team included: RoseAnn Ashby, Terry Martin, and Andrea Hall (Technical Assistance Unit); Nicole Jeffords (VR Program Unit), David Miller (Fiscal Unit), and Yann-Yann Shieh (Data Collection and Analysis Unit).

## **C. Acknowledgements**

RSA wishes to express appreciation to the representatives of DVI for the cooperation and assistance extended throughout the review 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 review process.

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

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### **A. Purpose**

Through this focus area, RSA assessed programmatic performance leading to the achievement of employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program through an analysis of VR program data, policies and internal controls, the VR process, and service delivery. The analysis below, along with any accompanying findings and corrective actions, is based, in part, 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. Due to the small number of individuals with a visual impairment in the State and served by DVI, the performance of the agency must be viewed in terms of not only the percentages presented in the data tables but also the numbers used to derive those percentages.

### **B. Analysis of the Performance of the VR Program**

DVI, the designated State unit (DSU), is one of eleven administrative divisions within the designated State agency (DSA), the DE Department of Health and Social Services (DHSS). The DSA provides support for all data and fiscal reporting. DVI is comprised of five organizational units providing services to visually impaired individuals. The five units include Vocational Rehabilitation, Education, Independent Living Services, the Business Enterprise Program, and Support Services (Orientation and Mobility, Accessible Materials, Assistive Technology, and Low Vision Services). The VR unit management staff includes the DVI director, deputy director, social services administrator, and district administrator. Other VR services staff include four VR counselors, three employment services specialists, and one placement specialist. In addition to the staff providing direct VR services, other DVI unit staff serve in technical, administrative, fiscal, or support roles. Staff utilize a time tracking system to document time and effort towards the support of VR consumers. Over the past few years, DVI has experienced substantial turnover in VR counselors. At the period of the review, DVI noted that two VR counselors had only been employed by the agency for two to four years, and that two others had been employed less than two months. In program year (PY) 2019, DVI served 207 individuals.

RSA FFY 2020 monitoring of DVI, which had begun in February 2020, was suspended on March 24, 2020, due to the restrictions on travel resulting from the COVID-19 pandemic. During spring and summer 2020, RSA provided technical assistance during the process of reviewing the DVI portion of the DE WIOA PY 2020 Combined State Plan, negotiated the levels of performance for the PY 2020 and PY 2021 measurable skill gains (MSG) rate, and provided technical assistance on service delivery considerations related to the restrictions necessitated by the pandemic.

In meeting with DVI during this period, RSA learned that DVI management was actively engaged in the process of reviewing and updating the agency policy manual, as well as policies and procedures for ensuring the accuracy of program and fiscal data. In addition, RSA learned

that DVI was working closely with the DSA to correct errors and deficiencies in the management information system (MIS). The DVI director noted that she had established these efforts as a priority immediately after she assumed the duties of director in December 2019. The DVI director also noted that the agency was receiving technical assistance from the Workforce Innovation Technical Assistance Center (WINTAC) on updating the agency policy manual and on addressing data integrity and reporting issues; in addition, the agency had contracted for fiscal consultation services.

On July 27, 2020, RSA resumed review activities modified to be held in an off-site virtual environment. RSA arranged a series of teleconferences dedicated to DVI data integrity and accuracy, including discussions about the agency MIS, staff data entry processes and procedures, RSA-911 Case Service Report data reporting procedures, and service record documentation and quality assurance procedures. RSA and DVI also reviewed the program data tables included in Appendix A of this report.

### **VR Agency Profile**

**Resources:** Appendix A—Tables 1 and 3

DVI determined 97.1 percent of applicants eligible within the 60-day Federal requirement in PY 2019, which was an increase from 90.2 percent in PY 2018. However, the agency developed IPEs for only 80.6 percent of eligible individuals within the 90-day Federal requirement that same year, a decrease from 92.7 percent reported for PY 2018.

DVI attributed the decrease in the rate for timely IPE development to factors including the lack of a notification system to remind VR counselors of critical events in the management of caseloads, and to a lack of real-time status reporting, which is not available in the agency's current MIS. In addition, DVI noted that the agency does not have regularly scheduled case review processes in place to review caseload statuses and actions.

In PY 2019, 41 participants who exited the VR program achieved competitive integrated employment, which was an increase from 20 individuals in PY 2018. In discussing the increase in the number of participants exiting in competitive integrated employment or supported employment, DVI noted that the agency did not believe that the number reported for PY 2018 (20) was accurate. The agency noted that the actual number was 38 individuals for PY 2018. DVI attributed the reporting error to case closure processes and misunderstanding regarding post-employment services. The agency also noted that confusion about program year (July 1 to June 30), as opposed to Federal fiscal year (October 1 to September 30), may have led to data inconsistencies or inaccuracies.

### **The VR Process**

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

During the period of review, DVI did not report the number of participants who exited with a supported employment outcome in competitive integrated employment or the number of participants who exited with a supported employment outcome in noncompetitive and/or nonintegrated employment due to issues with the MIS and tracking supported employment

services. DVI noted that the agency does provide supported employment services and has been working on expanding collaborations with providers. The agency also indicated that it has been overhauling the supported employment program to align with the provisions of WIOA. DVI stated that its staff has been working with the DSA MIS staff on improvements to tracking and reporting supported employment activity and the agency expects the data for PY 2020 to accurately reflect the number of individuals who received supported employment services.

DVI reported that 34 individuals in PY 2019 exited the VR program because they were no longer interested in receiving services or further services, which was an increase from 17 individuals exiting with such reasons in PY 2017. The agency attributed the increase in individuals who exited as no longer interested in receiving services to a prior management decision to open cases on all students with visual impairments, and an incorrect interpretation of pre-employment transition service requirements. Also, the agency indicated that the MIS limitations prevented accurate coding and tracking.

## **VR Services**

**Resources:** Appendix A—Tables 6 and 7

DVI reported that 207 participants received VR services in PY 2019, an increase from 135 individuals receiving VR services in PY 2017. Of the 207 reported as having been served in PY 2019, only 32 individuals were reported to have received training services. DVI reported only ten individuals receiving four-year or two-year college training services. RSA noted that no individuals were reported as having received job readiness training in PY 2017, PY 2018, or PY 2019. DVI reported that in PY 2019, 31.9 percent received VR counseling and guidance services, which was an increase from 5.9 percent in PY 2017. DVI reported five MSGs earned in PY 2019, and five participants earning an MSG, which was an increase from one reported in PY 2018. No MSG data was reported for PY 2017. Technical assistance has been provided through the WINTAC specifically to improve MSG documentation and reporting.

DVI attributed its reporting that no participants as having received job readiness training services to inadequate counselor training on what constitutes such services. Alternatively, DVI attributed the increase in the provision of VR counseling and guidance services to recent counselor training initiatives. DVI attributed the low MSG data to system and coding issues, as well as staff turnover and inadequate counselor training on what constitutes an MSG.

## **Quality of Employment Outcomes**

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

As stated above, 41 participants who exited the VR program achieved competitive integrated employment in PY 2019, based on data reported by DVI. The agency reported that the median hourly earnings for participants at exit was \$8.00 in PY 2019, a decrease from \$11.00 in PY 2018. Of the 41 individuals who exited with competitive integrated employment outcomes in PY 2019, nine individuals with employment in four Standard Occupational Classification (SOC) code titles (Healthcare Support Occupations, Sales and Related Occupations, Management Occupations, and Arts, Design, Entertainment, Sports, and Media) exited with no earnings. In addition, five individuals were reported as having median hourly earnings below the minimum

wage: two closures for SOC code Education, Training, and Library Occupations with median hourly earnings of \$7.50; two closures for SOC code Production Occupations with median hourly earnings of \$5.50; and one closure for SOC code Healthcare Practitioners and Technical Occupations with median hourly earnings of \$1.00. The Delaware minimum wage during the first quarter of PY 2019 was \$8.75, which increased to \$9.25 per hour for the final three quarters.

DVI stated that the reported data were incorrect and that the tracking of wages at closure was done manually through a spreadsheet as a result of coding and tracking issues in the MIS. DVI indicated that it is working with DSA MIS staff on developing coding and tracking for accurate wage reporting.

### **Pre-Employment Transition Services**

**Resources:** Appendix A—Tables 11 and 12

In PY 2019, there were 93 students with disabilities reported by DVI. Of this number, 12 students were reported as having a 504 accommodation, and 77 had an individualized Education Program (IEP). Additionally, four students with disabilities had neither a 504 accommodation nor an IEP.

Of the 93 students with disabilities reported by DVI, 21 students with disabilities received a pre-employment transition service. Of the 21 students who received a pre-employment transition service, one was a potentially eligible student with disability and 20 were students with disabilities who applied for VR services. DVI reported providing a total of 92 pre-employment transition services to these 21 students with disabilities in PY 2019.

DVI reported that no students with disabilities had received a pre-employment transition service in PY 2017. In PY 2018, DVI reported that 19 students with a disability received a pre-employment transition service, with a total of 100 pre-employment transition services provided.

DVI indicated that a significant number of pre-employment transition services are delivered by DVI staff and that staff did not routinely and consistently record these services. DVI worked with the WINTAC on redeveloping the pre-employment transition service section of its policy manual, and the agency has been working with DSA MIS staff on system improvements to ensure the accuracy of pre-employment transition services.

### **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 expenditures 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.

During the period of review activities, RSA and DVI engaged in a series of extensive teleconferences to review the DVI data management system and assess the current status of data reporting integrity. These discussions focused on the internal data MIS system, the roles and procedures used by VR counselors in maintaining service records and recording case activities, documentation including case management quality review processes, and internal processing and review of data for RSA-911 reporting. DVI maintains a paper file of the client services record supported by the DSA-maintained MIS.

### **Management Information System**

The DVI MIS was developed, and is administered and maintained by the DHSS Information Resources Management (IRM) team, which provides technical support to 5 of the 11 administrative divisions of DHSS. The MIS system, Visually Impaired Client Registry (VICR), was launched in 2003, and serves the data management and client data tracking and reporting needs for all five of the DVI administrative components (Education, Vocational Rehabilitation, Independent Living Services, Business Enterprise Program, and Support Services (orientation and mobility, accessible materials, assistive technology, and low vision services)).

RSA and DVI management staff participated in a thorough demonstration of the MIS data input processes from case initiation through the VR process, from intake to closure. The discussion included a virtual presentation of each of the screens tracking data entry for all data input actions significant to the VR processes. In addition to the extensive review of the MIS system screens, RSA conducted discussions with the four DVI VR counselors to assess the user aspects of the MIS, including ease of use, system issues and difficulties, and user supports.

System deficiencies noted during these discussions included issues related to the need to input the same data in various screens, inadequate capacity to record accurate dates for movement through the process, insufficient data tracking for elements related to pre-employment transition services, lack of a tickler/reminder system to track critical case management events, lack of capacity to store critical case documents, and lack of capacity to provide real time performance and dashboard reports.

Counselors reported that the MIS is not user friendly and that they must learn the system's nuances to navigate it successfully. Counselors noted that the current VICR user manual is over three years old and does not reflect the current system in which some improvements have been made. However, counselors did acknowledge that a binder of materials containing such items as RSA technical assistance circulars (TACs) and agency memos is maintained as a support to the VICR manual to provide counselors with resources on case service action coding and recording procedures.

DVI management stated that the agency has been working closely with the DHSS MIS management team to identify and correct errors, and to design and implement enhancements to improve the MIS functionality. Additional staff resources have been put in place by DHS to assist DVI with this effort. DVI staff and the DSA MIS staff meet on a regular basis and track needs and requests for system maintenance and enhancements. DVI reported that agency staff have been assigned to develop training materials and to revise and upgrade the VICR user manual to provide support to the VR counselors. In addition, supervision of the VR counselors

has been assigned to the district administrator who is also the staff person working closely with the DHS IRM team and the senior social services administrator on DVI RSA-911 reporting.

## **Policy Manual**

During the review process, RSA reviewed the DVI Vocational Rehabilitation Casework Manual, which the agency reported as being outdated and incomplete due to a lack of structure to support the development of policy brought about by management attrition and conflict within the SRC. The VR casework manual took effect October 18, 2016, and DVI reported that it is currently under revision since the hiring of the agency's director in December 2019. DVI is also working with the Governor's office to constitute a SRC that participates in the development of the agency's goals and priorities under its State plan and will advise the agency during the development of its policies and procedures.

Although some updates were made to the casework manual since the reauthorization of the Rehabilitation Act by WIOA, the RSA review team identified some areas in the DVI Vocational Rehabilitation Casework Manual that were not consistent with the changes implemented with the passage of WIOA. These issues included incorrect time frames for the provision of supported employment services, the continued use of homemaker as an employment outcome, and the continued use of extended evaluations. The manual also included outdated references to the Workforce Investment Act of 1998 (WIA) throughout the definitions section of the casework manual, including in reference to the WIOA performance measures.

DVI has received intensive technical assistance from the WINTAC since 2018 in the areas of pre-employment transition services, integration into the Workforce Development System, common performance measures, and business engagement. DVI worked with the WINTAC on revising its pre-employment transition services policy, and a recently revised chapter of the casework manual addressing policy and procedures related to pre-employment transition services was submitted to RSA during the monitoring review. However, it is not known when DVI plans to operationalize or release updates to its casework manual for staff or public use. RSA encourages the agency to build upon its work to revise incorrect or insufficient information in the casework manual, and DVI should continue to submit draft policies to RSA for review and the provision of technical assistance, as needed.

## **Case Record Quality Assurance**

RSA and DVI reviewed the processes and procedures for reviewing case data input and case management practices to ensure the quality of data. DVI reported that a rigorous and regularly scheduled program of quality assurance was not in place during the period of review and was under development. DVI indicated that an internal case review was conducted in 2019. The results of the review were used to correct some systemic errors in case management practice. The 2019 review was a counselor self-review of selected files. DVI also reported that neither a case review methodology nor instrumentation has been developed. DVI reported that efforts to develop and implement case record quality assurance procedures have been delayed due to pandemic-related restrictions and the need to devote management time and resources to service delivery.

## **C. Technical Assistance and Recommendations**

### **CASE MANAGEMENT AND REPORTING**

DVI uses two systems to maintain the record of services for applicants and eligible individuals: a hard copy file and the VICR case management system. During the demonstration of VICR, RSA learned that only medical documentation is uploaded to the system, which means that eligibility determination letters and IPEs are not uploaded to the system. RSA recommends that the agency scan all documents such as the eligibility determination letters and IPEs into VICR to ensure verification of counselor actions.

VICR has one tab for RSA client data. RSA noted that DVI data elements need to be updated using RSA policy directive (PD)19-03 codes, since current RSA data is based on PD-19-03 data elements implemented in PY 2020 (July 1, 2020).

During the demonstration, RSA noted that the system does not capture causes of disability for both primary and secondary disability. DVI will need to revise the system input screens since the information is necessary for RSA-911 reporting.

The VICR system cannot generate an IPE. The agency sent a sample IPE to RSA, and it is not clear what services are on the IPE or what services provided (checked) in the system are associated with the IPE. PD-19-03 adds a new data element for initial IPE development date, which VICR captures. However, there is no field for recording the date of IPE amendments. RSA recommends that the system be modified to capture the date of IPE amendments, and counselors should be asked to maintain hard copies of the IPE amendments in the record of services.

DVI does not maintain a reminder system for counselors to follow up on significant case actions, such as eligibility determination or IPE development. RSA recommends that reminders be added to the system to assist counselors in tracking timeliness for actions related to critical data elements in the rehabilitation process.

The VICR system uses MCI code, which is the unique identifier required by the RSA-911 report. However, MCI code is not associated with tracking of expenditures for services provided to individuals. RSA suggests using the same ID in both systems to track expenditures for services provided to individuals.

During the demonstration, RSA observed that VICR does not have dropdown options for services codes. Counselors need to enter the codes by hand. RSA recommends that DVI add a dropdown menu to avoid entry errors.

The VICR system has the capacity to record actions related to the provision of the five required pre-employment transition services. However, the system only reports purchased services. Other types of services provided such as staff provided services may not be reported, which may result in under reporting for pre-employment transition services. RSA suggests developing the capacity to record the provision of pre-employment transition services by staff, which will increase the agency's data accuracy.

RSA recommends that DVI build on its previous work with the WINTAC by pursuing intensive technical assistance from the Vocational Rehabilitation Technical Assistance Center for Quality Management (VRTAC-QM), the Vocational Rehabilitation Technical Assistance Center for Quality Employment (VRTAC-QE), and the National Technical Assistance Center on Transition: The Collaborative (NTACT:C): in the areas of program management and pre-employment transition services.

### **STATE PLAN CONTINGENCY**

On April 1, 2020, RSA received the Delaware WIOA State Plan for PY 2020-2023, including the VR portion submitted for the DSA serving individuals who are blind as prescribed at 34 C.F.R. § 361.13 of the regulations. In description a of the plan, Input of State Rehabilitation Council, DVI noted that, “the goals were not developed jointly with the SRC.” On June 29, 2020, the State plan was approved contingent on DVI’s submission of a plan by September 30, 2020, describing steps it would take to develop goals and priorities in collaboration with the SRC. DVI submitted a plan to describe the timeframes for developing an annual work plan and processes for the review and update of State goals and priorities in collaboration with the SRC and submission of an amendment to the State plan. The plan was approved by RSA, and on September 28, 2020, the Governor of Delaware was notified that the contingency had been met. The plan is included in this report in Appendix C.

During the period of this review, RSA provided technical assistance to assist DVI in its development of the plan to remove the State plan contingency. RSA and DVI conducted teleconferences to discuss the work done on the development of the plan to date and to provide technical assistance regarding plan composition and structure. RSA also requested an updated roster of the SRC that was current as of that time, including composition and terms of appointment as described in 34 C.F.R. § 361.17(b), (e), and (i).

RSA reviewed the SRC roster and determined that there were three vacant positions, including two business representatives (34 C.F.R. § 361.17(b)(1)(vi)) and a blind disability advocate (34 C.F.R. § 361.17(b)(1)(vii)); and that the tenure of eight of the council members had exceeded the requirements as stated in 34 C.F.R. § 361.17(e). In addition, seven members were in the sixth year of their appointment and would soon need to be replaced. DVI noted that agency staff were working closely with the DSA’s office of general council and the Governor’s office, as well as the SRC membership, to obtain documentation of appointments and changes in council membership. DVI also indicated that the DSA office of general council had been providing extensive assistance to the SRC through training on Federal regulations in 34 C.F.R. § 361.17. The agency indicated that, for the past several years, DVI had not maintained documentation related to appointments and changes in the composition of the SRC membership. In addition, maintenance of documentation at the level of the Governor’s office had been greatly affected by changes in administration and record storage over the years. DVI explained that agency staff and the DSA are working with the Governor’s Office of Boards and Commissions to finalize the composition of the SRC. On December 22, 2020, the Governor appointed a new Chair to the SRC.

## **D. Findings and Corrective Actions**

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

### **2.1 Internal Controls for Management of the Federal Award, Data Accuracy and Validity, and Supporting Documentation**

**Issue:** Did DVI maintain effective internal controls over the Federal award to provide a reasonable assurance that it was managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award in accordance with 2 C.F.R. § 200.303. Did DVI's internal controls and policies ensure data accuracy and validity, and that case files adhered to the record of service requirements at 34 C.F.R. § 361.47.

**Requirements:** Pursuant to 2 C.F.R. § 200.303, VR agencies are required to develop an internal controls process to provide reasonable assurances regarding the effectiveness and efficiency of operations, and reliability of reporting for internal and external use, to be 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. Furthermore, 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.

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.

Pursuant to 34 C.F.R. § 361.47(a), VR agencies must maintain for each applicant and eligible individual a record of services that includes, to the extent pertinent, documentation including, but not limited to, the individual's application for VR services, the individual's IPE, and information related to closing the service record of an individual who achieves an employment outcome. The record of service must allow for accurate and timely data reports pursuant to 34 C.F.R. § 361.40 and meet the performance accountability provisions described in Section 116(b) of WIOA.

**Analysis:** As part of the review process, RSA analyzed the internal controls implemented by DVI. RSA reviewed the DVI Vocational Rehabilitation Casework Manual and the VICR User Manual and engaged in discussions to learn about the case review quality assurance process. Based on the document review and discussions about the case review quality assurance practices, DVI, as described earlier in this report, does not have a comprehensive system of effective internal controls nor sufficient policies and procedures to ensure consistency with applicable Federal requirements in accordance with 2 C.F.R. § 200.303.

**Conclusion:** As a result of the analysis, RSA determined that DVI is not maintaining effective internal controls over the Federal award that would provide a reasonable assurance that DVI is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award in accordance with 2 C.F.R. § 200.303. Furthermore, RSA determined

that DVI has not implemented written policies, procedures, or internal controls that ensure the accurate reporting of data.

**Corrective Actions:** RSA requires that DVI—

- 2.1.1 Develop internal control policies and procedures to ensure that the provisions of 34 C.F.R. § 361.47 have been met, and through service record documentation, the requirements at 34 C.F.R. § 361.40 and RSA PD-19-03 (now in effect for the reporting of RSA-911 data since July 1, 2020) for the accurate reporting of its data are met;
- 2.1.2 Assess and evaluate current procedures for tracking and monitoring VR counselor performance and efficient practices used by high performing VR counselors and supervisors, including the use of case management tools to ensure supporting documentation requirements and the verification of employment are met;
- 2.1.3 Develop mechanisms to collect and aggregate the results of these reviews and use the results to inform and conduct necessary training and evaluation of staff; and
- 2.1.4 Assess the results of the policies and procedures governing its internal control procedures to ensure compliance with the reporting of data.

**Agency Response:**

- 2.1.1 DVI has been working closely with the DHSS Information Resource Management (IRM) department to improve data integrity and accurately report performance. DVI will also be strengthening internal controls to avoid inaccuracies such as those found in Appendix A. For example, in Table 9, the PY19 outcomes show that a consumer who achieved Competitive Integrated Employment as a Registered Nurse was paid a median hourly rate of \$1/hr. After a thorough analysis, DVI discovered that the case management system did not have the ability to input the hourly rate of \$25.00/hr. As a result, \$25.00 was entered as the weekly wages. Similar issues with the case management system created errors throughout several of the data reports. DVI and IRM have worked closely to improve data elements and have regularly scheduled monthly meetings to review the system work list, run tests, and update progress. Through this ongoing collaboration with IRM, DVI has modified the field accordingly to allow for accurate reporting. DVI and IRM started tracking system enhancement in December 2018. To date 83 enhancements/updates have been completed and 13 are in process.

DVI is currently revising the VR policies and procedures and strengthening internal controls to ensure the provisions of 34 C.F.R. § 361.47 are met, and through service record documentation, the requirements at 34 C.F.R. § 361.40 and RSA PD-19-03 (now in effect for the reporting of RSA-911 data since July 1, 2020) for accurate reporting of its data are met.

DVI would like to replace the current case management system with an upgraded version that is compatible with VR reporting. DVI and IRM plan to develop a business case to support the costs. This process will take time so DVI will continue to improve the current system.

- 2.1.2 DVI began conducting comprehensive case reviews in December 2020 and is currently engaged in a 100% audit of all case files to ensure compliance with documentation requirements. The audit will be complete by June 2021. A quarterly case review schedule has been developed to assist VR counselors to maintain better performance, accountability and efficiencies with both counseling and case management. In 2020, DVI procured a Learning Management System to improve onboarding, orientation, and continuing education opportunities for counselors. DVI is currently receiving training on a new assessment tool to create better efficiency and performance in developing vocational goals with consumers.
- 2.1.3 Working with IRM, the most recent DVI administration developed a system to review RSA 911 data integrity, regulatory compliance, and identify RSA 911 data errors prior to report submission. In addition, data elements are collected quarterly to identify opportunities for improvement. This process has created an environment to educate counselors on performance, accuracy, and the interdependency of data elements. The collection of data preemptively identifies errors which are being used to identify needed system enhancements, necessary TA [technical assistance], and training.
- 2.1.4 The current VR policies and procedures, internal controls, and VICR manuals are in the process of being reorganized, revised, strengthened, and updated. DVI received technical assistance from the Workforce Innovation Technical Assistance Center (WINTAC) to update the Pre-ETS [policies] and began work with national VR consultants to update the agency policy manual. DVI also worked with WINTAC to develop a Pre-ETS policy in 2019. Internal controls are being strengthened and revised in collaboration with national consultants as we move through the policy and procedure revisions. DVI will increase counselor performance and compliance with applicable policies through annual and semiannual counselor reviews. The policy and procedures revisions began in May 2020 with a comprehensive Pre-ETS policy and will be completed by the end of FFY21. DVI will integrate these policies and procedures into trainings, evaluations, and reviews to ensure regulatory compliance and accurate performance reporting.

DVI accepts the findings and corrective actions (2.1.1 thru 2.1.4)

**RSA Response:** RSA acknowledges the additional efforts that DVI has implemented since the review was conducted to maintain effective internal controls over the Federal award, develop internal controls and policies to ensure data accuracy and validity, and ensure that case files adhere to record of service requirements.

**VR Agency Request for Technical Assistance:** DVI requests Technical Assistance to carry out the recommendations and corrective actions identified in the report.

## 2.2 Insufficient Policies

**Issue:** Did DVI maintain written policies covering the nature and scope of each of the VR services specified in 34 C.F.R. § 361.48, in accordance with 34 C.F.R. § 361.50, and the criteria under which each service is provided.

**Requirements:** Pursuant to 34 C.F.R. § 361.50, VR agencies are required to develop and maintain written policies covering the nature and scope of each of the vocational rehabilitation services specified in 34 C.F.R. § 361.48 and the criteria under which each service is provided. The policies must ensure that the provision of services is based on the rehabilitation needs of each individual as identified in that individual's individualized plan for employment, as required at 34 C.F.R. §§ 361.45 and 361.46, and is consistent with the individual's informed choice pursuant to 34 C.F.R. § 361.52.

**Analysis:** As part of the off-site review process, RSA analyzed the agency's casework manual, which took effect on October 18, 2016. Although some updates were made to the casework manual to reflect the requirements that went into effect with the reauthorization of the Rehabilitation Act by WIOA, some chapters still contain incorrect or insufficient information, or have not been updated with the changes brought about by WIOA. As noted in this focus area, DVI worked with the WINTAC for several years prior to RSA's review on updating its casework manual, including its pre-employment transition services policy. However, these changes have not yet been operationalized or released for staff or public use.

Several issues were noted in the DVI Vocational Rehabilitation Casework Manual that are not consistent with the changes implemented with the passage of WIOA. These issues were noted in the areas of supported employment, WIOA performance measures, the continued use of homemaker as an employment outcome, and the continued use of extended evaluations.

In regard to supported employment, RSA noted that the casework manual incorrectly references a limit of 18 months for the provision of supported employment services. Section 7(39)(C) of the Rehabilitation Act, as amended by WIOA, extends the time frame for the provision of supported employment services from 18 months to 24 months (34 C.F.R. §§361.5(c)(54)(iii) and 363.50(b)(1)).

In regard to the WIOA performance measures, the appendix I definitions section of the manual contained outdated references to WIA and a reference to the definition of "exit" located in a Training and Employment Guidance Letter (TEGL), which is under the jurisdiction of the Department of Labor. RSA-PD-19-03 outlines the requirements that each State VR agency must follow to collect and report on the revised case service report (RSA-911). RSA uses these data to assess the performance of the VR program through the calculation of evaluation standards and performance indicators as required by Section 106 of the Rehabilitation Act, which must be consistent with the common performance accountability measures established in Section 116 of Title I of WIOA for the core programs of the workforce development system.

RSA found that the case manual in effect during the review period references outdated terms such as homemaker and extended evaluation. The revision of the definition of employment outcome in 34 C.F.R. § 361.5(c)(15) requires that all employment outcomes achieved through the VR program be in competitive integrated employment or supported employment, thereby eliminating uncompensated outcomes, such as homemakers and unpaid family workers, from the scope of the definition for purposes of the VR program (81 FR 55631 (August 19, 2016)).

In regard to extended evaluation, the casework manual states "when circumstances are such that an individual cannot take advantage of trial work experiences i.e., such experiences cannot be

arranged, inability to engage in trial work experiences for a period of time due to medical reasons, or if options for trial work experiences have been exhausted before a determination of eligibility can be made, an extended evaluation to assess the vocational rehabilitation needs of the individual is warranted.” 34 C.F.R. §§ 361.41 and 361.42 remove requirements related to extended evaluation because the Rehabilitation Act, as amended by WIOA, no longer includes references to such evaluations. Instead, a VR agency must use trial work experiences when conducting an exploration of an individual with a significant disability’s abilities, capabilities, and capacity to perform in work situations. These revisions streamline the eligibility determination process for all applicants whose ability to benefit from VR services is in question (81 FR 55737 (August 19, 2016)).

**Conclusion:** As a result of the analysis, RSA determined that DVI was not maintaining written policies covering the nature and scope of each of the VR services, in accordance with 34 C.F.R. § 361.50, and the criteria under which VR services are provided, as specified in 34 C.F.R. § 361.48.

**Corrective Actions:** RSA requires that DVI:

- 2.2.1 Develop sufficient policies and procedures so that the provisions of 34 C.F.R. § 361.50 are met;
- 2.2.2 Implement updated policies and procedures and make them available to staff and to the public; and
- 2.2.3 Develop and provide training to staff on the updated policies and procedures.

**Agency Response:**

- 2.2.1 As stated in the report, DVI management has been actively engaged in the process of reviewing and updating the agency policy manual, as well as policies and procedures for ensuring the accuracy of program and fiscal data. In addition, DVI is working closely with the DSA to correct errors and deficiencies in the case management system. These efforts have been a priority for DVI since December 2019. DVI received technical assistance from the Workforce Innovation Technical Assistance Center (WINTAC) to update the Pre-ETS and began work with national VR consultants to update the agency policy manual that adheres to the provisions of 34 C.F.R. § 361.50 and provide fiscal consultation services.
- 2.2.2 DVI will implement policies and procedures as they are updated and revised through enhanced case review internal controls. DVI hired a Training and Communications Director who has extensive experience working as a Training Administrator with the DE Dept. of Labor and a background in organizational development, training, and communications, she is well suited to assist DVI with developing an agency-wide training plan and to work with individual programs to address their specific needs. Having someone who is able to streamline training to meet program specific needs as well as incorporate them into the larger agency plan will assist us beyond just training; this will help to enhance our recruitment and retention efforts and address succession planning. The training director has been involved in all technical assistance efforts so she can accurately plan for training in VR policies and internal controls.

2.2.3 DVI has acquired a VR Learning Management System (LMS) to enhance staff development. The system is hosted by the VR Development Group and currently has 65 courses available. The LMS has the scalability to add personalized programmatic training to further promote effective case management and successful closure strategies. This system is already being utilized by VR staff and will be incorporated into the larger training plan for DVI. Given the role the other program staff play with assisting individuals to prepare for and obtain employment, it is important for them to be cross trained and understand how they contribute to and best support the VR process.

DVI is working with the Statewide Training office to receive guidance on how to utilize more of the Delaware Learning Center for our division's purpose. Since engaging the training office, DVI has learned that many features are available at no additional cost. The training office liaison to DVI will provide training to key DVI personnel in order for the DLC to be used more effectively for training.

DVI accepts the findings and corrective actions 2.2.1 thru 2.2.3.

**RSA Response:** RSA acknowledges the additional efforts that DVI has implemented since the review was conducted to maintain written policies covering the nature and scope of each of the VR services and the criteria under which VR services are provided.

**VR Agency Request for Technical Assistance:** DVI requests Technical Assistance to carry out the recommendations and corrective actions identified in the report.

### **2.3 Goals and priorities jointly developed and agreed to by the State VR agency and the State Rehabilitation Council.**

**Issue:** Does DVI have a fully constituted SRC that works jointly to develop goals and priorities that are incorporated into its State Plan.

**Requirements:** Pursuant to 34 C.F.R. § 361.16(a)(2)(i), a state must assure that the State has established an SRC that meets the requirements of 34 C.F.R. § 361.17 if the DSA is not an independent State commission.

In addition, pursuant to 34 C.F.R. § 361.17 (h)(2)(i), a significant function of the SRC is to develop, agree to, and review State goals and priorities in accordance with 34 C.F.R.

§ 361.29(c).

**Analysis:** In order to address the condition RSA placed on the DVI portion of the Delaware WIOA State plan, DVI submitted a plan to appoint a fully constituted SRC and to develop goals and priorities mutually agreed upon by the SRC and DVI. RSA approved this plan as meeting the requirement of the State plan contingency on September 28, 2020. The plan provides for activities, along with dates for each activity, to constitute the SRC consistent with statutory and regulatory requirements and to accomplish the development of mutually agreed upon goals and priorities and modification of description-a of the DVI VR portion of the Delaware WIOA Combined State Plan. The components of DVI's plan include:

- Constitute an SRC in compliance with regulations at 34 C.F.R. § 361.17;
- Conduct the Comprehensive Statewide Needs Assessment (CSNA) with the SRC as described in 34 C.F.R. § 361.17(h)(2)(i);
- Review findings derived from the CSNA with the SRC;
- Conduct sessions with the SRC to develop goals and priorities jointly with the SRC; and
- Submit modified description-a. of the DVI VR portion of the Delaware Combined State Plan.

**Conclusion:** DVI is actively engaged in executing its plan and continues to work closely with the DSA and the Governor’s office to constitute an SRC in compliance with regulations in 34 C.F.R. § 361.17. However, until such time that DVI has a fully constituted SRC that participates in the development of the agency’s goals and priorities under its State plan, as described in the plan DVI submitted in September 2020, DVI is not in compliance with 34 C.F.R. § 361.16(a)(2), 361.17, and 361.29.

**Corrective Actions:** RSA requires that DVI—

- 2.3.1 Execute the measures delineated in the approved plan to develop mutually agreed upon goals and priorities with a fully constituted SRC in compliance with regulations at 34 C.F.R. § 361.17.

**Agency Response:**

- 2.3.1 DVI began working on our SRC compliance plan immediately after the plan was approved in September 2020 with assistance from the Office of Boards and Commissions and our Deputy Attorney General (DAG). The DAG has been attending SRC meetings regularly for several months. We have been filling vacancies and addressing the issue of members whose terms exceed the limits defined in 34 C.F.R. § 361.17.

The Governor appointed one of the newest members as the 2021 Chair. Before moving to Delaware, the new Chair spent her entire career in vocational rehabilitation: she managed services for the blind in Maryland where she worked directly with the SRC and served on the Maryland SRC after retiring. A business owner who is blind and previously received VR services from DVI was recruited to fill one of the vacancies, and the Parent Information Center selected a new member for the SRC late in the fall. DVI and the Chair have been actively recruiting through numerous channels including, industry contacts, DVI blind registry, staff, and current consumers. The Governor’s office currently has two new applications awaiting approval. Although new members have been added, the SRC still has three vacancies because of expiring terms which coincided with original vacancies. Of those vacant, one is a business representative and two are from recently expired terms that represented the State Independent Living Council (SILC) and a Community Rehabilitation Program (CRP). DVI has reached out to the SILC Chair and partner CRP’s to identify members. The sighted to blind ratio is currently even; however, the two people awaiting appointments are both visually impaired.

DVI and the SRC Chair have continued to work with the Attorney General's office and the Office of Boards and Commissions for assistance to rectify the issue of members actively serving on the Council beyond allowable term limits.

DVI and the Chair have provided council members with a National Coalition of State Rehabilitation Councils orientation and is trying to set up a training series but has been unable to establish meeting times with the SRC. The policy and procedures for coordination with SRC in accordance with federal regulations in 34 C.F.R. § 361.17(h) are in draft form but not quite finished. They have not been presented to the SRC or posted for public comment yet.

DVI has developed a system for tracking appointments and ensure compliance with federal regulations. The Deputy Director performs monthly reviews of appointments and has worked closely with the Chair to monitor expiration dates. In addition, the Director or Deputy Director have met regularly with the Office of Boards and Commissions about memberships and appointments.

DVI has partnered with Delaware General VR to conduct one Comprehensive Statewide Needs Assessment. Together, the two VR programs engaged the University of Delaware Center for Disabilities Studies (UD-CDS) to conduct the survey. UD-DCS were provided the guide [\*Developing a Model Comprehensive Statewide Needs Assessment With Corresponding Training Materials For State VR Agency Staff and SRC Members: The VR Needs Assessment Guide\*](#) (the Guide) and are using that combined with feedback from both VR programs to develop a proposal. The partnerships and methods were presented to the SRC.

DVI accepts the findings and corrective action in 2.3.1.

**RSA Response:** RSA acknowledges the additional efforts that DVI has implemented since the review was conducted to fully constitute the SRC.

**VR Agency Request for Technical Assistance:** DVI requests Technical Assistance to carry out the recommendations and corrective actions identified in the report.

## **SECTION 3: FOCUS AREA – FINANCIAL MANAGEMENT OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS**

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### **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**

On August 28, 2019, RSA imposed specific conditions on DVI's VR grant award because of significant issues identified in the financial management area (Appendix D). As a result of the specific conditions, DVI was tasked with implementing corrective actions necessary to ensure the agency's ability to submit accurate and timely Federal Financial Reports. However, DVI did not complete the specific conditions imposed on its FFY 2019 VR award. Concurrent with the fiscal review process, it became clear to RSA that many of the substantive fiscal concerns identified in 2019 remained ongoing challenges for DVI. Due to the substantive nature of the fiscal concerns and the prior specific conditions, on October 21, 2020, RSA issued a letter to DVI that stated RSA "continues to have significant concerns regarding the current capacity and ability of the Delaware Department of Health and Social Services' (DHSS) Division for the Visually Impaired (DVI) to ensure appropriate financial accountability of the Vocational Rehabilitation (VR) program, authorized under Title I of the Rehabilitation Act of 1973 (Rehabilitation Act), particularly since DVI failed to complete the specific conditions imposed on the agency's VR grant on August 28, 2019. ... Therefore, RSA is imposing new specific conditions on DVI's Federal fiscal year (FFY) 2021 VR grant award (H126A210010) in accordance with 2 C.F.R. § 200.207."

The specific areas of non-compliance are detailed in RSA's October 21, 2020 specific conditions letter (Appendix E). RSA's review of DVI's history of performance and the substantive nature of the concerns in this focus area resulted in RSA's decision to place specific conditions on DVI's FFY 2021 VR grant award, in lieu of issuing findings and corrective actions in this section of the monitoring report.

### **C. Technical Assistance and Recommendations**

For a description of technical assistance provided to DVI prior to this review, see the Written Summary Describing History of Key Fiscal Issues and TA [Technical Assistance] Provided by RSA to DVI in Appendix F. During the review, RSA referred DVI management staff to the Vocational Rehabilitation Technical Assistance Center-Quality Management (VRTAC-QM) at San Diego State University for assistance regarding the corrective actions described below. RSA

fiscal staff works together with VRTAC—QM staff to provide ongoing technical assistance necessary to address compliance findings and corrective actions.

#### **D. Findings and Corrective Actions**

RSA’s specific conditions letter dated October 21, 2020, outlined the specific fiscal findings. It stated that: “since at least FFY 2016, DVI has demonstrated an ongoing history of failing to satisfy the terms and conditions of the VR grant award by not implementing financial and data management systems that meet Federal requirements at 34 C.F.R. §§ 361.12, 76.702, and 2 C.F.R. §§ 200.302 and 200.303. Specifically, DVI’s ongoing reporting errors, since at least FFY 2016, demonstrate the agency’s inability to ensure:

- Accurate data collection and financial accountability, as required by 34 C.F.R. § 361.12;
- The proper disbursement of and accounting for Federal funds, as required by 34 C.F.R. § 76.702;
- 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, as required by 2 C.F.R. § 200.302;
- Effective internal control is established and maintained over the Federal award that provides reasonable assurance that the agency is managing the Federal award in compliance with Federal statutes and regulations and the terms and conditions of the Federal award, as required by 2 C.F.R. § 200.303, including that the agency:
  - Evaluates and monitors its compliance with statutes, regulations, and the terms and conditions of Federal awards; and
  - Takes prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- Adherence to requirements for retention and access to Financial records, supporting documents, statistical records, and all other agency records pertinent to a Federal award, as required by 2 C.F.R. §§ 200.333 and 200.336.

As a recipient of Federal VR funds, DVI must have procedures in place that ensure proper and efficient administration of its VR program and that enable DVI to carry out all required functions, including financial reporting. 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). RSA-PD-15-05, dated February 5, 2015, sets forth detailed requirements for completing and submitting the SF-425s for the VR program. RSA uses the financial information reported in the SF-425s to determine whether a State has met its match and maintenance of effort (MOE) requirements under the VR program, as well as other requirements related to record keeping and drawdowns (Sections 19 and 111(a) of the Rehabilitation Act; 34 C.F.R. §§ 361.60, 361.62, and 361.64; 2 C.F.R. part 200; and the Cash Management Improvement Act of 1990 (CMIA)).”

Because of the identified issues, RSA was not able to determine, with certainty, whether Federal requirements have been satisfied, thereby affecting its ability to protect the Federal interest.

The FFY 2021 specific conditions also included corrective actions DVI must complete to ensure that its financial and data management systems and internal controls comply with Federal requirements, such that they are sufficient to ensure:

- The collection and analysis of appropriate and accurate financial data under the VR program. This means that DVI's financial and data management systems must be able to:
  - Assign allowable VR expenditures and unliquidated obligations only to the FFY in which the expenditure was made or obligation was incurred;
  - Distinguish liquidated expenditures from unliquidated obligations;
  - Identify which source of funds (Federal or non-Federal) is used to cover the liquidation or obligation of allowable VR expenditures;
  - Determine when obligations under the VR program are liquidated;
  - Ensure all obligations incurred under the VR program are liquidated within 90 days after the end of the period of performance (i.e., after the end of the carryover year) for each VR grant award in accordance with 2 C.F.R. § 200.343(b), thereby avoiding the necessity for frequent revisions to financial reports or requests for late liquidations (see also 2 C.F.R. §§ 200.306 and 200.309); and
  - Make necessary accounting adjustments when non-Federal obligations, previously reported for match and MOE purposes under the VR program, are cancelled or otherwise not liquidated to remove those obligations from the amount DVI reported to RSA.
- The timely and accurate reporting of Federal and non-Federal expenditures and unliquidated obligations under the VR program. To ensure the financial reports are accurate and timely, DVI must:
  - Report only those non-Federal expenditures and unliquidated obligations, used to satisfy match and MOE requirements under the VR program, that were incurred by September 30 of the FFY of appropriation with non-Federal funds that were available at that time;
  - Carry over into the subsequent FFY only those Federal funds that were matched by non-Federal expenditures or obligations incurred by September 30 of the FFY of appropriation; and
  - Have processes that ensure the timely submission of financial reports.
- The retention of, and access to, financial records, supporting documents, and other agency records pertinent to a Federal award, as required by 2 C.F.R. §§ 200.333 and 200.336. This includes maintaining supporting documentation for the SF-425s and RSA-17 (and formerly RSA-2) submitted by DVI for the VR program.
- DVI staff remain capable of meeting Federal fiscal requirements even in the event of personnel turnover.

On November 24, 2020, in response to DVI's request for reconsideration of the specific conditions applied to DVI's FFY 2021 VR grant award (Appendix G), RSA issued a response to DVI (Appendix H) explaining that RSA had determined it necessary to maintain the specific conditions. On January 22, 2021, DVI submitted its Corrective Action Summary letter and the Corrective Action Plan to RSA, within the required timeframe. RSA subsequently approved DVI's corrective action plan on February 4, 2021.

The following appendices include pertinent information for this focus area.

- Appendix D: Fourth Quarter Award Specific Conditions Letter (H126A190010)
- Appendix E: Specific Conditions for Delaware Division for the Visually Impaired FFY 2021 State Vocational Rehabilitation Services Grant Award
- Appendix F: Written Summary Describing History of Key Fiscal Issues and TA [Technical Assistance] Provided by RSA to the Delaware Division of the Visually Impaired (DVI)
- Appendix G: FFY 2021 SPECIFIC CONDITIONS TUESDAY, NOVEMBER 10, 2020
- Appendix H: Response to Request for Reconsideration about Specific Conditions for the Delaware Division for the Visually Impaired's Federal Fiscal Year 2021 State Vocational Rehabilitation Services grant award (H126A210010)

### **VR Agency Response:**

DVI requested that RSA add the Request for Reconsideration email from former Director Sandra Miller (dated November 10, 2020) to the report or Appendix. DVI believes public record should reflect the steps taken by the current administration to work in tandem with the VRTAC-QM and RSA to correct the issues.

### **Technical Assistance**

DVI sought to address long-standing concerns identified by RSA, which have impacted on reporting of the VR activities provided by the agency. Although much work has been done over the past year to identify the root causes of the problems, DVI recognizes continued support is needed. Our response provides a summary of the corrective action, and progress, and next steps.

DVI requested training from the VRTAC-QM on all federal citations noted within the RSA Letter of Special Conditions dated 10/21/2020 and the initial Monitoring Report dated August 7, 2013. DVI and the VRTAC-QM strategized around areas of expected improvement noted by RSA. The Corrective Action Plan was developed collaboratively. Together, DVI, the designated state unit (DSU), and Department of Health and Social services (DHSS), the designated state agency (DSA), committed to dedicating adequate and appropriate resources to advance the program into good standing in a timely fashion.

The CAP is designed to improve systems, revise policies and procedures, and strengthen internal controls. Current and future reporting requirements will be laid out in a schedule by DVI and responsible staff will develop internal controls to ensure data is accessible to provide for timely and accurate reporting. The VRTAC-QM will assist DVI with reporting templates tailored specific to available systems data elements to include any applicable calculations; and a method for documenting and maintaining supporting documentation will be developed.

### **System Redesign Progress**

The VRTAC-QM and DVI have been performing an extensive review of current information technology systems available and in use. This included the accounting and procurement system for the State of Delaware and the case management system managed internally by DVI. The

analysis is being used to identify opportunities within the systems for improving grants management and overall integrity of accounting and procurement activities, which will promote greater accuracy and timeliness of federal reporting. Manual processes are currently in effect with DVI around obligations/Period of Performance which may be automated or tracked within IT systems. In doing so, important security controls among other internal controls (i.e., separation of duties) may be leveraged to provide greater reliability and integrity of financial activities in addition to safeguarding funding sources. Reporting capabilities will be key to completing federal reporting and developing budgeting/financial management strategies, such as managing obligations, ensuring match is accounted for and met, maintenance of effort is regarded throughout the fiscal year, etc.

As we concentrated on areas of improvement, exploratory efforts revealed a need to expand the focus of CAP activities beyond federal requirements to include appropriate State of Delaware components as applicable. The combined federal/state view of the CAP was previously not addressed in CAP submissions nor was availability of technology solutions considered. We understand reduction or elimination of manual processes and otherwise leveraging technology contributes toward a more effective internal control system and overall fiscal management of the VR program. We are examining our technology systems at the state level and in-house to establish a more reliable approach.

**Staff Development and Training**

Between CAP development, training, and action steps, the core and/or entire CAP team have participated in thirty-one work sessions which include plan development, action steps, and staff training. Training sessions were provided by VRTAC-QM staff and private consultants.

To date, leadership and staff have received the following training:

Date	Training
January 27, 2021	<ul style="list-style-type: none"> <li>• Internal Controls</li> </ul>
February 3, 2021	<ul style="list-style-type: none"> <li>• Internal Controls</li> </ul>
March 17, 2021	<ul style="list-style-type: none"> <li>• Introduction to the Uniform Guidance</li> <li>• Parts of the Uniform Guidance which do not apply to the Vocational Rehabilitation Program</li> <li>• Amended Sections of the Uniform Guidance</li> <li>• Significant Sections of the Uniform Guidance</li> </ul>
March 31, 2021	<ul style="list-style-type: none"> <li>• Uniform Guidance requirements (attachment) at 2 C.F.R. 200.407</li> <li>• Sub-regulatory guidance on prior approval</li> </ul>

Date	Training
	<ul style="list-style-type: none"> <li data-bbox="609 260 1390 331">• Randolph Sheppard Randolph-Sheppard Financial Relief and Restoration Payments Appropriation</li> </ul>

**Next Steps**

The DSA and the DSU both have new leadership in place that are committed to making the necessary changes to support DVI through this process and make necessary changes. Although the process is taking longer than initially projected, we have learned a lot about the state and DVI systems. The DVI case management (VICR) system is antiquated and cumbersome but with the support of our IRM team, we feel confident we can use it to streamline the process of properly identifying consumer related obligations, expenditures, and liquidations. In addition, the support from the DSA has afforded us the chance to change processes that have had a negative fiscal impact on DVI for several years. DVI will continue to work on the CAP to improve systems and revise fiscal reports as further corrective action is implemented.

DVI accepts the findings and corrective actions in Section 3.B.

**RSA Response:** RSA will continue to provide feedback and technical assistance to DVI regarding its progress in carrying out the specific conditions noted in this focus area. As requested, RSA has included as an appendix to this report DVI’s email to RSA with DVI’s initial response to the FFY 2021 specific conditions (Appendix G).

**VR Agency Request for Technical Assistance:**

DVI requested continued Technical Assistance from the VRTAC-QM team to successfully carry out the work identified on the CAP.

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

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Table 1— DE-B Agency Profile (PYs 2017-2019)

Table 3— DE-B Number and Percentage of Participants Served by Primary Disability Type (PYs 2017-2019)

Table 4— DE-B Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PYs 2017-2019)

Table 5— DE-B Number and Percentage of Individuals Exiting by Reason during the VR Process (PYs 2017-2019)

Table 6— DE-B VR Services Provided to Participants (PYs 2017-2019)

Table 7— DE-B Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gain (PYs 2017-2019)

Table 8— DE-B 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 (PYs 2017-2019)

Table 9— DE-B 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 (PYs 2017-2019)

Table 10— DE-B Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PYs 2017-2019)

Table 11— DE-B Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PYs 2017-2019)

Table 12— DE-B Number and Percentage of Required Pre-Employment Transition Services Provided (PYs 2017-2019)

**Table 1— DE-B VR Agency Profile (PYs 2017-2019)**

<b>VR Agency Profile Data</b>	<b>PY 17 Number/Percentage</b>	<b>PY 18 Number/Percentage</b>	<b>PY19 Number/Percentage</b>
Employment Rate	69.2%	52.6%	47.1%
Number of Participants Exiting in Competitive Integrated Employment or Supported Employment	36	20	41
Measurable Skill Gains Performance Indicator	0.0%	20.0%	11.1%
Percentage of Participants Eligible for Measurable Skill Gains	1.5%	2.5%	21.7%
Percentage of Timely Eligibility Determinations	90.0%	90.2%	97.1%
Percentage of Eligibility Determination Extensions	25.9%	7.3%	18.6%
Percentage of Timely IPE Development	80.0%	92.7%	80.6%
Number of Applicants	37	71	46
Number of Individuals Determined Eligible	29	55	43
Number of Individuals with an IPE and No VR Services Provided	-	4	10
Number of Participants (with an IPE and VR Services Provided)	26	37	27

**Table 3— DE-B Number and Percentage of Participants Served by Primary Disability Type (PYs 2017-2019)**

<b>Primary Disability Type by Group</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Visual	123	91.1%	192	97.5%	202	97.6%
Auditory or Communicative	3	2.2%	3	1.5%	3	1.4%
Physical	1	0.7%	1	0.5%	1	0.5%
Cognitive	-	0.0%	1	0.5%	1	0.5%
Psychological or Psychosocial	-	0.0%	-	0.0%	-	0.0%

<b>Detailed Primary Disability Type</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Blindness	97	71.9%	139	70.6%	146	70.5%
Other Visual Impairments	26	19.3%	53	26.9%	56	27.1%
Deafness, Primary Communication Visual	-	0.0%	-	0.0%	-	0.0%
Deafness, Primary Communication Auditory	-	0.0%	-	0.0%	-	0.0%
Hearing Loss, Primary Communication Visual	-	0.0%	-	0.0%	-	0.0%
Hearing Loss, Primary Communication Auditory	-	0.0%	-	0.0%	-	0.0%

<b>Detailed Primary Disability Type</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Other Hearing Impairments (Tinnitus, Meniere's Disease, hyperacusis, etc.)	-	0.0%	-	0.0%	-	0.0%
Deaf-Blindness	3	2.2%	3	1.5%	3	1.4%
Communicative Impairments (expressive/receptive)	-	0.0%	-	0.0%	-	0.0%
Mobility Orthopedic/Neurological Impairments	1	0.7%	0	0.0%	-	0.0%
Manipulation/Dexterity Orthopedic/Neurological Impairments	-	0.0%	-	0.0%	-	0.0%
Both Mobility and Manipulation/Dexterity Orthopedic/Neurological Impairments	-	0.0%	1	0.5%	1	0.5%
Other Orthopedic Impairments (e.g., limited range of motion)	-	0.0%	-	0.0%	-	0.0%
Respiratory Impairments	-	0.0%	-	0.0%	-	0.0%
General Physical Debilitation (e.g., fatigue, weakness, pain, etc.)	-	0.0%	-	0.0%	-	0.0%
Other Physical Impairments (not listed above)	-	0.0%	-	0.0%	-	0.0%
Cognitive Impairments (e.g., impairments involving learning, thinking, processing information and concentration)	-	0.0%	1	0.5%	1	0.5%
Psychosocial Impairments (e.g., interpersonal and behavioral impairments, difficulty coping)	-	0.0%	-	0.0%	-	0.0%
Other Mental Impairments	-	0.0%	-	0.0%	-	0.0%

**Table 4— DE-B Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PYs 2017-2019)**

	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Number of Individuals Who Exited the VR Program	69	56	98

<b>Exit Type</b>	<b>PY 17 Number of Individuals</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Individuals</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Individuals</b>	<b>PY 19 Percent</b>
Individual exited as an applicant, prior to eligibility determination or trial work experience	5	7.2%	9	16.1%	3	3.1%
Individual exited during or after a trial work experience	-	0.0%	-	0.0%	-	0.0%
Individual exited after eligibility, but from an order of selection waiting list	-	0.0%	-	0.0%	-	0.0%
Individual exited after eligibility, but prior to a signed IPE	11	15.9%	9	16.1%	7	7.1%
Individual exited after an IPE without an employment outcome	16	23.2%	18	32.1%	46	46.9%
Individual exited after an IPE in noncompetitive and/or nonintegrated employment	-	0.0%	-	0.0%	-	0.0%
Individual exited after an IPE in competitive and integrated employment or supported employment	36	52.2%	20	35.7%	41	41.8%
Individual exited as an applicant after being determined ineligible for VR services	1	1.4%	-	0.0%	-	0.0%
Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services	-	0.0%	-	0.0%	1	1.0%

<b>Supported Employment</b>	<b>PY 17 Number of Participants</b>	<b>PY 18 Number of Participants</b>	<b>PY 19 Number of Participants</b>
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— DE-B Number and Percentage of Individuals Exiting by Reason during the VR Process (PYs 2017-2019)**

<b>Reason for Exit</b>	<b>PY 17 Number of Individuals</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Individuals</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Individuals</b>	<b>PY 19 Percent</b>
Individual is No Longer Available for Services Due to Residence in an Institutional Setting Other Than a Prison or Jail	1	1.4%	-	0.0%	-	0.0%
Health/Medical	1	1.4%	5	8.9%	4	4.1%
Death of Individual	3	4.3%	2	3.6%	2	2.0%
Reserve Forces Called to Active Duty	-	0.0%	-	0.0%	-	0.0%
Foster Care	-	0.0%	-	0.0%	-	0.0%
Ineligible after determined eligible	1	1.4%	-	0.0%	1	1.0%
Criminal Offender	-	0.0%	-	0.0%	1	1.0%
No Disabling Condition	-	0.0%	-	0.0%	-	0.0%
No Impediment to Employment	-	0.0%	-	0.0%	-	0.0%
Does Not Require VR Service	-	0.0%	-	0.0%	1	1.0%
Disability Too Significant to Benefit from Service	-	0.0%	1	1.8%	-	0.0%
No Long Term Source of Extended Services Available	-	0.0%	-	0.0%	-	0.0%
Transferred to Another Agency	-	0.0%	-	0.0%	2	2.0%
Achieved Competitive Integrated Employment Outcome	36	52.2%	20	35.7%	41	41.8%
Extended Employment	-	0.0%	-	0.0%	-	0.0%
Extended Services Not Available	-	0.0%	-	0.0%	-	0.0%
Unable to Locate or Contact	10	14.5%	11	19.6%	11	11.2%
No Longer Interested in Receiving Services or Further Services	17	24.6%	15	26.8%	34	34.7%
All Other Reasons	-	0.0%	2	3.6%	1	1.0%
Number of Individuals Who Exited the VR Program	69		56		98	

**Table 6— DE-B VR Services Provided to Participants (PYs 2017-2019)**

	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Total Number of Participants Who Received VR Services	135	197	207

<b>Training Services Provided to Participants</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Graduate Degree Training	-	0.0%	-	0.0%	-	0.0%
Bachelor Degree Training	5	3.7%	3	1.5%	6	2.9%
Junior or Community College Training	6	4.4%	7	3.6%	4	1.9%
Occupational or Vocational Training	6	4.4%	5	2.5%	3	1.4%
On-the-Job Training	3	2.2%	2	1.0%	3	1.4%
Apprenticeship Training	2	1.5%	1	0.5%	-	0.0%
Basic Academic Remedial or Literacy Training	2	1.5%	3	1.5%	-	0.0%
Job Readiness Training	-	0.0%	-	0.0%	-	0.0%
Disability Related Skills Training	4	3.0%	9	4.6%	15	7.2%
Miscellaneous Training	3	2.2%	3	1.5%	-	0.0%
Randolph-Sheppard Entrepreneurial Training	-	0.0%	-	0.0%	1	0.5%
Customized Training	-	0.0%	-	0.0%	-	0.0%

<b>Career Services Provided to Participants</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Assessment	40	29.6%	29	14.7%	13	6.3%
Diagnosis and Treatment of Impairment	5	3.7%	9	4.6%	7	3.4%
Vocational Rehabilitation Counseling and Guidance	8	5.9%	78	39.6%	66	31.9%
Job Search Assistance	4	3.0%	22	11.2%	24	11.6%
Job Placement Assistance	8	5.9%	36	18.3%	35	16.9%
Short-Term Job Supports	-	0.0%	-	0.0%	-	0.0%
Supported Employment Services	4	3.0%	9	4.6%	6	2.9%
Information and Referral Services	-	0.0%	2	1.0%	2	1.0%
Benefits Counseling	2	1.5%	14	7.1%	4	1.9%
Customized Employment Services	-	0.0%	-	0.0%	-	0.0%
Extended Services (for youth with the most significant disabilities)	-	0.0%	-	0.0%	-	0.0%

<b>Other Services Provided to Participants</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Transportation	71	52.6%	68	34.5%	25	12.1%
Maintenance	7	5.2%	11	5.6%	8	3.9%
Rehabilitation Technology	37	27.4%	45	22.8%	23	11.1%
Personal Attendant Services	-	0.0%	1	0.5%	2	1.0%
Technical Assistance Services	4	3.0%	9	4.6%	12	5.8%
Reader Services	1	0.7%	1	0.5%	-	0.0%
Interpreter Services	2	1.5%	2	1.0%	-	0.0%
Other Services	12	8.9%	14	7.1%	7	3.4%

**Table 7— DE-B Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gains (PYs 2017-2019)**

<b>Number of Measurable Skill Gains Earned and Number of Participants Earning Measurable Skill Gains</b>	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Measurable Skill Gains Earned	-	1	5
Participants Who Earned a Measurable Skill Gains	-	1	5

<b>Number of Measurable Skill Gains Types</b>	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Educational Functioning Level	-	-	2
Secondary Diploma	-	1	2
Postsecondary Transcript/Report Card	-	-	1
Training Milestone	-	-	-
Skills Progression	-	-	-

**Table 8— DE-B 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 (PYs 2017-2019)**

<b>Median Hourly Earnings and Hours Worked per Week at Exit</b>	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Number of Participants Who Exited in Competitive and Integrated Employment or Supported Employment	36	20	41
Median Hourly Earnings at Exit	\$9.50	\$11.00	\$8.0
Median Hours Worked per Week at Exit	37	40	37

<b>Primary Source of Support at Exit</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Personal Income	20	64.5%	13	68.4%	28	70.0%
Family and Friends	-	0.0%	-	0.0%	1	2.5%
Public Support	11	35.5%	6	31.6%	11	27.5%
Other Sources	-	0.0%	-	0.0%	-	0.0%

<b>Public Support at Exit</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Social Security Disability Insurance (SSDI) at Exit	11	35.5%	5	26.3%	11	27.5%
Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Exit	6	19.4%	3	15.8%	3	7.5%
Temporary Assistance for Needy Families (TANF) at Exit	-	0.0%	-	0.0%	-	0.0%
General Assistance (State or local government) at Exit	-	0.0%	-	0.0%	-	0.0%
Veterans' Disability Benefits at Exit	-	0.0%	-	0.0%	-	0.0%
Workers' Compensation at Exit	-	0.0%	-	0.0%	-	0.0%
Other Public Support at Exit	-	0.0%	-	0.0%	-	0.0%

<b>Medical Insurance Coverage at Exit</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Medicaid at Exit	11	35.5%	2	10.5%	10	25.0%
Medicare at Exit	7	22.6%	5	26.3%	10	25.0%
State or Federal Affordable Care Act Exchange at Exit	-	0.0%	-	0.0%	-	0.0%
Public Insurance from Other Sources at Exit	-	0.0%	-	0.0%	-	0.0%
Private Insurance Through Employer at Exit	7	22.6%	5	26.3%	4	10.0%
Not Yet Eligible for Private Insurance Through Employer at Exit	-	0.0%	-	0.0%	1	2.5%
Private Insurance Through Other Means at Exit	1	3.2%	-	0.0%	-	0.0%

**Table 9— DE-B Standard Occupational Classification (SOC) Titles (Major Groups): Percentages of Employment Outcomes and Median Hourly Earnings for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PYs 2017-2019)**

<b>PY 17 SOC Title</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Median Hourly Earnings</b>
Education, Training, and Library Occupations	3	\$9.00
Community and Social Services Occupations	3	\$12.00
Business and Financial Operations Occupations	2	\$14.50
Food Preparation and Serving Related Occupations	2	\$41.00
Management Occupations	2	\$32.00
Computer and Mathematical Occupations	2	\$10.00
Life, Physical, and Social Science Occupations	1	\$18.00
Randolph-Sheppard vending facility operator	1	\$23.00

<b>PY 18 SOC Title</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Median Hourly Earnings</b>
Community and Social Services Occupations	3	\$18.00
Management Occupations	2	\$14.50
Sales and Related Occupations	2	\$10.00
Constructive and Extraction Occupations	2	\$8.00
Production Occupations	2	\$4.00
Legal Occupations	1	\$27.00
Arts, Design, Entertainment, Sports, and Media Occupations	1	\$23.00
Computer and Mathematical Occupations	1	\$15.00
Transportation and Material Moving Occupations	1	\$15.00
Food Preparation and Serving Related Occupations	1	\$9.00
Architecture and Engineering Occupations	1	\$2.00
Education, Training, and Library Occupations	1	\$0.00
Office and Administrative Support Occupations	1	\$0.00

<b>PY 19 SOC Title</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Median Hourly Earnings</b>
Office and Administrative Support Occupations	10	\$9.00
Community and Social Services Occupations	4	\$15.00
Food Preparation and Serving Related Occupations	4	\$9.00
Building and Grounds Cleaning and Maintenance	3	\$8.00
Healthcare Support Occupations	3	\$0.00
Sales and Related Occupations	3	\$0.00
Computer and Mathematical Occupations	2	\$9.00
Education, Training, and Library Occupations	2	\$7.50
Legal Occupations	2	\$30.50
Management Occupations	2	\$0.00
Production Occupations	2	\$5.50
Arts, Design, Entertainment, Sports, and Media	1	\$0.00
Business and Financial Operations Occupations	1	\$15.00
Healthcare Practitioners and Technical Occupations	1	\$1.00
Installation, Maintenance, and Repair Occupations	1	\$11.00

**Table 10— DE-B Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PYs 2017-2019)**

<b>No.</b>	<b>PY 17 SOC Title</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Median Hourly Earnings</b>
1	Social and Human Service Assistants	2	\$6.00
2	Computer Occupations, All Other	2	\$10.00
3	Customer Service Representatives	2	\$4.00
4	Sewing Machine Operators	2	\$10.50
5	General and Operations Managers	1	\$20.00
6	Business Teachers, Postsecondary	1	\$50.00
7	Chemical Technicians	1	\$18.00
8	Laborers and Freight, Stock, and Material Movers, Hand	1	\$10.00
9	Receptionists and Information Clerks	1	\$10.00
10	Administrative Services Managers	1	\$32.00

<b>No.</b>	<b>PY 18 SOC Title</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Median Hourly Earnings</b>
1	Retail Salespersons	3	\$10.00
2	General and Operations Managers	2	\$14.00
3	Rehabilitation Counselors	1	\$28.00
4	Paralegals and Legal Assistants	1	\$27.00
5	Interpreters and Translators	1	\$23.00
6	Child, Family, and School Social Workers	1	\$23.00
7	Social and Human Service Assistants	1	\$18.00
8	Electricians	1	\$16.00
9	Heavy and Tractor-Trailer Truck Drivers	1	\$15.00
10	Computer Systems Analysts	1	\$15.00

<b>No.</b>	<b>PY 19 SOC Title</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Median Hourly Earnings</b>
1	Retail Salespersons	2	\$10.00
2	General and Operations Managers	2	\$14.00
3	Rehabilitation Counselors	1	\$28.00
4	Office and Administrative Support Workers, All Other	1	\$0.00
5	Child, Family, and School Social Workers	1	\$23.00
6	Food Preparation Workers	1	\$9.00
7	Paralegals and Legal Assistants	1	\$27.00
8	Computer Systems Analysts	1	\$15.00
9	Electricians	1	\$16.00
10	Sewing Machine Operators	1	\$0.00

**Table 11— DE-B Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PYs 2017-2019)**

<b>Students with Disabilities</b>	<b>PY 17 Number/Percent of Students</b>	<b>PY 18 Number/Percent of Students</b>	<b>PY 19 Number/Per cent of Students</b>
Total Students with Disabilities Reported	87	109	93
Students with Disabilities Reported with 504 Accommodation	6	18	12
Students with Disabilities Reported with IEP	76	86	77
Students with Disabilities Reported without 504 Accommodation or IEP	5	5	4
Total Students with Disabilities Who Received a Pre-Employment Transition Service	0	19	21
Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service	0	0	1
Students with Disabilities, Who Applied for VR Services, and Received a Pre-Employment Transition Service	0	19	20
Percentage of Students with Disabilities Reported Who Received a Pre-Employment Transition Service	0.0%	17.4%	22.6%

**Table 12— DE-B Number and Percentage of Required Pre-Employment Transition Services Provided (PYs 2017-2019)**

<b>Pre-Employment Transition Services</b>	<b>PY 17 Number of Pre- Employment Transition Services Provided</b>	<b>PY 17 Percent of Total Pre- Employment Transition Services Provided</b>	<b>PY 18 Number of Pre- Employment Transition Services Provided</b>	<b>PY 18 Percent of Total Pre- Employment Transition Services Provided</b>	<b>PY 19 Number of Pre- Employment Transition Services Provided</b>	<b>PY 19 Percent of Total Pre- Employment Transition Services Provided</b>
Total Pre-Employment Transition Services Provided	-		50		46	
Job Exploration Counseling	-	-	2	22.0%	3	6.5%
Work-Based Learning Experiences	-	-	11	6.0%	14	30.4%
Counseling on Enrollment Opportunities	-	-	3	32.0%	3	6.5%
Workplace Readiness Training	-	-	16	36.0%	16	34.8%
Instruction in Self-Advocacy	-	-	18	4.0%	10	21.7%

## APPENDIX B: FISCAL DATA TABLES

**Fiscal Table 1—Delaware-Blind (DE-B) VR Resources and Expenditures—FFYs 2017–2019\***

VR Resources and Expenditures	2017	2018	2019*
Total program expenditures	\$1,908,103	\$1,395,936	\$1,539,228
Federal expenditures	1,500,257	\$1,395,936	\$1,161,737
State agency expenditures (4 <sup>th</sup> quarter)	\$364,425	\$380,671	\$377,491
State agency expenditures (latest/final)	\$407,846	\$0	\$377,491
Federal formula award amount	\$1,456,492	\$1,486,263	\$1,521,625
Reserve amount required for pre-employment transition services (15 percent)	\$225,039	\$233,585	\$265,744
Amount expended on pre-employment transition services	\$329,831	\$0	\$0
Percentage expended on pre-employment transition services	146.6%	0.0%	0.0%
MOE penalty from prior year	\$0	\$0	\$0
Federal award amount relinquished during reallocation	\$0	\$0	\$0
Federal award amount received during reallocation	\$ 43,765	\$ 70,972	\$250,000
Federal funds transferred from State VR agency	\$0	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$1,500,257	\$1,557,235	\$1,771,625
Federal award funds deobligated	\$161,299	\$161,299	\$0
Federal award funds used	\$1,500,257	\$1,395,936	\$1,771,625
Percent of formula award amount used	103.0%	93.9%	100%
Federal award funds matched but not used	\$-153,767	\$-1,395,936	\$ -376,858

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

**Fiscal Table 1— Delaware-Blind - 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. <b>Source/Formula:</b> Table 1: Federal expenditures plus State expenditures (latest/final)
Federal expenditures	The cumulative amount of disbursements from Federal funds. <b>Source/Formula:</b> SF-425 line 10e from latest/final report
State expenditures (4 <sup>th</sup> quarter)	The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 <sup>th</sup> of the award period. <b>Source/Formula:</b> SF-425 line 10j from 4 <sup>th</sup> 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. <b>Source/Formula:</b> 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. <b>Formula/Source:</b> 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. <b>Formula/Source:</b> (((((SF-425 line 10j lesser of the 4 <sup>th</sup> quarter or latest/final) divided by .213) multiplied by .787) multiplied by .15) or (4 <sup>th</sup> 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. <b>Formula/Source:</b> 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. <b>Formula/Source:</b> Amount expended on pre-employment transition services divided by (((((SF-425 line 10j lesser of the 4 <sup>th</sup> quarter or latest/final) divided by .213) multiplied by .787) or (4 <sup>th</sup> 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. <b>Source/Formula:</b> Table 2: MOE difference from prior year
Federal award amount relinquished during reallocation	Amount of Federal award voluntarily relinquished through the reallocation process. <b>Formula/Source:</b> RSA-692
Federal award received during reallocation	Amount of funds received through the reallocation process. <b>Source/Formula:</b> 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). <b>Formula/Source:</b> 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). <b>Formula/Source:</b> 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).

VR Resources and Expenditures	Source/Formula
	<b>Formula/Source:</b> 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. <b>Source/Formula:</b> Agency deobligation request documentation, G5 closeout reports
Federal award funds used	Amount of Federal award funds expended. <b>Source/Formula:</b> Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 <sup>th</sup> 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. <b>Source/Formula:</b> 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. <b>Source/Formula:</b> Table Federal award funds matched (actual) minus Table 1 Federal award funds used

**Fiscal Table 2—Delaware-Blind (DE-B) Non-Federal Share and Maintenance of Effort—FFYs 2017–2019\***

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Match required per net award amount	\$406,042	\$421,463	\$479,487
Match provided (actual)	\$364,425	\$0	\$377,491
Match difference**	\$ 41,617	\$421,463	\$101,996
Federal funds matched (actual)	\$1,346,490	\$0	\$1,394,767
Percent Federal funds matched	89.8%	00.0%	78.7%
MOE required	\$436,691	\$1,047,270	\$364,425
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$364,425	\$0	\$377,491
MOE difference**	\$ 72,266	\$1,047,270	\$- 13,066

\* 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.

**Fiscal Table 2—Delaware-Blind - 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. <b>Source/Formula:</b> (Table 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. <b>Source/Formula:</b> SF-425 line 10j lesser of the 4 <sup>th</sup> 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. <b>Source/Formula:</b> SF-425 lesser of the 4 <sup>th</sup> 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. <b>Source/Formula:</b> (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. <b>Source/Formula:</b> 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. <b>Source/Formula:</b> SF-425 4 <sup>th</sup> 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. <b>Source/Formula:</b> SF-425 latest/final report: line 12a
MOE actual	Non-Federal share provided by agency minus establishment/construction expenditures for CRPs. <b>Source/Formula:</b> SF-425: Match provided actual minus establishment/construction expenditures.
MOE difference**	The difference between MOE required and the actual MOE provided. <b>Source/Formula:</b> MOE required minus MOE actual

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

**Fiscal Table 3—Delaware-Blind (DE-B) Program Income and 4<sup>th</sup> Quarter Data—FFYs 2017–2019\***

<b>Program Income and Carryover</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
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 <sup>th</sup> quarter)	\$1,346,490	\$1,406,517	\$724,356
Federal expenditures (4 <sup>th</sup> quarter)	\$1,271,230	\$1,254,927	\$1,161,737
Federal unliquidated obligations (4 <sup>th</sup> quarter)	\$104,619	\$ 36,850	\$ 42,270

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

**Fiscal Table 3—Delaware-Blind - Program Income and 4<sup>th</sup> Quarter Data—Descriptions, Sources and Formulas**

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

## **APPENDIX C: PLAN TO DEVELOP GOALS AND PRIORITIES IN COLLABORATION WITH THE STATE REHABILITATION COUNCIL**

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### **Delaware Division for the Visually Impaired Vocational Rehabilitation Portion of the PY 2020 Delaware Workforce Innovation and Opportunity Act State Plan**

#### **Plan to Develop Goals and Priorities in Collaboration with the State Rehabilitation Council**

- I. Constitute a State Rehabilitation Council (SRC) in compliance with regulations at 34 C.F.R. § 361.17.
  1. Identify membership issues and begin plan to correct so SRC is in compliance with Federal regulations in 34 C.F.R. § 361.17 by October 15, 2020.
    1. Identify members whose appointments are not in compliance.
    2. Consult with the Secretary of the Department of Health and Social Services, State Attorney General, Office of Boards and Commissions and the Office of the Governor to discuss members who were:
      1. Actively serving on the SRC when not appointed.
      2. Operating out of compliance with Federal term limitations.
    3. Work with the SRC chair to request members submit appointment documentation so DVI can cross-reference to validate their service to the SRC.
    4. Request resignation or request Governor's office remove SRC members who are out of compliance with term limits.
  2. Develop member recommendations and submit to the Governor of Delaware between October 15, 2020 and December 30, 2020.
    1. Determine the number of vacancies and positions in need of new candidates.
    2. Work with remaining and past SRC members to assist with recruiting suggestions.
    3. Work with national partners and other State blind agencies to identify creative and effective recruitment strategies.
    4. Conduct outreach to the DVI blind registry, other State agencies, business community and other stakeholders (Community Rehabilitation Providers, WIOA partners, SILC, Business Partners, Client Registry) to identify individuals who meet the requirements and who are interested in acting in an advisory role to DVI's VR program.

5. Submit list of membership recommendations: Coordinate with the Office of Boards and Commissions regarding Federal requirements in 34 C.F.R. § 361.17 and assure members are appointed in a timely manner and on a staggered basis.
6. Install new SRC members.
  1. Conduct member orientation.
  2. Review information in the orientation and training manual.
3. Develop comprehensive policy and procedures for coordination with SRC in accordance with Federal regulations in 34 C.F.R. § 361.17(h) by April 1, 2021.
  1. Policy to include: DVI and SRC partnership, SRC composition, recruitment, member orientation & training, member tracking, SRC activities, reporting, and resources.
  2. Review policy with SRC and obtain input.
  3. Post policy for public comment.
4. Ensure SRC members and DVI staff are properly trained on roles and responsibilities as described in ) by September 30, 2021.
  1. Develop an SRC member orientation and training manual.
    1. Create an orientation and training checklist to ensure consistency among members.
    2. Coordinate with National Coalition of State Rehabilitation Councils and George Washington University.
    3. Coordinate with the Delaware Deputy Attorney General's office.
    4. Provide all members with the *State Rehabilitation Council Vocational Rehabilitation Partnership – Under WIOA* publication (most recent edition).
    5. Comprehensive Statewide Needs Assessment (CSNA) training.
  2. Work with the SRC to develop a plan for ongoing training to ensure all members participate according to Federal regulations in 34 C.F.R. § 361.17(h) as an entire entity.
  3. Create a system to track new member orientation and ongoing training events.
  4. Review and revise the DVI Training policy to include training developed for the SRC for VR employees and new hires.
5. Develop a record-keeping and monitoring system to track SRC appointments and ensure compliance with Federal regulations in 34 C.F.R. § 361.17 by December 30, 2020.
  1. Identify a DVI point of contact to work with the SRC chair and office of boards and commissions:

1. Create a system to track appointments, expirations and SRC participation.
  2. Coordinate appointments to the SRC.
  3. Perform semi-annual reviews of SRC participation.
  4. Request semi-annual appointment lists to compare against appointment letters.
- II. Conduct the Comprehensive Statewide Needs Assessment (CSNA) with the SRC as described in 34 C.F.R. § 361.
1. Work with the SRC to develop a plan for CSNA design and implementation by February 15, 2021.
  2. Explore conducting the CSNA with the Delaware general VR (DVR) and the general SRC.
    1. Consider contracting with the University of Delaware Center for Disabilities Studies to conduct the CSNA.
    2. Utilize the [Developing a Model Comprehensive Statewide Needs Assessment with Corresponding Training Materials for State VR Agency Staff and SRC Members: The VR Needs Assessment Guide](#) (the Guide).
  3. Develop a timeline of CSNA for each of the following steps from the Guide.
    1. Defining and Establishing CSNA Goals with the SRC.
      1. Review existing data and most recent CSNA.
      2. Define a list of goals utilizing examples of data sources from the Guide.
    2. Develop CSNA Plan for information and dissemination
      1. Create a workplan, timeline and resource estimate.
      2. Design a plan specifically for dissemination
    3. Gathering the Information
      1. Obtain secondary data
      2. Survey VR counselors
      3. Survey VR consumers
      4. Focus groups
      5. Key informant interviews
      6. Community hearings
  4. Develop an implementation team with the SRC.
    1. Points of contact from all involved entities

2. Develop expectations for the implementation team including communication, coordination and responsibilities. Review findings derived from the CSNA with the SRC by September 15, 2021.
- III. Review findings derived from the CSNA with the SRC by September 15, 2021.
1. Analyze results and develop findings
    1. Review and analyze survey data, relevant literature and state reports, focus groups, hearings, stakeholder comments, etc.
  2. Develop conclusions and action strategies.
    1. Review results
    2. Develop recommended goals and priorities.
- IV. IV. Conduct sessions with the SRC to jointly develop goals and priorities by December 1, 2021.
1. Work with the SRC to utilize CSNA recommendations to create comprehensive State plan, goals, priorities and strategies.
  2. Publish plan for public comment.
  3. Disseminate the CSNA findings to all DVI stakeholders.
- V. Submit modified description 1 of the DVI VR portion of the Delaware WIOA State Plan March 1, 2022.
1. Revise section 1.1 to describe that the goals and priorities were jointly developed and agreed to by DVI and the SRC.
  2. Update section 1.2 with goals and priorities derived from the CSNA in conjunction with the SRC.

## **APPENDIX D: FOURTH QUARTER AWARD SPECIFIC CONDITIONS LETTER (H126A190010)**

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Elisha Jenkins, Director  
Delaware Division of Visually Impaired  
1901 N. DuPont Highway, Main Building  
New Castle, DE 19720

AUG 28, 2019

Dear Ms. Jenkins:

This letter is in response to the concerns the Delaware Division of Visually Impaired (DVI) expressed regarding the financial data the Rehabilitation Services Administration (RSA) used to calculate the State of Delaware's Federal fiscal year (FFY) 2018 maintenance of effort (MOE) deficit of \$576,537, which was described in a letter dated July 3, 2019 (see attached).

Specifically, DVI informed RSA it had submitted inaccurate non-Federal share data in its Federal financial reports (SF-425s), upon which RSA relied, thereby resulting in what DVI believes is an inaccurate calculation of the FFY 2018 MOE deficit and reduction of DVI's

FFY 2019 State Vocational Rehabilitation Services (VR) grant award. Given that DVI repeatedly has submitted inaccurate financial data in its SF-425s, since at least FFY 2016, RSA is concerned that DVI lacks the capacity to accurately track and report both Federal and non-Federal expenditures. As a result, RSA cannot determine, with certainty, whether the State of Delaware has satisfied its match and MOE requirements under the VR program for FFY 2018. For this reason, RSA is awarding DVI its FFY 2019 fourth quarter VR award of \$228,243 that previously had been reduced as partial satisfaction<sup>1</sup> of what appeared to be the FFY 2018 MOE deficit, subject to DVI satisfying the following specific conditions in accordance with 2 C.F.R. § 200.207.

- Submit revised SF-425s, reporting DVI's non-Federal expenditures accurately, so that RSA can determine with certainty whether the State of Delaware satisfied its match and MOE requirements for FFY 2018.
- Submit a corrective action plan, for RSA approval, **within 45 days of the date of this letter.** The corrective action plan must include the development and implementation of

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<sup>1</sup> The State of Delaware's FFY 2018 MOE deficit was \$576,537. Although MOE compliance is determined on a State basis, RSA must reduce each agency's (when there are two VR agencies, as is true in Delaware) VR grant award in direct proportion to the amount each agency's non-Federal expenditures contributed to the MOE deficit for the State (34 C.F.R. § 361.62(c)(2)). According to the facts known at the time RSA informed DVI of the MOE deficit, the agency was responsible for the State's entire amount of the FFY 2018 MOE deficit, meaning that RSA was required to reduce a subsequent grant award for DVI by the full amount (Section 111(a)(2)(B) of the Rehabilitation Act of 1973 (Rehabilitation Act) and 34 C.F.R. § 361.62(c)(2)). DVI's FFY 2019 4<sup>th</sup> quarter VR award amount, which was the only amount of funds available at the time for RSA to reduce, was \$228,243, and thus not sufficient to satisfy the entire FFY 2018 MOE deficit amount. RSA planned to reduce DVI's FFY 2020 VR award by the remaining amount of the FFY 2018 MOE deficit, \$348,294, since Section 111(a)(2)(B) of the Rehabilitation Act permits RSA to reduce any subsequent FFY's grant to remedy an MOE deficit for any prior year. RSA will determine what additional steps to take once it reviews DVI's corrective action plan.

internal controls for the proper assignment of obligations and expenditures to the appropriate FFY's grant award and the submission of accurate financial reports. The internal controls must be implemented within six months from the date of the approved corrective action plan.

- Upon approval by RSA that DVI's internal controls are sufficient for ensuring compliance with Federal requirements, DVI must reconcile its FFYs 2017, 2018, and 2019 SF-425 data using the internal controls and revise the reports as necessary. After DVI completes the revisions, RSA will reassess the State's compliance with the matching and MOE requirements for the involved FFYs. In the event that RSA determines, based on the revised amount of DVI's non-Federal expenditures, that the State of Delaware did not satisfy Federal match or MOE requirements under the VR program, RSA will seek a recovery of funds under Part D of the General Education Provisions Act, 20 U.S.C. §§ 1234a-1234b and 34 C.F.R. part 81 (for not satisfying the match requirement) and/or reduce a subsequent FFY's grant award in accordance with Section 111(a)(2)(B) of the Rehabilitation Act of 1972, as amended (for not satisfying the MOE requirement).

As a recipient of Federal VR funds, DVI must have procedures in place that ensure proper and efficient administration of its VR program and that enable DVI to carry out all required functions, including financial reporting. 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).

RSA-PD-15-05, dated February 5, 2015, sets forth detailed requirements for completing and submitting the SF-425s for the VR program. RSA uses the financial information reported in the SF-425s to determine whether a State has met its match and MOE requirements under the VR program, as well as other requirements related to record keeping and drawdowns (Section 111(a) of the Rehabilitation Act; 34 C.F.R. §§ 361.60 and 361.62; 2 C.F.R. part 200; and the Cash Management Improvement Act of 1990 (CMIA)). When a State does not submit timely and/or accurate SF-425s, RSA is not able to determine, with certainty, whether these requirements have been satisfied, thereby affecting its ability to protect the Federal interest.

As already stated, DVI has a long history, dating back to at least FFY 2016, of submitting inaccurate SF-425s and requesting to revise them to address MOE deficits. For example:

- In FFY 2018, RSA informed DVI that the agency had a FFY 2017 MOE deficit of \$72,266. DVI subsequently informed RSA the financial data DVI submitted, upon which RSA relied to calculate MOE compliance, were incorrect. In response, RSA's financial management specialist provided significant technical assistance on methods and procedures related to accurately tracking and reporting non-Federal expenditures, which form the basis for determining match and MOE compliance. RSA also explained to DVI staff the importance of ensuring the financial reports used to determine MOE were accurate. In submitting the revised SF-425 data to remediate the FFY 2017 MOE deficit, DVI gave its assurance, in the RSA Management Information System, that the data were accurate and in compliance with Federal requirements. Finally, to prevent these problems from recurring in future FFYs, RSA requested that DVI develop and implement internal control processes necessary to ensure that its financial reports are accurate.

- Email exchanged between DVI and RSA in June 2018 regarding the FFY 2017 VR awards show the agency spent Federal VR funds in the carryover year and that they did not match those funds during the year of appropriation. DVI made journal adjustments and returned funds in the U.S. Department of Education's grants accounting system (GS) to correct the error.
- During the closeout of the FFY 2015 VR award, in FFY 2017, DVI informed RSA that the agency used the wrong parameters from when reporting drawdowns from GS and misunderstood what was to be reported as cash receipts.
- In FFY 2016, DVI requested RSA reopen several SF-425 reports so that DVI could correct reporting inaccuracies.

DVI's response to the July 3, 2019 letter, which informed the agency of its FFY 2018 MOE deficit, demonstrates that the above-noted concerns regarding financial reporting and internal controls persist. In an effort to demonstrate that the data previously reported by the agency and used by RSA to calculate DVI's FFY 2018 MOE deficit were inaccurate, DVI submitted multiple versions of supporting documentation to RSA in DVI's effort to accurately document its non-Federal share expenditures within the proper period of performance for the award. In each of these submissions, RSA identified concerns and errors in areas related to the proper assignment and reporting of obligations and expenditures to the proper Federal award. The errors included charges to the Federal award which DVI's data indicated were outside the period of performance for that award. Additionally, dates associated with expenditures indicate that DVI is not satisfying Federal requirements for expending funds within the appropriate period of performance for particular grant awards, including obligating and assigning costs to the proper FFY award based on period of availability, as described in 34 C.F.R. § 76.707, and expenditures are not being implemented appropriately or monitored for compliance. In short, the data DVI submitted to remediate the FFY 2018 MOE deficit are not sufficient at this time.

In addition, once RSA informed DVI of the FFY 2018 MOE deficit, RSA requested a copy of the internal control procedures it had requested the agency develop the prior year when DVI had worked with RSA to resolve similar reporting inaccuracies to address the FFY 2017 MOE deficit. In reviewing the procedures submitted by DVI, RSA noted that, as of July 18, 2019, DVI had not finalized or implemented the internal control processes. According to RSA's review, the draft processes lacked the details necessary to ensure compliance with Federal requirements at 2 C.F.R. § 200.303, which requires that non-Federal entities receiving Federal awards establish and maintain internal control over the Federal awards that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal awards. The objectives of internal control over compliance are found in 2 C.F.R. § 200.62.

In conclusion, RSA has imposed these specific conditions on DVI's FFY 2019 fourth quarter award because DVI has not implemented the internal controls necessary to accurately track obligations and expenditures to the proper Federal award and to ensure the submission of accurate financial reports. The issues related to inaccurate reporting have persisted across multiple years, despite significant technical assistance provided by RSA and DVI's representations that the issues have been addressed. DVI has not demonstrated that it has made progress in resolving these issues, or that internal controls have been implemented to ensure the accuracy of future financial report submissions. RSA will permit DVI to make

interim adjustments to its SF-425 reports to enable RSA to award DVI's FFY 2019 fourth quarter VR award, consistent with the specific conditions described above. If DVI does not bring itself into compliance with respect to accurate financial reporting and internal controls within the timeline specified, RSA reserves the right to take further enforcement action, as appropriate, pursuant to 34 C.F.R. part 81 and 2 C.F.R. § 200.207.

The attached Grant Award Notification reflects the full amount of the fourth quarter award, \$228,243, as well as the specific conditions.

Pursuant to 2 C.F.R. § 200.207(c)(5), DVI has the right to request reconsideration of the specific conditions. If you choose to do so, please submit your request in writing, within 15 days of the date of this letter, to:

Johnny W. Collett  
Assistant Secretary  
Office of Special Education and Rehabilitative Services  
U.S. Department of Education  
PCP 5107  
400 Maryland Avenue, SW  
Washington, DC 20202-2510

If you have any questions, please contact David Steele, Fiscal Unit Chief, at David.Steele@ed.gov or (202) 245-6520. Otherwise, we look forward to working with you to resolve this matter as quickly as possible.

Sincerely,

/S/

Mark Schultz  
Commissioner

Attachment

**APPENDIX E: SPECIFIC CONDITIONS FOR DELAWARE DIVISION FOR  
THE VISUALLY IMPAIRED FFY 2021 STATE VOCATIONAL  
REHABILITATION SERVICES GRANT AWARD**

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UNITED STATES DEPARTMENT OF EDUCATION OFFICE OF SPECIAL EDUCATION  
AND REHABILITATIVE SERVICES REHABILITATION SERVICES ADMINISTRATION

October 21, 2020

Sandra Miller Division Director  
Delaware Department of Health and Social Services Division for the Visually Impaired  
1901 N. DuPont Highway  
New Castle, DE 19720

Molly Magarik Secretary  
Delaware Health and Social Services  
1901 N. DuPont Highway, Main Building  
New Castle, DE 19720

Re: Specific Conditions for Delaware Division for the Visually Impaired FFY 2021 State  
Vocational Rehabilitation Services grant award number H126A210010

Dear Ms. Miller and Ms. Magarik:

We are writing to inform you that the Rehabilitation Services Administration (RSA), within the Office of Special Education and Rehabilitative Services (OSERS), U.S. Department of Education (Department) continues to have significant concerns regarding the current capacity and ability of the Delaware Department of Health and Social Services' (DHSS) Division for the Visually Impaired (DVI) to ensure appropriate financial accountability of the Vocational Rehabilitation (VR) program, authorized under Title I of the Rehabilitation Act of 1973 (Rehabilitation Act), particularly since DVI failed to complete the specific conditions imposed on the agency's VR grant on August 28, 2019 (see attached letter). Therefore, RSA is imposing new specific conditions on DVI's Federal fiscal year (FFY) 2021 VR grant award (H126A210010) in accordance with 2 C.F.R. § 200.207. In this letter, we outline the: (1) continued concerns we have with the inability of DVI's financial and data management systems to ensure financial and data accountability for its VR program; (2) specific conditions the agency must satisfy to address those concerns and the steps the agency must take to remove the specific conditions; and (3) method for requesting reconsideration of the specific conditions, as required by 2 C.F.R. § 200.207(c).

Reasons for Imposing Specific Conditions on DVI (2 C.F.R. § 200.207(c)(2)):

RSA is imposing the specific conditions outlined in this letter, pursuant to 2 C.F.R. § 200.207(a)(2), for two reasons. First, DVI has demonstrated an ongoing inability to meet Federal requirements related to financial and data management, which resulted in RSA previously imposing specific conditions on the VR grant. Second, while RSA imposed specific conditions at

the end of FFY 2019 to address identified deficiencies, DVI failed to comply with those specific conditions.

Since at least FFY 2016, DVI has demonstrated an ongoing history of failing to satisfy the terms and conditions of the VR grant award by not implementing financial and data management systems that meet Federal requirements at 34 C.F.R. §§ 361.12, 76.702, and 2 C.F.R. §§ 200.302 and 200.303. Specifically, DVI's ongoing reporting errors, since at least FFY 2016, demonstrate the agency's inability to ensure:

- Accurate data collection and financial accountability, as required by 34 C.F.R. § 361.12;
- The proper disbursement of and accounting for Federal funds, as required by 34 C.F.R. § 76.702;
- 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, as required by 2 C.F.R. § 200.302;
- Effective internal control is established and maintained over the Federal award that provides reasonable assurance that the agency is managing the Federal award in compliance with Federal statutes and regulations and the terms and conditions of the Federal award, as required by 2 C.F.R. § 200.303, including that the agency:
  - Evaluates and monitors its compliance with statutes, regulations, and the terms and conditions of Federal awards; and
  - Takes prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
- Retention and access to Financial records, supporting documents, statistical records, and all other agency records pertinent to a Federal award, as required by 2 C.F.R. §§ 200.333 and 200.336.

As a recipient of Federal VR funds, DVI must have procedures in place that ensure proper and efficient administration of its VR program and that enable DVI to carry out all required functions, including financial reporting. 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). RSA-PD-15-05, dated February 5, 2015, sets forth detailed requirements for completing and submitting the SF-425s for the VR program. RSA uses the financial information reported in the SF-425s to determine whether a State has met its match and maintenance of effort (MOE) requirements under the VR program, as well as other requirements related to record keeping and drawdowns (Sections 19 and 111(a) of the Rehabilitation Act; 34 C.F.R. §§ 361.60, 361.62, and 361.64; 2 C.F.R. part 200; and the Cash Management Improvement Act of 1990 (CMIA)). DVI's noncompliant financial and data management systems have caused DVI to frequently submit late Federal financial reports and revision requests, dating back to at least FFY 2016. In several cases, when DVI has informed RSA of the need to revise previously submitted financial data, DVI has been unable to provide financial records sufficient to support its intended revisions. When a State does not submit timely or accurate SF-425s, RSA is not able to determine, with certainty, whether Federal requirements have been satisfied, thereby affecting its ability to protect the Federal interest.

It is for these reasons, after initiating ongoing financial and data management technical assistance to DVI for three years (from FFYs 2016 through 2018) in addition to the routine general technical assistance provided to all VR grantees, that RSA imposed specific conditions on DVI in late FFY 2019. At that time, it had become apparent that RSA could not rely on the accuracy of the data DVI submitted on its SF-425s for determining whether the State of Delaware had satisfied its match and MOE requirements and whether DVI had complied with other Federal requirements (e.g., those related to period of performance and reporting) (see attached letter for a full description of the history of DVI's noncompliance that led to the initial set of specific conditions imposed in late FFY 2019). In short, DVI was to do three things to satisfy the FFY 2019 specific conditions:

- Develop and submit, for RSA approval, a corrective action plan that would outline the steps the agency would take with respect to developing and implementing the requisite internal controls;
- Develop and implement internal controls that would ensure the agency could assign VR expenditures and obligations to the correct FFY grant award and for the submission of timely and accurate reports; and
- Using the revised internal controls, reconcile the SF-425s for FFYs 2017 through 2019, and revise and resubmit them as necessary to ensure all submitted reports are accurate.

Despite continued technical assistance provided by RSA during FFY 2020 to assist the agency in understanding what was expected in the required corrective action plan, DVI never completed the specific conditions. Specifically, DVI did not develop and submit a corrective action plan for RSA approval. Instead, DVI submitted several pages of additional revisions to a draft procedure document the agency drafted previously at the request of RSA. Upon receipt of those pages, RSA clarified that DVI would first need to submit a plan with corrective action items and timelines that it would implement, after RSA approved it, to guide DVI's development and implementation of internal controls to address the noted deficiencies. However, by the end of FFY 2020, the agency had not submitted such a plan to RSA, and on several occasions, instead continued to submit sections of revised policies without a plan adequate to address the scope of internal controls necessary to ensure compliance with Federal requirements. In addition, the internal control revisions DVI submitted were inadequate to ensure the proper assignment of obligations and expenditures to the appropriate FFY grant award and the submission of accurate financial reports. Furthermore, DVI did not reconcile its SF-425s for FFYs 2017 through 2019, as it was required to do. Therefore, DVI did not bring itself into compliance with respect to accurate financial reporting and internal controls within the timeline specified in the specific conditions letter dated August 28, 2019.

As a result, RSA still cannot be certain that financial data submitted by DVI on its SF-425s, from FFY 2017 to present, are accurate because the underlying deficiencies of DVI's financial management and data systems persist. Without the reconciliation of these SF-425s, as required by the FFY 2019 specific conditions and not yet done by DVI, RSA has not been able to determine, with certainty, whether the State of Delaware has met its match and MOE obligations for those and subsequent years. Therefore, RSA has determined it necessary to impose specific conditions on DVI's FFY 2021 VR grant award to safeguard the Federal interest in accordance with 2 C.F.R. § 200.207. This decision is based on RSA's determination that DVI's noncompliant

financial and data management systems constitute a material failure to comply with terms of the VR grant award.

Specific Conditions – Additional Requirements, Timelines, and Removal of Conditions (2 C.F.R. § 200.207(c)(1), (3), and (4)):

For the reasons stated above, RSA is awarding DVI's FFY 2021 VR allotment<sup>2</sup> on the condition that DVI satisfy each of the additional requirements outlined below to ensure that its financial and data management systems comply with Federal requirements at 34 C.F.R. §§ 361.12 and 76.702 and at 2 C.F.R. §§ 200.302, 200.303, 200.333, and 200.336.

#### A. Submission Requirements Prior to Implementation:

Specifically, DVI must submit the following to RSA for review and approval:

- 1) Within 60 calendar days, a detailed corrective action plan, including measurable steps and timelines, for DVI to bring its financial and data management systems into compliance with Federal requirements so that DVI is capable of submitting timely and accurate financial reports.
- 2) Within 180 calendar days, following RSA's approval of DVI's corrective action plan, internal control and financial and data management system processes that will address the underlying deficiencies that led to these specific conditions. These processes must address the requirements highlighted below with respect to data collection and reporting of expenditures and obligations under the VR program.

#### B. Developing the Corrective Action Plan:

In developing the corrective action plan, DVI should first conduct an assessment of all its existing financial and data management processes and should make sure the plan includes an outline of key internal control areas to be written or revised. To be approvable, the corrective action plan must contain measurable action steps and timelines DVI will complete to ensure its financial and data management systems and internal controls comply with Federal requirements, such that they are sufficient to ensure:

- The collection and analysis of appropriate and accurate financial data under the VR program. This means that DVI's financial and data management systems must be able to:
  - Assign allowable VR expenditures and unliquidated obligations only to the FFY in which the expenditure was made or obligation was incurred;
  - Distinguish liquidated expenditures from unliquidated obligations;
  - Identify which source of funds (Federal or non-Federal) is used to cover the liquidation or obligation of allowable VR expenditures;
  - Determine when obligations under the VR program are liquidated;
  - Ensure all obligations incurred under the VR program are liquidated within 90 days after the end of the period of performance (i.e., after the end of the carryover year) for each VR grant award in accordance with 2 C.F.R. § 200.343(b), thereby

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<sup>2</sup> The specific conditions outlined in this letter will also be included on DVI's FFY 2021 VR Grant Award Notification.

avoiding the necessity for frequent revisions to financial reports or requests for late liquidations (see also 2 C.F.R. §§ 200.306 and 200.309); and

- Make necessary accounting adjustments when non-Federal obligations, previously reported for match and MOE purposes under the VR program, are cancelled or otherwise not liquidated to remove those obligations from the amount DVI reported to RSA.
- The timely and accurate reporting of Federal and non-Federal expenditures and unliquidated obligations under the VR program. To ensure the financial reports are accurate and timely, DVI must:
  - Processes that ensure the timely submission of financial reports.
- The retention of, and access to, financial records, supporting documents, and other agency records pertinent to a Federal award, as required by 2 C.F.R. §§ 200.333 and 200.336. This includes maintaining supporting documentation for the SF-425s and RSA-17<sup>3</sup> submitted by DVI for the VR program.
- DVI staff remain capable of meeting Federal fiscal requirements even in the event of personnel turnover.

#### C. Implementation of the Approved Corrective Actions:

Within 90 calendar days following RSA's approval of the financial and data management processes described under # A.2 above, DVI must implement the final approved written collection of internal control and financial and data management system processes to establish and maintain effective financial management and data internal control over the Federal award so that DVI is capable of submitting timely and accurate financial reports as described above.

#### D. Post-Implementation Reconciliations and Submissions:

1. Within 60 calendar days after DVI has implemented the approved financial and data management system and internal control policies and processes, DVI must reconcile its SF-425s for FFYs 2017 through 2020, using the newly approved processes, and resubmit as necessary to ensure that all forms submitted are accurate. RSA will use these revised forms to determine whether the State has met its match and MOE for each of these FFYs and will take further action, as necessary, to remedy any deficits, in accordance with Section 111(a)(2)(B) of the Rehabilitation Act, Part D of the General Education Provisions Act (20 U.S.C. §§ 1234a-1234b), and 34 C.F.R. part 81.
2. On a quarterly basis starting after RSA has approved the corrective action plan, submit written updates to RSA regarding progress made toward its implementation to satisfy these specific conditions.
3. On a quarterly basis starting after DVI has implemented the approved financial and data management system and internal controls processes described in #A.2 above, submit supporting documentation, from its financial management system, for Federal and non-

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<sup>3</sup> For purposes of the VR program, the RSA-17 Federal financial Report (RSA-17) is replacing the SF-425s starting in FFY 2021. Therefore, DVI will submit all financial data regarding expenditures and obligations incurred under the VR program on the RSA-17 for FFY 2021 and subsequent years. However, DVI will continue to report financial data for its other Federal programs, such as the Supported Employment Services and Independent Living Services for Older Individuals Who are Blind programs, on the SF-425.

Federal VR expenditures it reports on the SF-425s and RSA-17s, at the time DVI submits these reports. RSA will use these submissions to verify the accuracy of the submitted RSA-17s as a means of verifying that DVI's implementation of its financial and data management systems comply with Federal requirements.

DVI must submit the documentation required by these specific conditions via email to the RSA Financial Management Specialist assigned to the award (David Miller at [david.miller@ed.gov](mailto:david.miller@ed.gov)). In addition, RSA will provide technical assistance, as needed, to assist DVI in completing these specific conditions. RSA will not grant late liquidation requests until DVI submits the required plan described above and begins implementation of these specific conditions.

If DVI fails to submit an approvable plan or satisfy any of the specific conditions described above, RSA may take further enforcement action as appropriate pursuant to 2 C.F.R. § 200.207(b). Removal of these conditions is contingent on DVI completing the required specific conditions, subject to approval and verification by RSA.

Method for Requesting Reconsideration (2 C.F.R. § 200.207(c)(5)):

If DVI disagrees with the specific conditions outline in this letter and the attached grant award notification, it may request reconsideration of the conditions by the Assistant Secretary of OSERS. Any such request for reconsideration must be submitted within 15 days of the date of this letter unless this date is otherwise extended by the Department. The request for reconsideration must be in writing and must include a statement of the basis on which you believe the specific conditions should be reconsidered.

To submit a request for reconsideration, DVI should transmit the request by email to Mark Schultz, RSA Commissioner and delegated the authority to perform the functions and duties of the Assistant Secretary for OSERS. His email address is [mark.schultz@ed.gov](mailto:mark.schultz@ed.gov). The Department will notify DVI of Mr. Schultz's decision on any such request for reconsideration within 15 days after receiving the request. Please email a copy of the Request for Reconsideration to David Steele at [david.steele@ed.gov](mailto:david.steele@ed.gov).

If you have any questions, please contact David Steele, Fiscal Unit Chief, at (202) 245-6520 or at [david.steele@ed.gov](mailto:david.steele@ed.gov).

Sincerely,  
Digitally signed by Carol Dobak  
Date: 2020.10.21 10:43:35

Attachment

Carol L. Dobak  
Acting Deputy Commissioner

**APPENDIX F: WRITTEN SUMMARY DESCRIBING HISTORY OF KEY FISCAL ISSUES AND TA PROVIDED BY RSA TO THE DELAWARE DIVISION OF THE VISUALLY IMPAIRED (DVI)**

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Below is a written summary describing the interactions between the Rehabilitation Services Administration (RSA) and DVI related to compliance concerns. The information provided is not exhaustive.

2014 RSA noted recurring issues where DVI:

- Could not find records documenting funds reported;
- Obligated funds after period of performance (i.e., periods of funding availability) ended;
- Inaccurately reported program income; and
- Drew down Federal funds before disbursing program income, contrary to the requirement at 2 C.F.R. § 200.307(e)(2).

To address the above areas of non-compliance, RSA required that DVI develop and submit a corrective action plan. RSA worked with DVI to develop and submit an approvable corrective action plan.

2015 TA Provided: Fiscal Unit staff provided technical assistance (TA) on the above topics via email and phone calls between July 2014 and March 2015, and held a face-to-face meeting with the DVI team held in Washington, D.C. in March 2015 due to failure to submit supporting documentation for Federal reporting after multiple requests from RSA.

The table below includes an example of the exchanges that occurred related to one of the compliance items:

<b><u>Corrective Action Item 5 - Federal Reporting: Grantee failed to submit timely and accurate SF-425s</u></b>
<b>Corrective Action 5.1 - Update policies, evaluate, monitor, and submit timely and accurate reports.</b>
1/28/14 - Agency responded they hired a consultant to help correct all SF-425 reports. Starting with FFY 13 and working back. Hoped to have resolved by 3/31/14.
5/1/14 - Updated policy for RSA-2 provided.

5/28/14 - Emailed RSA program staff - Need program income procedures for Federal reporting and for the agency to submit timely SF-425 reports. Once submitted, will review. Then will review next SF-425 to ensure timely and accurate submission.
June 2014 - Multiple emails with agency to submit reports on time to avoid an MOE [maintenance of effort] penalty. Multiple emails from agency asking which reports need updating. Provided a list of 6 reports that had not been entered.
11/18/14 - Emailed RSA program staff - RSA does not have updated policies from the agency related to submitting accurate and timely reports.
11/19/14 - Agency sent rough draft of updated reporting policies.
11/24/14 - Process stated all report due dates as 12/30. Policy did not take into account reports due 3/30 or 9/30. Emailed agency this would need to be corrected and policy resubmitted.
1/20/15 - During closeout process sent multiple emails to agency that reports have not been submitted in a timely manner.
1/30/15 - Updated policy submitted to RSA.
2/2/15 - Provided feedback to agency that new policy does not reflect reports that are due 45 days after 9/30. Additionally, the language related to non-Federal share was not updated. Agency needs to update policy to reflect this.
2/5/15 - Updated reporting procedures provided to RSA.
3/4/15 - RSA had a chance to review. RSA will provide feedback separately in an email. The on-site activities may help develop a more accurate procedure. Additionally, RSA developed a list of the currently outstanding reports.

2016

**Inaccurate Financial Reporting.** DVI requested RSA reopen several SF-425 reports so that DVI could correct reporting inaccuracies

TA Provided: RSA's financial management specialist assisted DVI staff in recreating fiscal report submissions based on data provided by the DVI. This process involved intensive TA provided by the RSA fiscal specialist over a three-month period.

2017 **Inaccurate Financial Reporting.** During the closeout of the FFY 2015 vocational rehabilitation (VR) award, in FFY 2017, DVI informed RSA that the agency used the wrong parameters from when reporting drawdowns from GS and misunderstood what was to be reported as cash receipts.

TA Provided: RSA's financial management specialist assisted DVI staff in recreating fiscal report submissions based on data provided by the DVI. This process involved intensive TA provided by the RSA fiscal specialist.

2018 **Match Shortfall.** History of the FFY 2017 VR awards in the U.S. Department of Education's (Department) G5 system shows the agency spent Federal VR funds in the carryover year, without matching those funds during the year of appropriation as required by Section 19 of the Rehabilitation Act of 1973 (Rehabilitation Act). RSA worked with DVI as they made journal adjustments and returned funds in the Department's grants accounting system (GS) to correct the error.

**Inaccurate Financial Reporting.** RSA informed DVI it had an FFY 2017 MOE deficit of \$72,266. DVI informed RSA it had submitted inaccurate non-Federal share data in its Federal financial reports, resulting in what DVI believes is an inaccurate calculation of the FFY 2018 MOE calculation. As a result, RSA could not determine, with certainty, whether the State of Delaware had satisfied its match and MOE requirements under the VR program for FFY 2018.

TA Provided: RSA's financial management specialist provided significant technical assistance on methods and procedures related to accurately tracking and reporting non-Federal expenditures, which form the basis for determining match and MOE compliance. RSA also explained to DVI staff the importance of ensuring the financial reports used to determine MOE were accurate. RSA requested that DVI develop and implement Internal control processes necessary to ensure that its financial reports are accurate.

**Improper Assurance.** In submitting the revised SF-425 data to remediate the FFY 2017 MOE deficit, DVI gave its assurance, in the RSA Management Information System, that the data were accurate and in compliance with Federal requirements, however RSA found that DVI could not support the data it submitted with documentation, and same issues resurfaced in reporting for the subsequent award.

**Internal Control Deficiencies.** DVI requested its final FFY 2017 OIB SF-425 be reopened to fix a \$26 error. When asked why the error occurred, DVI could not provide an explanation.

TA Provided: RSA's financial management specialist informed DVI of reporting requirements and held calls with staff regarding needed internal controls. This TA was provided over a 4-month period.

2019

**Missing Records.** DVI staff stated they were unable to provide documentation of match for the FFY 2018 Supported Employment-B award.

TA Provided: Three-part TA call held June 17, 19, and 20, 2019 covering the topics of MOE and SF-425 reporting. RSA advised DVI that any corrections to match for the purpose of accurately determining MOE levels must be supported by documentation of expenditures, including obligation and liquidation dates, through the state system of accentuating.

**Inaccurate Financial Reporting.** RSA informed DVI it had an FFY 2018 MOE deficit of \$576,537. DVI informed RSA it had submitted inaccurate non-Federal share data in its Federal financial reports, resulting in what DVI believes is an inaccurate calculation of the FFY 2019 MOE calculation. As a result, RSA could not determine, with certainty, whether the State of Delaware had satisfied its match and MOE requirements under the VR program for FFY 2019.

**Specific Conditions** placed on DVI's award due to RSA's concern DVI lacks capacity to accurately track and report Federal and non-Federal expenditures. RSA sent the specific conditions letter to DVI on August 28, 2020.

TA Provided: Per the terms of the specific conditions, DVI was to send to RSA within 45 days of the date of the letter a corrective action plan. The material DVI submitted included samples of revised internal controls; however, it did not include a plan for carrying out the corrective actions. RSA provided detailed guidance concerning what a corrective action plan might include (such as key dates and action items needed to address the corrective actions). Subsequently, DVI submitted more draft internal controls and no actual plan. RSA provided extensive feedback on the draft internal controls in November 2019.

New VR Director appointed December 2019.

2020

**Specific Conditions Not Met.** DVI did not submit a corrective action plan sufficient to address the required corrective actions as of August 2020. The updated internal controls submitted in August do not include internal controls sufficient for ensuring compliance with Federal requirements. DVI does not appear capable of reconciling FFYs 2017, 2018, and 2019 SF-425 data using the internal controls developed to revise financial reports as necessary to establish accurate MOE.

TA Provided: After RSA's financial Management Specialist provided considerable feedback regarding DVI's draft internal controls in November 2019, DVI reported it subsequently revised its internal controls and submitted them for review within the DSA in February 2020. After that time, DVI informed RSA that it would have to wait until the revised policies and procedures were reviewed by DHSS. As a result, ongoing TA by RSA was put on hold pending further notice from DVI. RSA received the revised set of internal controls in August 2020, at which point it became clear that DVI would need additional time to carry out the

specific conditions because the policies and procedures were insufficient to satisfy Federal requirements.

**APPENDIX G: RE: FFY 2021 SPECIFIC CONDITIONS TUESDAY,  
NOVEMBER 10, 2020**

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Talley, Deborah (DHSS)

From: Miller, Sandra J (DHSS)  
Sent: Tuesday, November 10, 2020 3:03 PM  
To: Steele, David  
Cc: Ashby, Roseann; Miller, David; Martin, Terrence; Magarik, Molly (DHSS); Talley, Deborah (DHSS)  
Subject: RE: FFY 2021 Specific Conditions  
Attachments: DE-B 2021 Specific Conditions-10212020.CD signature 10.21.20.pdf

Good Afternoon Mr. Steele,

I am writing to request a reconsideration of the conditions outlined in the attached letter for several reasons, which are outlined below.

1. The special conditions letter indicates that RSA provided continued technical assistance to DVI for many years; however, there has been substantial turnover within the agency and there is very little written documentation from RSA regarding its specific technical assistance. DVI would appreciate if RSA would transmit to it the specific technical assistance provided over the last four years. The RSA letter also indicates that continued technical assistance was provided by RSA during FFY 2020 to assist the agency; however, technical assistance related to the specific issues outlined in the letter was not provided by RSA after November 2019. In fact, DVI often did not receive a response to our email communications regarding the fiscal issues and the submitted corrective action plan during FFY 2020.
2. RSA is aware that DVI has hired two consultants with extensive knowledge in the administrative, financial and programmatic requirements of the VR program. As a result, substantial progress has been made in the development of policies and procedures regarding the statutory and regulatory requirements of the program. The period of performance policies and procedures have been updated to reflect all Federal requirements. We request that RSA review the revised period of performance procedures before imposing the specific conditions on DVI. A review of this document will show that DVI has accurate and comprehensive period of performance policies and procedures. In addition, working with the consultants DVI has developed and is in the process of implementing stronger internal controls.
3. DVI is aware that there are issues with the Federal Financial Reports submitted from FFY 2016 through 2019; however, we believe with the implementation of our revised period of performance policies and procedures and the revised Federal Financial Reports, we will resolve any issues. DVI fiscal staff recently submitted the FFY 2020 report and we are

confident that the report will be consistent with all Federal Requirements. We request that RSA review the FFY 2020 report before imposing special conditions on DVI.

4. Finally, DVI questions the timing of imposing these additional requirements on the agency. We are in the middle of a pandemic and RSA's letter does not appear to take that into consideration. Where Federal agencies are providing additional flexibilities and waivers of Federal requirements, RSA is imposing burdensome additional requirements on DVI. The imposing of these requirements will result in administrative costs for the agency and less funding for providing services for individuals with disabilities in Delaware. This action by RSA does not appear to be consistent with Federal regulations at 34 C.F.R. 361.12 (efficient administration of the State Plan).

In conclusion, DVI is requesting that RSA delay the special considerations until it reviews the revised DVI policies, procedures and FFY 2020 Financial Report.

We greatly appreciated the meeting held last week and being granted additional time to share our concerns. We look forward to receiving the example corrective action plan to review and working with you to share additional progress our agency is making.

Sincerely, Sandi

Sandra Miller

Division Director

**APPENDIX H: RESPONSE TO REQUEST FOR RECONSIDERATION ABOUT  
SPECIFIC CONDITIONS FOR THE DELAWARE DIVISION FOR THE  
VISUALLY IMPAIRED'S FEDERAL FISCAL YEAR 2021 STATE  
VOCATIONAL REHABILITATION SERVICES GRANT AWARD  
(H126A210010)**

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November 24, 2020

Sandra Miller  
Division Director  
Delaware Department of Health and Social Services  
Division for the Visually Impaired  
1901 N. DuPont Highway  
New Castle, DE 19720

Molly Magarik  
Secretary  
Delaware Health and Social Services  
1901 N. DuPont Highway, Main Building  
New Castle, DE 19720

Re: Response to Request for Reconsideration about Specific Conditions for the Delaware Division for the Visually Impaired's Federal Fiscal Year 2021 State Vocational Rehabilitation Services grant award (H126A210010)

Dear Ms. Miller and Ms. Magarik:

I am writing in response to Ms. Miller's Request for Reconsideration dated November 10, 2020, submitted by email, in which she asked the U.S. Department of Education's (Department) Rehabilitation Services Administration (RSA) to reconsider the specific conditions imposed on the Delaware Department of Health and Social Services' (DHSS) Division for the Visually Impaired's (DVI) Federal fiscal year (FFY) 2021 State Vocational Rehabilitation Services (VR) grant award (H126A210010). After careful consideration of the points raised, I have determined it necessary to maintain the specific conditions that were imposed on the FFY 2021 VR grant award in a letter dated October 21, 2020 (attached) for the reasons described below.

RSA recognizes and appreciates the proactive steps DVI has taken in recent months under Ms. Miller's new leadership, particularly with respect to contracting with two consultants familiar with the VR program and its fiscal requirements, to address RSA's long-standing concerns. However, I remain concerned about DHSS/DVI's current technical capacity for financial management and its ability to ensure appropriate financial accountability of the VR program, authorized under Title I of the Rehabilitation Act of 1973 (Rehabilitation Act). Prior to imposing specific conditions on the FFY 2021 VR grant award, pursuant to 2 C.F.R. § 200.207, RSA reviewed the updated policies and procedures DVI submitted in August 2020 and were also

mentioned in the Request for Reconsideration. Although these policies and procedures show improvements as compared to previous versions, they are still insufficient to ensure DHSS/DVI is able to comply with Federal financial management and VR program requirements set forth in Title I of the Rehabilitation Act, 34 C.F.R. part 361, and 2 C.F.R. part 200. For example:

- The instructions in DVI’s policies and procedures for staff to use when completing the SF-425 financial reports are misleading. The instructions for Line 12b, which asks for pre-employment transition services expenditures, states the amount “Should be 15% of Total Funds Authorized.” While Section 110(d)(1) of the Rehabilitation Act requires Delaware to reserve at least 15 percent of the State’s VR allotment for the provision of pre-employment transition services in accordance with Section 113 of the Rehabilitation Act, it is possible that DVI could actually spend more or less than 15 percent of its VR allotment on the provision of those services. In contrast, the instructions for Line 12b in RSA-PD-15-05, dated February 5, 2015, instruct VR agencies to report on Line 12b the total amount of Federal expenditures incurred for the provision of pre-employment transition services. While it is expected that Delaware will spend at least 15 percent of its VR grant amount on the provision of these services to satisfy the requirement of Section 110(d)(1) of the Rehabilitation Act, DVI’s process of simply reporting an amount on Line 12b that equals 15 percent of the Federal funds authorized for the agency to carry out the VR program does not ensure that DVI is reporting accurate data with respect to the amount of expenditures incurred for the provision of pre-employment transition services. Without accurate data, RSA cannot be certain whether Delaware has satisfied its State Plan assurance at Section 101(a)(25) of the Rehabilitation Act and fiscal and programmatic requirements of Sections 110(d)(1) and 113 of the Rehabilitation Act.
- The instructions in DVI’s policies and procedures for staff to use when completing the SF-425s also eliminate critical internal controls necessary to ensure the proper accountability of VR funds and reporting of fiscal data. The instructions for Line 10a inform staff to report the amount of Federal cash receipts. The instructions for Line 10b (cash disbursements) inform the staff to enter the same amount as on Line 10a. While it is true that Lines 10a and 10b should match, the lines are separate on the SF-425 to ensure fiscal accountability. Specifically, the data reported on Line 10b, if the data do not match that reported on Line 10a, could highlight a State agency’s failure to satisfy Cash Management Improvement Act requirements. The data also could highlight discrepancies between the State’s accounting system and the Department’s G5 accounting system that must be reconciled prior to reporting. So, it is important that actual data generated by the agency’s accounting system are entered on Line 10b (cash disbursements) rather than simply repeating the data entered on Line 10a (cash receipts).

For the above reasons, we disagree with DVI’s assertions that its updated policies and procedures satisfy all Federal requirements. As explained above, instructions provided to staff with respect to completing the SF-425s highlight areas for potential inaccurate reporting of fiscal data. Therefore, we remain unsure whether the data DVI provided in its recently submitted SF-425 for FFY 2020 are accurate. As DVI revises its policies and procedures further, we will review those revisions (including those related to fiscal reporting, period of performance, and internal controls) as part of the specific conditions imposed on October 21, 2020.

However, it is critical that DHSS/DVI submit a corrective action plan for approval first, as described in the specific conditions. The purpose of this corrective action plan is to develop a blueprint for how the agency will move forward with addressing the global concerns raised in

RSA's October 21, 2020 letter, which have been ongoing for several years, so that the agency will be capable of submitting accurate and timely reports without the need for frequent changes to fix errors. I encourage both DHSS and DVI to work together to develop the corrective action plan. Only in doing so can DHSS ensure it is carrying out its responsibility to administer the VR services portion of the State Plan, as required by Section 101(a)(2)(A)(i) of the Rehabilitation Act, and DVI is carrying out the day-to-day operations of the VR program as required by Section 101(a)(2)(B)(ii) of the Rehabilitation Act.

I recognize the challenges DVI is facing with respect to the provision of VR services during a global pandemic, and I am sensitive to the pandemic's impact on grantees. However, it remains essential that Federal grantees remain accountable for the Federal funds they receive and the Federal programs they administer. As noted in the October 21, 2020 letter, the fiscal and data management accountability concerns that gave rise to the specific conditions have been ongoing for several years. RSA had imposed specific conditions on DVI at the end of FFY 2019, but those corrective actions were never completed. This past inaction, coupled with the submission of updated policies and procedures in August 2020 which were still deficient, necessitated the imposition of specific conditions on the FFY 2021 VR grant award. The time given to DVI to complete each of the corrective actions is appropriate and takes into account the pandemic.

Finally, Ms. Miller requested copies of technical assistance provided to DVI over the past several years. Most of the technical assistance was provided in telephone conversations with staff who Ms. Miller's letter suggests have subsequently left the agency. Attached, however, is a written summary describing the history of the technical assistance that RSA has provided since FFY 2014.

In conclusion, I appreciate the efforts that DVI is making to address RSA's concerns during the short time that Ms. Miller has been director of DVI. However, for the reasons described above my decision to impose specific conditions on DVI's FFY 2021 VR grant award is sustained. Please submit DVI's corrective action plan for approval, as required, and described in the October 21, 2020 letter, to RSA **within 60 days of this letter**. If DVI does not submit an approvable plan or satisfy any of the specific conditions, RSA may take further enforcement action as appropriate pursuant to 2 C.F.R. § 200.207(b). Removal of these conditions is contingent on DVI completing the required specific conditions, subject to approval and verification by RSA.

If you have any further questions, please contact David Steele, Fiscal Unit Chief, at (202) 245-6520 or [David.Steele@ed.gov](mailto:David.Steele@ed.gov).

Sincerely,

/S/

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Mark Schultz  
Commissioner, Rehabilitation Services Administration  
Delegated the authority to perform  
the functions and duties of the Assistant Secretary  
for the Office of Special Education and Rehabilitative Services