

**FEDERAL FISCAL YEAR 2021  
REPORT ON THE REVIEW OF  
IOWA VOCATIONAL  
REHABILITATION SERVICES  
VOCATIONAL REHABILITATION  
AND  
SUPPORTED EMPLOYMENT PROGRAMS**



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

**March 14, 2022**

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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.

RSA works closely with its Federal partners at the U.S. Department of Labor's Employment and Training Administration (ETA) and the U.S. Department of Education's Office of Career, Technical, and Adult Education (OCTAE) to share monitoring and technical assistance activities, especially as they relate to the joint provisions under WIOA. Though the VR program is one of the six core programs in the workforce development system, it is unique in that State VR agencies provide services directly to individuals with disabilities, thus the nature and scope of RSA's monitoring process and report may appear different from the monitoring ETA and OCTAE conduct with their grantees.

In Federal fiscal year (FFY) 2021, RSA conducted an off-site review of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by Iowa Vocational Rehabilitation Services (IVRS) in lieu of on-site monitoring due to the continuing COVID-19 pandemic. The nature, scope, and focus of this review and the process by which RSA carried out its activities from April 26 through May 7, 2021, was defined by information, documents, and data submitted by IVRS, taking into account the goals, unique circumstances, and technical assistance needs of IVRS.

RSA—

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of competitive integrated employment outcomes and the

quality of those outcomes, for individuals with disabilities, including those with significant and most significant disabilities;

- Reviewed the financial management of the VR and Supported Employment programs;
- Identified strategies and corrective actions to improve program and fiscal performance.
- Provided technical assistance during the review and/or recommended additional technical assistance to be provided following the review. and
- Identified VR agency practices or strategies, which resulted in or are expected to improve performance.

## **B. Review Team Participants**

Members of the RSA review team included Shannon Moler, James Billy, and Terry Martin (Technical Assistance Unit); Nicole Jeffords and April Trice (Vocational Rehabilitation Program Unit); David Miller (Fiscal Unit); and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in all aspects of the off-site review, each contributed to the gathering and analysis of information, along with the development of this report.

## **C. Acknowledgements**

RSA wishes to express appreciation to the representatives of IVRS for the cooperation and assistance extended throughout the review process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC) and the Client Assistance Program.

## **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 competitive integrated employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program. RSA analyzed VR program data, policies and internal controls, implementation of 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 performance data contained in Appendix A of this report. The data used in the analysis are those collected and reported by the VR agency.

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

RSA's analysis of the VR agency's performance of the VR and Supported Employment programs incorporates a review of data reported by IVRS on the Case Service Report (RSA-911) and the WIOA Statewide Performance Report (ETA-9169) for program years (PYs) 2017, 2018, and 2019, as well as the discussion and review of internal controls and policies. A summary and analysis of performance data related to the VR process, VR services, quality of employment outcomes, and pre-employment transition services is presented below in addition to a discussion of potential factors influencing program performance, including how IVRS uses data to inform program performance and management of the VR and Supported Employment programs.

### **Performance Data Summary and Analysis**

IVRS, which is housed under the Iowa Department of Education (IDE), administers thirteen area offices that deliver direct services to Iowans with disabilities statewide. Each area office is staffed with VR counselors, VR associates, and VR assistants. The agency employs approximately 120 VR counselors and VR associates. The agency uses the Iowa Rehabilitation Services System (IRSS) case management system, which is an internally developed system.

IVRS also uses the Integrated Information for Iowa (I3) State accounting system, which pulls in payroll information and pays vendors. The time keeping system used in the State of Iowa is called the human resources information system (HRIS), which was developed in the 1970s and has limited ability to interface with the I3 accounting system. Staff track time in their calendars, and a spreadsheet is created and compared to I3 for payroll purposes. The agency reported that the State of Iowa is developing a new resource planning system to replace the HRIS and I3 systems, and IVRS has been asked to be the lead agency on accounts payable. The agency indicated this will be helpful to inform how the new system tracks Federal expenditures and hopes to be able to drive the process to meet the agency's accounting needs.

IVRS uses an internal data management system to store and disseminate policies and procedures to its staff. According to IVRS, this is an effective system to share information since IVRS can see what staff are reading and viewing through the system. Staff also have access to all training

through this data management system, which can be accessed in both visual and auditory formats. IVRS is building a robust system, to include a policy manual, an office manual, an IRSS manual, and training materials. Policies contain links to internal controls and training materials to supplement the policies, and each can be accessed within the data management system.

IVRS has implemented an order of selection since FFY 1997, which includes three priority categories. During the off-site portion of the review, priority categories two and three remained closed. The agency reported that individuals on the waiting list are released on a weekly basis and that no individual is placed on the waiting list for more than five days. Internal controls have been put in place to keep track of individuals on the waiting list on a monthly basis, and the agency's policy states that all eligible individuals in the most significant disability category must be served before those individuals determined to have a significant disability. Only after these categories are served may those who are otherwise eligible receive services, and individuals with disabilities who do not meet one of these categories receive information and referral to appropriate programs and service providers best suited to address the specific needs of each individual. A discrepancy in the definition of an individual with a disability was noted in the agency's waiting list policy, eligibility policy, and description—m, Order of Selection of the VR services portion of the Iowa Unified State Plan. The agency must ensure that the definition of an individual with a disability is consistent with 34 C.F.R. § 361.5(c)(27) for the purposes of the VR program.

Regarding the agency's performance during the review period, the percentage of timely eligibility determinations rose from 90.1 percent in PY 2017 to 92.6 percent in PY 2019. The percentage of individualized plans for employment (IPE) that were timely developed also increased from 78 percent in PY 2017 to 80.9 percent in PY 2019; however, the agency recognized that it must improve its performance in this area and currently provides a tracking spreadsheet to staff on a monthly basis to flag those cases nearing 90 days after a determination of eligibility to ensure either an IPE or an IPE extension is developed.

In regard to the WIOA performance indicators, the Measurable Skill Gains (MSGs) rate rose from 22 percent in PY 2017 to 35.2 percent in PY 2018; however, declined slightly to 34.3 percent in PY 2019. The credential attainment rate for PY 2019, which was the first year data for this indicator were reported, was 54.9 percent. IVRS' employment rate was consistent over the three-year review period (PY 2017, 47.0 percent; PY 2018, 48.0 percent, PY 2019, 48.0 percent). Data show that IVRS' improved its performance on the WIOA primary performance accountability measure assessing the percentage of VR program participants who were employed in the second quarter after exit, with the rate for PY 2018 increasing from 52.1 percent to 60.7 percent in PY 2019. Regarding the employment rate fourth quarter after exit, the agency reported that 54.8 percent of participants remained employed after exit between January 1 and December 31, 2018. Median earnings for participants who exited in PY 2017 and remained employed in the second quarter after exit fell from \$4,292 reported in PY 2018 to \$3,574 for those who exited in PY 2018 and remained employed in PY 2019.

IVRS reported that it is performing better in the area of MSGs and credential attainment than the data show and is working on data validity and integrity with its staff. The agency provided data integrity training to staff in PY 2017 and is integrating the training into its policy, procedures, and internal control documents. The agency reported problems in the past with staff entering data

accurately in its case management system related to MSGs and credential attainment, particularly information related to secondary education, but now reports that it has a data sharing agreement with IDE to obtain source documentation. The agency has designated staff entering the information from IDE into the case management system to reduce human error and produce more accurate data for MSGs and credential attainment related to secondary education. RSA noted that the agency still has concerns about obtaining necessary source documentation in a timely manner even with a data sharing agreement with IDE.

When asked if IVRS has seen any correlation to the WIOA performance indicators and quality employment outcomes, the agency reported that it recognizes that MSGs and credential attainment lead to positive employment outcomes. The main issue reported by the agency in this area is related to difficulty obtaining supporting documentation needed to report credential attainment. The agency reported that it would like to see more flexibility on when credential attainment can be reported since it is an exit-based measure. See Section C of this focus area for more information.

### **The VR Process**

RSA reviewed trend data, including the most recent program year, to create an understanding of the engagement and movement of individuals with disabilities through the VR process. The analysis assisted RSA and IVRS in identifying potential obstacles to efficient service delivery and engagement of individuals with disabilities throughout their VR experience, as well as effective VR agency initiatives, practices, or policies that have contributed to continuous improvement or declines in performance.

Data show a decline in the number of applicants from PY 2017 through PY 2019 (5,517 to 4,285, respectively). The RSA review team analyzed the agency's referral and application processes and noted that according to the IVRS referral policy, a referral for IVRS services can be made by contacting IVRS or by initiating the IVRS Referral for Services (R-412). The agency's application policy requires an applicant to submit two different forms at application, the Rights and Responsibilities (IPE-1) form and the R-2 Preliminary Intake form. The application policy further states that the date of application entered into IRSS is based on the signature of the VR counselor on the IPE-1 form.

The RSA review team also noted a significant decline in the number of individuals determined eligible from PY 2018 through PY 2019 (5,163 to 4,333, respectively). This led to discussions on RSA-911 data element 38, date of eligibility determination, and whether both eligibility and ineligibility determinations should be reported. The agency was informed that it should continue to report both eligibility and ineligibility determinations in data element 38. If the agency does not have the necessary documentation to make an eligibility determination, it should extend the eligibility determination period before the 60 days expire with the applicant's consent, acquire the necessary documentation, and determine eligibility before the extended timeframe (the added time beyond 60 days) expires. IVRS stated that the IRSS case management system allows staff to reverse an initial determination of ineligibility or keep a case record open if additional documentation is sought. The agency was informed that it should not make a practice of determining applicants ineligible, acquiring documentation, then reverting ineligibility determinations; although this may occur if the applicant returns to the agency with

documentation to substantiate an eligibility determination, it should be a rare occurrence. IVRS confirmed that this only happens rarely, with the last occurrence in 2019.

The number of participants provided services by IVRS under an IPE steadily declined from PY 2017 through PY 2019 (PY 2017, 16,288; PY 2018, 15,459; PY 2019, 14,541, respectively). The agency attributed this decline to the provision of pre-employment transition services and the fact that potentially eligible students do not typically apply for VR services or complete an IPE. The agency believes it is in fact serving more individuals than in previous years, but these individuals would not be considered participants since they are potentially eligible students with disabilities. The agency also reported that the drop in the number of individuals applying for VR services, who may be determined eligible and served under an IPE, could be attributed to the fact that it has been collaborating more with WIOA partner programs to ensure it receives more appropriate referrals. For instance, in the past, an individual with a disability seeking services at an American Job Center would automatically be referred to the Title IV VR program. Reportedly, with increased collaboration, American Job Centers are now able to better screen individuals to determine if a referral to another partner program would be more appropriate. IVRS' director is a voting member of the State workforce board and also sits on the statewide disability committee. Reportedly, the WIOA partner programs have made an effort to include the Title IV VR program in board decisions, and VR supervisors are on local boards, giving the agency more visibility and opportunities for collaboration.

In regard to individuals exiting at various stages of the VR process, 6,130 individuals exited in PY 2017, 7,371 individuals exited in PY 2018, and 10,022 individuals exited the VR program in PY 2019. Data also show that of the total number of individuals who exited the VR program each year of the review period, more individuals exited the program without employment after receiving services under an IPE than exited the program with competitive integrated employment or supported employment after receiving services under an IPE. In PY 2017, 2,090 individuals (34.1 percent) exited with an employment outcome after receiving services, while 2,353 individuals (38.4 percent) exited without employment after receiving services. In PY 2018, 2,110 individuals (28.6 percent) exited with an employment outcome, while 2,260 individuals (30.7 percent) exited without an employment outcome. In PY 2019, 1,930 individuals (19.3 percent) exited the VR program in competitive and integrated employment or supported employment after receiving services, while 2,085 (20.8 percent) exited without an employment outcome.

The RSA review team noted that there was a significant increase in the number of individuals whose cases were closed for "all other reasons" in PY 2019 (PY 2017: 258, 4.2%; PY 2018: 296, 4.0%; PY 2019: 5,263, 52.5%). The agency attributed this increase to the closure of potentially eligible students who no longer meet the definition of a student with a disability under 34 C.F.R. § 361.5(c)(51), which is consistent with the number of potentially eligible students whose cases were closed in PY 2019 without applying for VR services (5,037). The IVRS Transition Strategic Plan (February 2020) document indicates that since the IRSS case management system automatically closes a student's case record on their twenty-second birthday, staff were not closing case records for reportable individuals when the student was no longer enrolled in an educational program. Staff were asked to close these students' case records by January 1, 2020. IVRS was informed that it should continue to close potentially eligible student case records when those students no longer meet the definition of a student with a disability under 34 C.F.R. § 361.5(c)(51). For instance, if the student graduates from high school and is no longer enrolled in

a recognized educational program, then the student's case record may be closed at that time instead of waiting until he or she reaches the age of 22. The review team provided technical assistance to the agency in this area.

It was also noted that a significant number of cases were closed as "no longer interested in receiving services" during the period of review (PY 2017: 1,682, 27.4 percent; PY 2018: 1,799, 24.4 percent; PY 2019: 1,343, 13.4 percent). The agency was encouraged to implement strategies to keep individuals engaged in the VR process, such as motivational interviewing and de-escalation techniques, and was encouraged to seek technical assistance from the Vocational Rehabilitation Technical Assistance Center for Quality Employment (VRTAC-QE) in this area.

Another contributing factor to the number of individuals whose cases were closed for this reason may be that IVRS policies do not include procedures on how to conduct a trial work experience, and there is no option in the case management system to indicate an applicant is ineligible for VR services based on severity of disability. The agency reported that it embraces the philosophy that no one should be determined ineligible for VR services based on severity of disability since it believes all individuals can succeed in employment, and that an individual who might otherwise benefit from a trial work experience could have their case record closed as "no longer interested in receiving services."

## **VR Services**

RSA reviewed and analyzed data and policies in consultation with IVRS related to career, training, and other services provided to VR and Supported Employment program participants to explore the degree to which individuals were afforded informed choice, engaged in timely service provision, and provided quality services needed to maximize the achievement of their employment goals.

As mentioned previously, the number of participants who received VR services steadily declined from PY 2017 through 2019 (16,288 in PY 2017, 15,459 in PY 2018, and 14,541 in PY 2019). Data show that in PY 2019, 753 or 5.2 percent of these participants received bachelor's degree training, which steadily declined from 914 participants or 5.6 percent in PY 2017 and 834 or 5.4 percent in 2018. Community college training was the training service provided to the most participants across all three years with 1,187 participants (7.3 percent) in PY 2017, 1,069 (6.9 percent) in PY 2018 and 976 participants (6.7 percent) in PY 2019. Notably, the number and percentage of participants receiving graduate degree training rose from 130 participants in PY 2017 to 145 in PY 2019.

In regard to career services, after counseling and guidance, which was provided to 100 percent of IVRS participants in PY 2019, most participants received either assessment or job search assistance. IVRS provided supported employment services to 965 participants in PY 2017, 1,036 in PY 2018, and 856 in PY 2019.

The agency attributed the high number of individuals receiving supported employment services to the Memorandum of Agreement (MOA) between IVRS and the Iowa Department of Human Services (DHS), in which IVRS is the funder of first resort for youth under the age of 24 who require supported employment services. The review team recommended that clear language be

included in the MOA to indicate that supported employment begins upon job placement and that VR supported employment funds can only be used after job placement. This agreement has precipitated a discussion on strategic planning within the agency on how to link individuals with the most significant disabilities to local career pathways and quality employment outcomes.

### **Quality of Employment Outcomes**

The RSA review team examined data reported by IVRS, policies, and practices to determine how the VR agency is maximizing employment opportunities and quality employment leading to self-sufficiency for participants with disabilities, including those with the most significant disabilities. To guide the analysis and discussion of quality employment outcomes, the RSA team reviewed a variety of data elements, including data from the other measures that matter developed jointly by RSA and VR agency representatives, along with VR agency efforts, including the following:

- Employment status at exit;
- Employment rate;
- Median wages earned;
- Median weekly hours worked;
- Health insurance at exit;
- Social security benefits at exit;
- Participants who exited with competitive integrated employment, including supported employment;
- Employment status of participants in the second and fourth quarters after exit;
- Percentage of participants who retained employment;
- Types of occupations that VR participants obtain;
- Efforts to promote career advancement;
- The attainment of measurable skill gains (MSGs) and credentials;
- Efforts to assist participants in achieving parity with the general working population; and
- Strategies to promote job retention.

As previously discussed, data show that IVRS is providing training services, such as bachelor's degree and community college training to participants; however, most participants exit with unskilled or semi-skilled employment that requires little or no preparation or advanced training. During the review period, the State's minimum wage was \$7.25 and the median hourly earnings at exit were \$10.50 in PY 2017, \$10.75 in PY 2018, and \$11.53 in PY 2019.

When describing how IVRS is meeting labor market needs in the State of Iowa, the agency reported that it has implemented innovative practices in the area of business engagement. The agency employs three full time business engagement staff, who make connections with business partners, and there is at least one staff member in every area office who works to improve outcomes through business connections. The agency reported experiencing better outcomes when staff provide job placement services, such as connecting participants directly to employers. The provision of job placement assistance increased slightly over the three-year review period with 995 or 6.1 percent of participants receiving the career service in PY 2017 compared to 1,085 or 7.5 percent in PY 2019. To provide context, in RSA-PD-19-03, job placement

assistance is defined as a referral to a specific job resulting in an interview, regardless of whether or not the individual obtained the job.

The agency reported undergoing a cultural shift from focusing on the quantity of employment outcomes to the quality of employment outcomes, internally discussing what quality employment looks like for each individual participant. IVRS provided an example of a 2020 area office blueprint that tracks and compares the number of successful closures on a Federal fiscal year (FFY) and PY basis. The blueprint contains goals and actions steps for the agency to improve performance in the areas of employment outcomes, business services, pre-employment transition services, and partnerships with community rehabilitation providers (CRPs).

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

Early career exploration through pre-employment transition services increases the likelihood of achieving high-quality competitive integrated employment. RSA reviewed data reported by IVRS related to the provision of pre-employment transition services to students with disabilities, including potentially eligible students and those determined eligible for the VR program. The review team analyzed data on the number of students with disabilities, the number of those receiving pre-employment transition services, and the types of services provided. In addition, RSA reviewed data in the other measures that matter related to the breakout of students with disabilities who received pre-employment transition services as potentially eligible students with disabilities and students with disabilities who received these services under an IPE, as well as the number of students with disabilities who advance from potentially eligible status to VR program participant status and their outcomes. These data are useful in evaluating the relationship between the provision of pre-employment transition services, participation in the VR process, and employment outcomes.

The total number of students with disabilities reported by IVRS increased from 14,985 students with disabilities in PY 2017 to 21,053 students with disabilities in PY 2019. Of the students reported in PY 2019, 17,411 students received pre-employment transition services. Of the students in receipt of such services, 10,702 were students potentially eligible for VR services and 6,709 students were VR applicants. IVRS collaborates with its LEAs and WIOA partners such as Iowa Works, Iowa Department for the Blind, and Adult Basic Education. Through these partnerships, the agency can streamline service delivery and make and receive referrals related to the provision of pre-employment transition services as needed.

During the review period, the total number of pre-employment transition services provided to students with disabilities more than doubled from PY 2017 to PY 2019 (71,618 and 154,044, respectively). This increase is noted in the five types of pre-employment transition services offered to students with disabilities during PYs 2017, 2018, and 2019: Job exploration counseling (20,441, 33,605, and 36,904, respectively); Work-based learning experiences (5,407, 11,965, and 16,482, respectively); Counseling on enrollment opportunities (18,709, 33,363, and 38,248, respectively); Workplace readiness training (15,069, 28,173, and 32,685, respectively); and Instruction in self advocacy (11,992, 23,599, and 29,725, respectively). IVRS reported that VR counselors are assigned to every high school and community college in Iowa to provide pre-employment transition services.

IVRS provides both in-house and contracted pre-employment transition services to students with disabilities in need of such services. Contracted services are provided through its Transition Alliance Program (TAP), which reportedly provides the five required activities to students with disabilities year-round. IVRS reimburses participating school districts for the time TAP employees devote to the program, which is determined by personnel activity reports completed at least monthly, and school districts provide a 50 percent cash transfer to IVRS on a monthly schedule. It was noted by the RSA review team that IVRS only reports contracted pre-employment transition services on the Vocational Rehabilitation Financial Report (RSA-17). IVRS requested technical assistance on how to report the cost of contracted pre-employment transition services per individual student on the RSA-911. See Section C of this focus area for more information.

IVRS' SEA agreement is current for the 2017-2019 program years and includes information found under Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R. § 361.22 (b). The IVRS Transition Manager oversees the agency's transition efforts locally and statewide. The Transition Manager serves on the statewide Special Education Advisory Panel and the Transition Action Team, which meets monthly to discuss upcoming initiatives and address issues raised by the school district or IVRS. Each school year, IVRS develops a Local School Plan (LSP) with every public and private high school in Iowa. The LSP addresses new and expanded services the school district, IVRS, and community partners will provide to students with disabilities. The LSP also identifies any gaps in services that need to be addressed by the school district or IVRS. IVRS was able to pivot quickly to a virtual environment during the pandemic due to staff, over the last few years, encouraging leadership to improve the agency's electronic system. The agency also provided technical assistance to school districts on how to provide activities and services to students in a virtual environment. The RSA review team recommended the following information be included in the next iteration of the SEA agreement: (a) Regulatory authority for IVRS and their education partners; and (b) Include not only transition services but pre-employment transition services in the purpose section of the SEA agreement.

During the review, IVRS informed RSA that it miscalculated the agency's pre-employment transition services reserved funds set-aside determination. IVRS' set-aside determination was based on a yearly projection of 10 percent (or more) of the number of students with disabilities served instead of the total number of students with disabilities in the State. RSA emphasized during the review that IDE is the best source for determining the total number of students with disabilities in the State. If information is not available, IVRS was encouraged to work with its local LEAs to develop estimates that can be used for purposes of the pre-employment transition services reserved funds set-aside determination. RSA also provided the agency with WINTAC's Pre-Employment Transition Services Reserve: Required and Coordination Activities Set-Aside Determination tool. RSA clarified that fiscal forecasting is based on student need, not staff or fiscal capacity, and that any remaining funds available after all students' needs have been addressed may then be used to engage in authorized activities. The review team provided technical assistance to the agency in this area. See Section C of this focus area for more information.

IVRS has an MOA with the Iowa Department for the Blind (IDB) to provide pre-employment transition services to students eligible for IDB services through its TAP program. The MOA indicates that students who are eligible for IDB services may participate in IVRS' TAP program

as potentially eligible students if deemed appropriate by an IDB VR counselor, and that the IDB VR counselor will provide a copy of the eligibility certificate to IVRS to document that the student has a disability. Technical assistance was provided to IVRS in this area since only those students with disabilities who have not yet applied or been determined eligible for the VR program are considered to be potentially eligible for pre-employment transition services. See Section C of this focus area for more information.

In determining eligibility for students with disabilities who apply for VR services, the agency reported that since Iowa is a non-categorical State, which means that students with disabilities do not receive a diagnosis or label for diagnostic coding on their individualized education programs (IEPs), the agency uses a coding rubric for disability reporting purposes. The rubric was reportedly initially put in place in 2007 with the Collaborative Transition Protocol (CTP), which has since undergone a name change and is now called Collaborative Outcomes for Employing Students. The rubric was in effect until July 31, 2021, which is when IDE implemented a new IEP process. The agency was informed that it must have documentation of a student's specific disability before making an eligibility determination. IVRS reported that it is moving away from using the coding rubric and will be obtaining medical documentation of a student's disability in the future. The RSA team agreed with this approach and offered further technical assistance in this area. See Section C of this focus area for more information.

Regarding policy and procedures related to pre-employment transition services, RSA noted that the pre-employment transition policy had been developed and implemented during the period of review; however, internal controls necessary to track the provision of pre-employment transition services were not in effect during the period of review. Although IVRS had provided training in PY 2017 on the tracking and reporting of individuals receiving pre-employment transition services, sufficient written guidance had not been put in place. The RSA review team recommended the following updates be made to the agency's policy and procedure manual: (a) clarify that pre-employment transition services documentation can also include a psychological report and teacher or special education coordinator observations; and (b) clarify that potentially eligible students may continue to receive pre-employment transition services so long as they meet the definition of a student with a disability under Section 7(37) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(51). The RSA review team also emphasized the need to include the Notice of Interpretation (NOI) flexibilities in the agency's policies and procedures manual. The RSA review team provided technical assistance in this area. See Section C of this focus area for more information.

### **Factors Influencing Performance.**

The RSA review team noted several innovative practices that, if continued and built upon, should positively affect the performance of the agency in the future. Some examples include the work it is doing to—

- Update the State accounting system;
- Share policies, procedures, and training materials with staff through its data management system;
- Develop area office blueprints;

- Conduct internal discussions within the agency on the cultural shift away from the quantity of employment outcomes toward the quality of employment outcomes;
- Conduct strategic planning on how to link individuals with the most significant disabilities to local career pathways and quality employment outcomes;
- Implement business engagement practices;
- Improve the validity of data through its data sharing agreement with IDE; and
- Provide leadership in the area of pre-employment transition services statewide to local school districts.

RSA noted some factors that may negatively affect IVRS' performance. Internal processes may need to be improved to ensure that individuals who apply for the VR program do not face unnecessary delays in receiving services under an IPE. It was also noted that more individuals determined eligible for VR services exited the VR program without an employment outcome after an IPE was signed than exited with an employment outcome. Based on these observations, it is recommended that IVRS develop goals with measurable targets to decrease the number of individuals exiting the VR program along with strategies to keep participants engaged in the VR process with the goal of achieving quality employment outcomes.

Additionally, since IVRS reports that it is serving a high number of students with disabilities, the agency is encouraged to examine its processes and develop and implement strategies to address the focus on pre-employment transition services in order to provide more meaningful opportunities for training and other services necessary for students with disabilities to achieve employment outcomes in a competitive integrated setting. IVRS may refer to Measure 6—IA-G Profile: Pre-Employment Transition Services (PY 2019) for data that may be used to evaluate the relationship between the provision of pre-employment transition services, movement in the VR process, and employment outcomes. IVRS also may wish to consider how its order of selection may affect the provision of VR services to students with disabilities and other individuals who might apply for services.

### **Use of Data to Inform Performance and Management**

IVRS provided a demonstration of its case management system and how it enters data into the system for students with disabilities and participants. Since the agency has an internally developed case management system, it employs staff who update data validations built into the system as issues are noted and training is provided to staff through data mentor meetings. IVRS maintains both paper and electronic case records, and information is entered into the IRSS system by clerical staff based on the information gathered by VR counselors on hard copy forms. Information on applicants for VR services is gathered from the R-2 Preliminary Intake form and the date the VR counselor signs the IPE-1 form for individuals applying for VR services is the date of application entered into the system. Technical assistance was provided to IVRS on application signature requirements. See Section C of this focus area for more information.

Information is pulled from the Pre-employment Transition Services Agreement form for students with disabilities and supporting documentation is maintained to support that the student has a disability. The case management system has been built so that only students with disabilities can receive pre-employment transition services, and it reportedly will not allow staff to create an authorization for services unless the service corresponds with an individual's IPE.

During the demonstration, the agency recognized that the case management system requires intensive data entry, although some validations have been built into the system to ensure participants are enrolled in at least one program that aligns with MSG data entered in the case management system. To verify wages at job placement and closure, staff upload paystubs or unemployment insurance (UI) wage data into case notes in the system. Clerical staff have received training to verify this information at case closure. IVRS staff also check for supporting documentation during the quality assurance (QA) process. The IVRS QA team and supervisors at local offices reportedly do multiple checks and balances to ensure supporting documents are maintained for data validation purposes; however, the RSA team noted that these checks and balances are not sufficiently documented in its policies, procedures, and internal control documents.

Additionally, IVRS reported that its data staff review interactive reports and monitor data to ensure accurate reporting and to find data anomalies. Reports from the case management system, such as the R-510 Caseload Management Report, are an accurate reflection of information contained in the system at any given time and are used to help staff manage caseloads. Reportedly, through regular review, cases are discussed, and assignments are made to keep cases moving forward. Discussions include timeframe requirements, frequency of contact, or other work.

As mentioned previously in this report, the agency has begun to close potentially eligible students' case records when they no longer meet the definition of a student with a disability under 34 C.F.R. § 361.5(c)(51), and IVRS reports that this practice has made the R-510 report easier to manage since staff no longer have to sift through inactive cases to determine actions that need to be taken on active cases. This improvement should help the agency improve its ability to meet IPE timeliness.

It is recommended that IVRS also refer to the Vocational Rehabilitation Program Other Measures That Matter located in Appendix C of this report, and also found in the quarterly RSA data dashboards, to inform performance and management of the agency. The Other Measures that Matter may be used as a tool to help the agency keep track of its performance and correct any anomalies in data accuracy since its data effectively influence the representation of national performance of the VR program as well as the State's performance on the WIOA performance accountability measures. See Section C of this focus area for more information on using data to improve quality of service delivery.

### **Internal Controls and Policies**

The RSA review team assessed program management and performance 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.

The VR agency is required to maintain verifying documentation in an individual's service record, particularly regarding eligibility determination, IPE development, services provided, and case closure. In accordance with joint policy guidance outlined in [RSA-TAC 19-01](#), VR agencies are required to maintain supporting documentation for several RSA-911 data elements used to calculate the WIOA performance indicators. In addition, VR agencies must maintain supplemental wage information for some participants, as outlined in the joint policy guidance in [RSA-TAC-17-04](#). The use of an electronic case management system does not remove the requirement for the agency to maintain either hard copies or scanned copies of required supporting documentation in the individual's service record. RSA staff reviewed IVRS' internal controls.

As mentioned previously in this focus area, IVRS is building a robust system, to include a policy manual, an office manual, an IRSS manual, and training materials. Policies are developed and contain links to internal controls and training materials to supplement the policies, and each can be accessed within the data management system; however, the agency did not fully begin this work during the period of review. Prior to PY 2020, there were no written policies or internal controls for RSA-911 data gathering and verification or pre-employment transition services tracking for IVRS staff. The agency provided RSA-911 training to staff in PY 2017, but the training materials were not fully integrated into written policy or procedures. IVRS reported that it was focused on developing the case management system to meet the RSA-911 requirements during the review period, so it made training a priority over written internal control documents. Training materials were shared through IVRS' data management system for staff to reference until policies and internal control documents could be completed.

Further, the RSA review team noted that the current QA policy and case review instrument is not sufficient to ensure data are correct in relation to RSA-911 tracking, coding, and supporting documentation; WIOA performance indicators; and the quality assurance process for case reviews. The documents did not sufficiently address the source documentation for joint data elements as outlined in RSA-TAC-19-01.

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

RSA provided technical assistance in the following topical areas to IVRS in response to areas identified during the review process and in response to specific technical assistance needs identified by the VR agency. Technical assistance and recommendations provided by RSA are intended to assist IVRS to achieve continuous improvement in performance. RSA is available to provide follow-up technical assistance and has referred the VR agency to the VRTAC-QM, VRTAC-QE, and NTACTION: C.

### **Reporting Measurable Skill Gains and Credential Attainment**

The agency requested technical assistance related to flexibility on MSG and credential attainment reporting requirements since it often takes the agency longer than one quarter to obtain supporting documentation from the Iowa Department of Education (IDE). IVRS

reportedly has a data sharing agreement with IDE, but there are still delays in receiving the required supporting documentation. RSA confirmed that VR agencies may enter proxy data each quarter and have until August 15 of each program year to obtain the necessary supporting documentation. If the agency goes beyond August 15, which is the last day to submit data for quarterly reporting for a program year, it must request an extension if more time is needed to ensure that the necessary supporting documentation is obtained. The agency must ensure MSGs are earned within the program year for which it is reporting these data. In addition, the agency must ensure credential attainments are earned during participation in or within one year of exiting from the program.

### **Pre-employment Transition Services Costs for Individual Students/Set-Aside Determination**

In regard to IVRS' question about tracking pre-employment transition services costs for individual students, RSA clarified that State VR agencies that reimburse vendors for actual costs through contracts must be able to account for the contract expenditures in a manner that permits the agency to report individual student expenditures on the RSA-911. In addition, if a VR agency develops a contract with a provider for the reimbursement of actual vendor expenses and includes the provision of "required," "coordination," and "authorized" pre-employment transition service activities, the VR agency must ensure there is sufficient information from the vendor to permit allocation of the contract costs to the appropriate service categories (i.e., required and coordination activities, or authorized activities) for reporting purposes. Since only the actual contract expenditures associated with the direct provision of "required" and "coordination" pre-employment transition services are reported on a per-student basis on the RSA-911, the VR agency must be able to differentiate those costs from the costs associated with the provision of pre-employment transition "authorized" activities. Therefore, the VR agency must receive data from the vendor regarding each of the categories of pre-employment transition services provided during the billing period, as well as a breakdown of the students who received such services, in order to report the requisite data.

Additionally, in regard to the set-aside determination, VR agencies are required to expend funds reserved for pre-employment transition services in a specific manner, and they must have internal controls that ensure the requirements are met (2 C.F.R. § 200.302 and § 200.303). Therefore, the VR agency's processes should be well documented and include the reasons for selection of the data elements used. Documentation should be maintained to demonstrate the agency has met the requirement for the provision of pre-employment transition services required and coordination activities before assigning authorized pre-employment transition services to reserved funds.

The RSA review team noted that the Pre-Employment Transition Services Annual Report-February 2020 document submitted for RSA's review does not include all of the information listed below and should be revised. The method used to determine if a VR agency has enough funds available to provide authorized activities after determining costs for providing required and coordination activities includes the following:

1. Determining the cost for the provision of required and coordination activities, in light of the following factors:

- The total number of “students with disabilities” in the State, which includes those students eligible for the VR program as well as those “potentially eligible” students with disabilities;
  - The number of students with disabilities in the State who need required and coordination activities, including those currently receiving such services; and
  - The clearly documented basis for any reduction in the number of students with disabilities;
2. Determining the amount of funds reserved for the provision of pre-employment transition services that must be set aside for the provision of required and coordination activities to students with disabilities in need of the services; and
  3. Determining the amount of funds available for the provision of authorized activities, as applicable.

Under the Notice of Interpretation (NOI) published in the Federal Register on February 27, 2020, the VR services provided in support of pre-employment transition services are chargeable to the 15 percent reserve to the extent they are necessary for eligible individuals to participate in required activities. The estimated costs for these VR services (purchased and agency-provided) should be included in the set-aside determination, along with estimates for the costs of required and coordination activities before an agency commits funds for authorized activities.

RSA encourages the agency to contact the VRTAC-QM and the NTACT: C for further technical assistance.

### **Collaboration with the Iowa Department for the Blind (IDB)**

The memorandum of agreement (MOA) between IVRS and the Iowa Department for the Blind (IDB) indicates that IVRS may provide pre-employment transition services to students eligible for IDB services through its Transition Alliance Program (TAP). The MOA indicates these eligible students may participate in the TAP program as potentially eligible students if deemed appropriate by an IDB VR counselor; however, IVRS and IDB reported this practice has not been implemented.

Section 113 of the Rehabilitation Act requires VR agencies to provide pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. In 34 C.F.R. § 361.48(a), “potentially eligible” means all students with disabilities who satisfy the definition in 34 C.F.R. § 361.5(c)(51), regardless of whether they have applied, and been determined eligible, for the VR program. If a student was determined eligible or ineligible for VR services, they would no longer be considered potentially eligible.

Iowa Code § 7E.5 outlines the principal departments and primary responsibilities of the executive branch and states that IDB has primary responsibility for services relating to blind persons. Iowa Code § 56.6(7) indicates that individuals who meet the IDB’s definition of “blind” are to be served primarily by the IDB. Individuals with multiple disabilities who also are blind may receive technical assistance and consultation services from IVRS while IDB provides their rehabilitation plan. Joint cases are served in the Iowa self-employment program and other contracts developed by IVRS.

Section 101(a)(11) of the Rehabilitation Act requires the VR agency to coordinate with other state agencies and other components of the workforce development system in the provision of VR services. The implementing VR regulations at 34 C.F.R. § 361.24(e) make it clear that, when a State has established a second VR agency to serve individuals who are blind or visually impaired, both VR agencies in the State must coordinate and cooperate to provide more effective services to individuals with multiple disabilities.

RSA recommends that IVRS and IDB correct the MOA so that eligible students with disabilities served by one VR agency are not served as potentially eligible by another VR agency. The MOA should be updated to reflect that IVRS will coordinate and cooperate with IDB to provide more effective pre-employment transition services to students with multiple disabilities by jointly developing an IPE for those students determined eligible for the VR program. The agencies should also update policies, procedures, and internal controls, and ensure training is provided to staff on the provision of pre-employment transition services to students with disabilities who are served jointly by IVRS and IDB.

### **Service Records for Potentially Eligible Students**

The RSA review team provided technical assistance on the tracking and reporting of potentially eligible students. IVRS was informed that it may close potentially eligible student cases when those students no longer meet the definition of a student with a disability. For instance, if the student graduates from high school and is no longer enrolled in a recognized educational program, then the student's service record could be closed out at that time instead of waiting until the student ages out.

Pre-employment transition services under Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a) are available only to students with disabilities. Therefore, if an individual no longer meets the definition of a "student with a disability," despite the fact that the individual has received or is receiving pre-employment transition services, the individual is no longer able to receive these services under Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a).

Additionally, below is the information RSA provided during RSA-911 training for exiting a potentially eligible student—

- For a student with a disability who solely received pre-employment transition services and who has not applied or been determined eligible to receive other VR services, the service record remains "open" until the individual no longer meets the definition of "student with a disability." At that point, the agency cannot provide pre-employment transition services to the individual and RSA-911 reporting would end.
- However, if a student with a disability has applied and been determined eligible for VR services, the student's service record would be "closed" when the student satisfies the definition of "exit" at 34 C.F.R. § 361.150(c) because his or her service record is closed pursuant to 34 C.F.R. § 361.43 or 34 C.F.R. § 361.56.
- In RSA-PD 19-03, RSA deleted code value 8 (Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services) in Data Element 354: Type of Exit.

- RSA-911 reporting ends when the individual no longer meets the definition of a student with a disability (e.g., ages out, not enrolled in an education program) and reporting of all expenditures has concluded.

## **VR Services Coding Rubric**

The agency requested technical assistance on its coding rubric for students with disabilities who apply for VR services since the State of Iowa is a non-categorical State, which means that IEPs only include students' present levels of functioning rather than specific diagnoses. IVRS was informed that it must obtain documentation of a student's specific disability before determining eligibility for the VR program. The VR agency must have sufficient information necessary for it to complete the RSA-911 and satisfy performance accountability requirements under Section 116 of WIOA.

According to PD-19-03, the data comprising the RSA-911 are mandated by the Rehabilitation Act. Applicable portions of the Rehabilitation Act explicitly or implicitly require the collecting and reporting of specific data elements by State VR agencies to RSA for the VR and Supported Employment programs. In addition, reporting requirements to support the performance accountability system under Section 116 of Title I of WIOA are applicable to the VR program, as one of the six core programs of the workforce development system. Section 116 requires the reporting of data needed to calculate State performance on the primary indicators of performance for the core programs.

Although IEPs in the State of Iowa would meet basic reporting requirements for potentially eligible students with disabilities who are receiving pre-employment transition services as reportable individuals, more documentation is necessary for those students who apply for VR services for the purposes of receiving services under an IPE as a participant. Potentially eligible students with disabilities are eligible to receive pre-employment transition services pursuant to Section 113(a) of the Rehabilitation Act. It should not be construed that these students with disabilities have satisfied the eligibility requirements of Section 102(a) of the Rehabilitation Act for all other VR services provided under Section 103 of the Rehabilitation Act.

## **Application Procedures**

In regard to application procedures, once a referral has been made, consistent with 34 C.F.R. § 361.41(b)(2), individuals with disabilities may request VR services in a variety of ways, such as—

- By completing and signing a VR agency's application form in writing or online;
- By completing a common intake application form at a one-stop center or online requesting VR services; or
- By otherwise requesting services from the VR agency, such as by telephone, email, or letter to the VR agency.

There is no requirement that applications be submitted in writing or that they be signed; once an application is received, the VR agency would then document how the request was received. For

RSA-911 reporting purposes, the application date should be the date on which the application is submitted to the agency.

### **Using Data to Improve Quality of Service Delivery**

IVRS requested technical assistance on using data to improve quality of service delivery. The RSA review team demonstrated how the agency might use data visualization in its case management system and real time data to improve the quality of IVRS' service delivery. The quarterly data dashboards provided by RSA are also excellent tools to track agency data and progress. The agency should use its QA process to determine areas of improvement. It also might be helpful for the agency to replicate RSA data internally to pinpoint discrepancies and improve data integrity, which will lead to quality service delivery. RSA recommended that IVRS consult with the VRTAC-QM for targeted or intensive technical assistance in the area, if needed.

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

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

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

**Issue:** Did IVRS maintain effective internal control over the Federal award to provide reasonable assurance that IVRS was managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

**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, reliability of reporting for internal and external use, and implemented as a measure of checks and balances to ensure proper expenditure 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. Specifically, 2 C.F.R. § 200.303 requires a non-Federal entity to—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States and the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity's compliance with statutes, regulations, and the terms and conditions of Federal awards; and

- Take prompt action when instances of non-compliance are identified, including noncompliance identified in audit findings.

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:**

#### Untimely Development of the IPE

As part of the monitoring process, RSA analyzed the length of time it took for IVRS to develop IPEs from the date of eligibility determination to the initiation of VR services. IVRS developed IPEs within 90 days following eligibility determination for 78.0 percent of IPEs developed in PY 2017, 78.3 percent of IPEs developed in PY 2018, and 80.9 percent of IPEs developed in PY 2019). In accordance with 34 C.F.R. § 361.45(a), the VR services portion of the Unified or Combined State plan must assure that an IPE meeting the requirements of Section 101 (a)(9)(A) and 34 C.F.R. § 361.46 is developed and implemented in a timely manner for each individual determined to be eligible for VR services or, if the VR agency is operating under an order of selection pursuant to 34 C.F.R. § 361.36, for each eligible individual to whom the agency is able to provide services; and that services will be provided in accordance with the provisions of the IPE. In addition, under 34 C.F.R. § 361.45(e), the IPE must be developed as soon as possible, but not later than 90 days after the date of eligibility determination, unless the VR agency and the eligible individual agree to an extension of that deadline to a specific date by which the IPE must be completed. The untimely development of IPEs delayed the delivery of needed VR services for each individual whose IPE was not timely developed and the implementation of internal controls in this area will help to ensure such delays do not occur.

#### Pre-Employment Transition Services Tracking and Reporting

During the review, IVRS communicated that it had not developed the policies, procedures, or internal controls necessary to track and report time spent on the arrangement or provision of required pre-employment transition services or pre-employment transition coordination activities as required by Section 101(a)(10) (C) and 34 C.F.R. § 361.40. Although IVRS staff and contracted staff are delivering pre-employment transition services, the case management system does not have the capacity to track purchased pre-employment transition services for RSA-911 reporting purposes. As a result, IVRS reports all contracted pre-employment transition services only on the RSA-17.

Since only the actual contract expenditures associated with the direct provision of “required” and “coordination:” pre-employment transition services are reported on a per-student basis on the RSA-911, the VR agency must be able to differentiate those costs from the costs associated with the provision of pre-employment transition “authorized” activities. Therefore, the VR agency must receive data from the vendor regarding each of the categories of pre-employment transition services provided during the billing period, as well as a breakdown of the students who received such services, in order to report the requisite data. See Section C. Technical Assistance and Recommendations of this focus area for more information on how the agency may improve performance in this area.

### Quality Assurance Process

As part of the off-site review process, RSA analyzed the internal controls implemented by IVRS. IVRS provided RSA with a description of various training materials and tools used in its quality assurance process. Although the agency provided training materials developed in PY 2017, a performance measures policy dated March 2020, and a quality assurance case review tool, these documents were not sufficient to ensure accurate reporting of data, or to ensure that case service records contain the required supporting documentation of services provided.

During the review process, IVRS reported that there is a case service record review process in place but that it does not include an up-to-date set of written quality checks and balances. Upon review of IVRS’ policies and procedures, internal control documentation, and during monitoring review meetings with IVRS staff, RSA determined that IVRS had neither established nor maintained a comprehensive system of effective internal controls nor sufficient policies and procedures to ensure consistency with applicable Federal requirements. Although IVRS communicated that it was in the process of developing written data integrity and validation procedures and processes, the agency was unable to provide written data validation procedures as a part of its internal controls to safeguard data integrity, promote the timely resolution of data anomalies and inaccuracies, or to ensure accurate reporting of data collected through the RSA-911.

IVRS trained staff on the performance accountability guidelines required to be developed under WIOA Section 116 and updated its case management system to report and track these performance elements. As a result of these activities, IVRS’ MSG rate improved in PY 2019, where 2,950 participants, or 34.3 percent of those reported as eligible for an MSG, achieved a total of 3,000 MSGs. However, during the period of review, IVRS did not have sufficient internal controls specific to the requirements for reporting performance accountability provisions for individuals with disabilities in accordance with 34 C.F.R. § 361.40. Furthermore, RSA recommended that IVRS include information related to the performance accountability provisions required to be developed under WIOA Section 116 in its case review tool to monitor VR counselor performance in this area.

**Conclusion:** In accordance with 34 C.F.R. § 361.12, IVRS must implement policies and procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. IVRS must develop and implement policies and procedures for collecting accurate data and for verifying the accuracy and reliability of the data through the required supporting documentation. In addition,

IVRS must monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. § 200.303. Based on IVRS' practices for conducting service record reviews and existing procedures, RSA determined that IVRS has not implemented effective written policies, procedures or internal controls that ensure the accurate reporting of information related to the performance accountability guidelines required to be developed under WIOA Section 116; and ensure case files and supporting documentation adhere to the record of service requirements in 34 C.F.R. § 361.47.

**Corrective Action[s] 2.1** RSA requires that IVRS—

- 2.1.1 Develop and implement processes to ensure that IPE determinations are developed in a timely manner and within the time frames established in Federal regulations unless an extension of that time frame to a specific date is agreed to by the VR counselor and individual;
- 2.1.2 Develop and implement internal control processes 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;
- 2.1.3 Develop mechanisms to collect and aggregate the results of these processes and use the results to inform necessary training and evaluation of staff; and
- 2.1.4 Assess the effectiveness of the policies and procedures governing IVRS' internal control procedures to ensure compliance and the accurate reporting of data.

**VR Agency Response:** The VR agency is in agreement with these findings for the years reviewed.

**RSA Response:** RSA appreciates IVRS' response and looks forward to working with the agency to resolve the finding through its corrective action plan and ongoing technical assistance.

**VR Agency Request for Technical Assistance:** No technical assistance requested.

**Finding 2.2 Non-compliant Written Policies on Application and Eligibility Determination**

**Issue:** Did IVRS report the date an individual submitted an application for VR services in accordance with the requirements specified in 34 C.F.R. § 361.41(b) or conduct a trial work experience for an applicant who may not benefit from VR services in terms of an employment outcome because of the severity of the individual's disability in accordance with 34 C.F.R. § 361.42(e).

**Requirement:** In accordance with Section 101(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.41(b)(1), once an individual has submitted an application for VR services, including applications made through common intake procedures in one-stop centers under Section 121 of WIOA, an eligibility determination must be made within 60 days, unless—

- i. Exceptional and unforeseen circumstances beyond the control of the VR agency preclude making an eligibility determination within 60 days and the VR agency and the individual agree to a specific extension of time; or

- ii. An exploration of the individual's abilities, capabilities, and capacity to perform in work situations is carried out in accordance with §361.42(e).

Consistent with 34 C.F.R. § 361.41(b)(2), individuals with disabilities may request VR services in a variety of ways, such as—

- By completing and signing a VR agency's application form in writing or online;
- By completing a common intake application form at a one-stop center or online requesting VR services; or
- By otherwise requesting services from the VR agency, such as by telephone, email, or letter to the VR agency.

Additionally, under 34 C.F.R. § 361.42(e), trial work experiences for individuals with significant disabilities must be conducted prior to any determination that an individual with a disability is unable to benefit from VR services in terms of an employment outcome because of the severity of that individual's disability or that the individual is ineligible for VR services, the designated State unit must conduct an exploration of the individual's abilities, capabilities, and capacity to perform in realistic work situations.

**Analysis:** RSA reviewed the current IVRS policies and procedures and identified insufficiencies and areas of non-alignment with requirements in the Rehabilitation Act and the implementing regulations in 34 C.F.R. parts 361. Despite IVRS' efforts to maintain robust policies and procedures, RSA identified two specific instances in the VR agency's policies effective during the period of review, which were inaccurate.

For example, in Policy number 101, Status 02-0: Applicant policy (effective date 12/2019) states the following:

An applicant is an individual, and/or the individual's representative, as appropriate, who:

- a. Has completed the IVRS Application for Services (R-412), a common intake application form through a One-Stop Center requesting IVRS services, or has otherwise requested services from IVRS;
- b. Has provided to IVRS information necessary to initiate an assessment to determine eligibility and priority for services;
- c. Is available to complete the assessment process; and
- d. Has reviewed and signed the Rights and Responsibilities (IPE-1).

Additionally, Policy number 101 states that IVRS staff should sign the IPE-1 after all other necessary signatures have been collected, and that the applicant date is entered into IRSS based on the signature of the IVRS staff.

34 C.F.R. § 361.41(b)(2)(i) outlines when an application is considered to have been submitted (a and b above), while 34 C.F.R. § 361.41(b)(2)(ii) and (iii) (c and d above) points to the individual providing information, such as contact information on the application, to enable the agency to begin the determination of eligibility or an assessment, and the individual being present and available for assessment. The eligibility process should be used to gather information to

determine eligibility through additional information or assessments, and the application date should be the date on which the application is submitted. There is no requirement for an application to be signed by the VR counselor or the individual applying for services.

If the agency does not have the necessary documentation to make an eligibility determination within 60 days from the date the application was submitted, it should extend the eligibility determination before the 60 days expire with the applicant's consent; acquire the necessary documentation; then determine eligibility before the extended time frame (the added time beyond 60 days) expires. As stated previously in this report, the agency was informed that it should report both the date of an eligibility and ineligibility determination in data element 38 on the RSA-911.

In another example, Policy number 200: Eligibility (effective 12/2019) does not include procedures on conducting trial work experiences for individuals with significant disabilities, and there is no option in the case management system to indicate an applicant is ineligible based on severity of disability. This means that an individual who might otherwise benefit from a trial work experience will be closed by IVRS as "No Longer Interested in Receiving Services" if it is determined that the individual is unable to benefit from VR services in terms of an employment outcome because of the severity of that individual's disability or that the individual is ineligible for VR services.

In accordance with 34 C.F.R § 361.42(e), the VR agency must conduct an exploration of the individual's abilities, capabilities, and capacity to perform in realistic work situations prior to making this type of determination. The VR agency must develop a written plan to assess periodically the individual's abilities, capabilities, and capacity to perform in competitive integrated work situations through the use of trial work experiences, which must be provided in competitive integrated employment settings to the maximum extent possible, consistent with the informed choice and rehabilitation needs of the individual. Trial work experiences include supported employment, on-the-job training, and other experiences using realistic integrated work settings, and must be of sufficient variety and over a sufficient period of time for the VR agency to determine that—

- There is sufficient evidence to conclude that the individual can benefit from the provision of VR services in terms of an employment outcome; or
- There is clear and convincing evidence that due to the severity of the individual's disability, the individual is incapable of benefitting from the provision of VR services in terms of an employment outcome.

The VR agency must provide appropriate supports, including, but not limited to, assistive technology devices and services and personal assistance services, to accommodate the rehabilitation needs of the individual during the trial work experience. At the conclusion of a trial work experience, the agency must have processes in place to report the date of the eligibility or ineligibility determination in data element 38 on the RSA-911.

**Conclusion:** In accordance with Section 101(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.50(a), VR agencies must report the date an individual submitted an application for VR services in accordance with the requirements specified in 34 C.F.R. § 361.41(b) and, as

applicable, conduct a trial work experience for an applicant who may not benefit from VR services in terms of an employment outcome because of the severity of the individual's disability in accordance with 34 C.F.R. § 361.42(e). RSA determined that IVRS did not have adequate written policies and procedures to ensure compliance with the statutory and regulatory requirements for application and determination of eligibility or ineligibility and the provision of trial work experiences.

**Corrective Actions 2.2** RSA requires that IVRS—

- 2.2.1 Revise and submit to RSA for review written policies and procedures that ensure compliance with the statutory and regulatory requirements for applications in accordance with 34 C.F.R. § 361.41(b) and the provision of trial work experiences pursuant to 34 C.F.R. § 361.42(e);
- 2.2.2 Develop the agency's case management system to ensure that the date of application is reported correctly on the RSA-911 and that the case record of an individual who might otherwise benefit from a trial work experience will no longer be closed as "No Longer Interested in Receiving Services" if it is determined that the individual is unable to benefit from VR services in terms of an employment outcome because of the severity of that individual's disability or that the individual is ineligible for VR services;
- 2.2.3 Provide training to staff on revised policies and procedures to ensure understanding and consistent implementation of the requirements for applications in accordance with 34 C.F.R. § 361.41(b) and the provision of trial work experiences pursuant to 34 C.F.R. § 361.42(e).; and
- 2.2.4 Implement internal controls and methods to regularly evaluate staff compliance with policies and procedures related to requirements for application in accordance with 34 C.F.R. § 361.41(b) and the provision of trial work experiences pursuant to 34 C.F.R. § 361.42(e).

**VR Agency Response:**

**2.2.1** When writing the policy related to the application procedure, we reviewed the entirety of 34 C.F.R. § 361.41 (b). RSA points out the components identified in (b) (2) (i), but § 361.41 includes two other sections connected by an "and" that must be met before an individual is considered an applicant. The other two components include (ii) Has provided the designated State unit information necessary to initiate an assessment to determine eligibility and priority of service; and (iii) Is available to complete the assessment process. It is our belief that anyone can complete and submit an application form using someone else's name and personal information; however, until we meet with the individual, we cannot assure that the person has met the requirements of all three prongs and wants to pursue services as an applicant. If someone else has completed the form, they may be using the form inappropriately to refer an individual, or if the individual is between the ages of 14 and 21 and meets the definitions student with a disability, IVRS must assess whether it is in that individual's best interest to continue as an applicant or be served as a potentially eligible student. The consequences of always moving forward with those individuals as applicants may negatively impact their ability to receive pre-employment transition services if the student is determined to be ineligible. We agree that a signature is not needed, but the assessment to determine whether the individual intended to be

considered a referral, applicant, or potentially eligible student is necessary to assure they receive the proper services and supports.

**2.2.2** IVRS is in agreement with this finding, and we will be requesting technical assistance on how to implement trial work with an Employment First philosophy.

**RSA Response:** RSA appreciates the additional information related to applications and the provision of trial work experiences. Once the corrective action plan has been developed, RSA will work with IVRS as it updates policies and procedures to meet the Federal requirements.

**VR Agency Request for Technical Assistance:**

**2.2.1** IVRS requests RSA's guidance on how VR agencies identify an individual as a referral, an applicant, or a potentially eligible student based solely on the receipt of paperwork available to the public. Specifically, we need technical assistance on how a VR agency can guide a student to the best range of services available through the VR agency, which may be pre-employment transition services as a potentially eligible student. Automatically considering all individuals who request services as an applicant may eliminate a range of services available for potentially eligible students if the student is determined ineligible. We are concerned that this approach is not in the best interest of students with disabilities.

**2.2.2** IVRS requests technical assistance in developing trial work policy and practices and understanding the scope of when the service can be provided.

## **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 competitive integrated employment for individuals with disabilities, including those with the most significant disabilities, and the needs of students with disabilities for pre-employment transition services.

### **B. Scope of Financial Management Review**

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

#### **Period of Performance**

Period of performance is the time during which the non-Federal entity (grantee) may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.1). To accurately account for Federal and non-Federal funds, the VR agency must ensure that allowable non-Federal and Federal obligations and expenditures are assigned to the correct Federal fiscal year award. RSA uses the financial information reported by the grantee to determine each VR agency's compliance with fiscal requirements (e.g., reservation of funds, matching, MOE, etc.). The RSA review team assessed IVRS performance in meeting the period of performance requirements related to the proper assignment of obligations and expenditures to the correct grant awards.

#### **VR Program Match**

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

The RSA review team addressed requirements pertaining to the following sources of non-Federal share used by the State as the match for the VR program:

- State appropriations;
- Interagency transfers:
  - IA Dept on Aging
  - IA School for the Deaf
  - Transition Alliance Programs
  - Project Search;
- Third-party cooperative arrangements (TPCAs):
  - Transition Alliance Programs
  - Project Search;
- Randolph-Sheppard set-aside:
- Other - Contributed Fund

### **Supported Employment Program Match**

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

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

### **Prior Approval**

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

### **Vendor Contracts**

The RSA team reviewed three areas related to vendor contracts:

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

This review area included contract agreements pursuant to pre-employment transition services.

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

RSA provided technical assistance in the following topical areas to IVRS in response to areas identified during the review process and in response to specific technical assistance needs identified by the VR agency. Technical assistance and recommendations provided by RSA are intended to assist IVRS to achieve continuous improvement in the financial management and performance of the VR and Supported Employment programs.

- Pre-employment transitions services costs that must be reported;
- Allocation methodology and its application to shared and infrastructure costs of one-stop centers;
- Processes for the reporting of refunds to RSA that IVRS receives after the liquidation period of an award.

RSA Fiscal Unit staff are available to provide follow-up technical assistance on these areas as needed.

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

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

#### **Finding 3.1 Insufficient Vendor Contract and Agreement Internal Controls**

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

**Requirements:** A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. These methods of administration (i.e., the agency's internal controls) must include procedures to ensure accurate data collection and financial accountability (34 C.F.R. § 361.12).

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

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

Additionally, as previously identified in Section 2, Part D of this report, 2 C.F.R. § 200.303, among other things, requires a non-Federal entity to—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award...;
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity's compliance with statute, regulations, and the terms and conditions of Federal awards; and
- Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

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

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

Furthermore, provisions at 2 C.F.R. § 200.302(b)(4) require that the financial management system of each non-Federal entity must ensure effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

In its guidance titled *The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds*, the Department states that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting. Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to noncompliance with Federal and State requirements.

In accordance with 2 C.F.R. § 200.430(i)(1)(viii), budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

- (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;
- (B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

(C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

**Analysis:** RSA found three areas of concern during its review of internal controls. These areas are:

a. Failure to Reconcile Contract Costs to Ensure Charges are Reasonable and Proportional to the Benefit Received

*Community Colleges*

During the period under review, IVRS had agreements with community colleges, including via an Intermediary Network, to assist IVRS in providing VR services, including pre-employment transition services, statewide. The agency required community colleges to provide IVRS regular performance updates and financial reports; however, IVRS staff noted that several community colleges were unsuccessful in implementing services according to the terms of the agreement. While IVRS recently ended several agreements with unsuccessful colleges and is pursuing contracts to replace those services, in some cases the underperforming colleges continued under existing agreements for a year or longer before IVRS terminated the agreements with the underperforming community colleges.

IVRS must monitor contractual agreements and take prompt action when the contractors are underperforming to ensure that the contract costs remain proportional to the benefit received by the VR program (2 C.F.R. § 200.430(i)(1)(viii)).

b. Insufficient Contract Internal Controls

IVRS did not report the full amount of pre-employment transition services costs, as required in its Federal financial reports, for several contracts procured to deliver such services during the period under review. The contracts in question required vendors to identify and report pre-employment transition services costs of vendor staff time by category (required, authorized, and coordination activities), but the vendors did not identify, track, and report all other costs in support of pre-employment transition services.

In addition to the above noted internal control deficiencies, as described in Section 2 Part D of this report, for most of its contracts, IVRS also did not have a way to identify and report costs for each of the five required pre-employment transition services, which is a level of cost detail IVRS is required to report on the RSA-911 report.

Based on the above information, IVRS did not have in place sufficient internal controls to evaluate and monitor its contracts with vendors or its agreements with community colleges sufficient to ensure compliance with statute, regulations, and the terms and conditions of Federal awards or to take prompt action when instances of noncompliance are identified, as it is required to do by 2 C.F.R. § 200.303.

c. Missing WIOA One-stop Infrastructure Funding and Shared Cost Agreements

The one-stop MOUs IVRS has entered in to with its one-stop partners do not include Infrastructure Funding Agreements or Other Shared Cost Agreements which are required components of the one-stop MOU per VR program regulations at 34 C.F.R. §§ 755 and 760. IVRS staff provided a verbal overview of processes they follow related to WIOA one-stop implementation; however, in addition to MOUs lacking these required agreements, IVRS also did not have a documented process for how it reviews and approves the costs of one-stop centers it pays using VR funds, nor did it have a documented methodology for identifying IVRS' allocable share of costs at the one-stop centers as required by 2 C.F.R. §§ 200.302(b)(4) and 405.

**Conclusion:** In the areas noted above, IVRS did not maintain effective internal controls over the Federal award that provide reasonable assurances that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303. Specific internal control areas of deficiency, noted above, include, but are not limited to, failing to reconcile contract costs to ensure charges are reasonable and proportional to the benefit received, insufficient internal controls over vendor contracts, reporting deficiencies and missing one-stop Infrastructure Funding Agreements or Other Shared Cost Agreements which are required components of the one-stop MOU.

While these control deficiencies suggest some degree of elevated risk to IVRS' reliability of reporting and compliance with applicable laws and regulations, the risk can be mitigated through management's development and implementation of internal controls at a level of detail necessary to address these deficiencies. The corrective action steps listed below will support IVRS in improving its ability to correct processes that have led to the noncompliance finding noted above.

**Corrective Actions 3.1** RSA requires that IVRS—

- 3.1.1 Develop and implement processes to monitor and reconcile all contract expenditures, including when contract goals and outcomes are not being met, to ensure the total contract costs paid are reasonable and proportional to the benefit received by the VR program.
- 3.1.2 Require contractors that provide pre-employment transition services to report all allowable pre-employment transition services costs to IVRS and report these costs to RSA in Federal financial reports and the RSA-911, as required.
- 3.1.3 Develop and execute a written plan to collaborate with appropriate stakeholders to generate the required WIOA One-stop Infrastructure Funding and Shared Cost Agreements, and to include the agreements in MOUs within a year after the date of the final monitoring report. Ensure selection of allocation bases and cost allocation methodologies that meet the specific and unique needs of each one-stop facility.

## **VR Agency Response:**

3.1.1 IVRS has a document in place “Internal Control for Other Contract Programs (non-Cash Transfer Contracts)” that fully discusses the steps the agency is taking to ensure we are properly managing the federal award as it pertains to Intermediary Network contracts. The document outlines the various ways a contract may be entered into between IVRS and the vendors; i.e., RFP contracting process and non-RFP contracting process. The IC document discusses how claims are reviewed and approved for payment. The document discusses our Quarterly Monitoring Process in which the contractor submits their statistics to the Resource Manager (IVRS program staff who is managing the contract) if the contract information is not already contained in the case management system. The Resource Manager enters any analysis into the Quarterly Progress Report and the Accountant 2 (IVRS financial contract manager) will also add a financial component to the report. Quarterly Progress Reports are sent to the area office supervisor in which the contract is operating for their review and to add additional comments if applicable.

Finally, there is an Annual Monitoring Visit component. At a minimum of once a year an annual monitoring visit is completed to discuss the overall progress of the contract and any concerns. If there are performance metrics that are not met a corrective action plan will be created and agreed upon by all parties. Corrective actions are a focus of the quarterly reports the following *year*. *It is not IVRS’s stance to cancel a contract at any instance of not meeting a performance metric when we feel a corrective action plan is reasonable and attainable by the contractor.*

3.1.2 IVRS is in agreement with the findings and is in the process of developing our internal case management system to track this data.

3.1.3 IVRS is in agreement with the findings and will begin working with the appropriate stakeholders.

**RSA Response:** IVRS notes in its response to Finding 3.1.1 various policies and procedures it has in place related to contract procurement and monitoring, including an onsite monitoring activity that occurs in the first year, followed by corrective actions to be carried out over a second year. However, that process does not ensure that the costs paid under the contract in the first year, in which the contract goals and outcomes may not have been met, are reasonable and proportional to the benefit received by the VR program. RSA revised the finding to include references to 2 C.F.R. § 200.430(i)(1)(viii), which states that budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards but may be used for interim accounting purposes. For contracts, payments are based upon attainment of measurable goals and outcomes. When those goals and outcomes are not met, the agency must reconcile the contract costs based upon what a reasonable and proportional cost would be for the portion of contract outcomes achieved. The agency may not pay the unreconciled cost of a contract where the goals and outcomes were not achieved in the current year based upon a corrective action stating the contractor will do better in the subsequent year. IVRS must reconcile the current contract expenditures on an ongoing basis to ensure that all contract costs charged to the VR program are reasonable and proportional.

**VR Agency Request for Technical Assistance:** No Technical Assistance requested.

### **Finding 3.2 Inappropriate Assignment of Costs for Pre-Employment Transition Services for Individuals Who Are Blind**

**Issue:** Did IVRS and IDB assign costs for pre-employment transition services for blind consumers to IVRS, and not IDB, the VR agency in Iowa authorized to pay such costs.

**Requirements:** Section 113 of the Rehabilitation Act requires VR agencies to provide pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. Section 101(a)(11) of the Rehabilitation Act requires the VR agency to coordinate with other state agencies and other components of the workforce development system in the provision of VR services. The implementing VR regulations at 34 C.F.R. § 361.24(e) make it clear that, when a State has established a second VR agency to serve individuals who are blind or visually impaired, both VR agencies in the State must coordinate and cooperate to provide more effective services to individuals with multiple disabilities.

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

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

Provisions at 2 C.F.R. § 200.302(b)(4) require that the financial management system of each non-Federal entity must ensure effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

Additionally, Iowa Code § 7E.5 outlines the principal departments and primary responsibilities of the executive branch and states that IDB has primary responsibility for services relating to blind persons. Iowa Code § 56.6(7) indicates that individuals who meet the IDB's definition of "blind" are to be served primarily by the IDB. Individuals with multiple disabilities who also are blind may receive technical assistance and consultation services from IVRS while IDB provides their rehabilitation plan. Joint cases are served in the Iowa self-employment program and other contracts developed by IVRS.

**Analysis:** The memorandum of agreement (MOA) between IVRS and the Iowa Department for the Blind (IDB) indicates that IVRS may provide pre-employment transition services to students eligible for IDB services through its TAP program. The MOA indicates these eligible students may participate in the TAP program as potentially eligible students if deemed appropriate by an IDB VR counselor. IVRS reported eight such cases occurring since PY 2016 out of 50 total dual cases with IDB during this time frame.

The MOA states that dual cases require that IDB and IVRS Counselors consult with one another on the services to be provided, and that meetings to develop an IPE or to complete a review will be conducted jointly; however, an IPE was not developed jointly for the provision of pre-employment transition services for eight students with disabilities who were determined eligible for the VR program. Furthermore, the TAP contract generated by IVRS does not indicate how the contractor would trace and report costs for services to IDB consumers separately from costs for services to IVRS consumers as the TAP contract does not mention IDB consumers at all.

Based on RSA's review of financial documentation, IVRS paid cost for pre-employment transition services on behalf of IDB, the entity authorized to pay such costs for the consumers in accordance with the Unified State Plan. Therefore, RSA questions costs IVRS paid for pre-employment transition services to blind consumers that IVRS is not authorized to pay; simultaneously, IDB failed to make payments for such costs as required under its State Plan.

**Conclusion:** IVRS and IDB did not sufficiently coordinate to ensure each agency paid only its allocable share of costs for pre-employment transition services to blind students in at least 8 instances, and IVRS paid costs for the provision of services when IVRS was not authorized to do so. As a result, students who may be determined eligible for VR services by IDB were provided pre-employment transition services by IVRS and not IDB.

**Corrective Actions 3.2** RSA requires that IVRS—

- 3.2.1 Determine costs paid by IVRS for pre-employment transition services to blind students that IVRS was not authorized to pay for FFYs 2016 - 2020. Submit documentation of these to RSA and adjust Federal financial reports accordingly.
- 3.2.2 Update policies, procedures, and internal controls (including MOAs as necessary) to ensure staff properly allocate costs to IVRS and IDB for services to individuals served jointly by IVRS and IDB.

**VR Agency Response:** IVRS is in agreement with these findings.

**RSA Response:** RSA appreciates IVRS' response and looks forward to working with the agency to resolve the finding through its corrective action plan and ongoing technical assistance.

**VR Agency Request for Technical Assistance:** IVRS is requesting Technical Assistance in the development of an MOU with Iowa Department for the Blind (IDB) to better understand how to manage shared cases and cost allocation for those cases. We request this TA be done jointly with IDB.

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

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## **Vocational Rehabilitation Services and State Supported Employment Program Performance Tables**

Table 1—IA-G VR Agency Profile (PYs 2017-2019)

Table 2—IA-G Number and Percentage of Participants Served by Primary Disability Type (PYs 2017-2019)

Table 3—IA-G Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PYs 2017-2019)

Table 4—IA-G Number and Percentage of Individuals Exiting by Reason during the VR Process (PYs 2017- 2019)

Table 5—IA-G VR Services Provided to Participants (PYs 2017-2019)

Table 6—IA-G Types of Measurable Skill Gains Earned and Number of Participants Who Earned Measurable Skill Gains (PYs 2017-2019)

Table 7—IA-G 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 8—IA-G Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PYs 2017-2019)

Table 9—IA-G 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 10—IA-G Number and Percentage of Required Pre-Employment Transition Services Provided (PYs 2017-2019)

## **Vocational Rehabilitation Program Other Measures That Matter**

Measure 1—IA-G Sustaining Employment After Exit (January 1, 2018 – December 31, 2018) Measure 2—IA-G Profile: Quality Employment (PY 2019)

Measure 3—IA-G Profile: VR Process Efficiency (PY 2019)

Measure 4—IA-G Profile: VR Service Provision (PY 2019)

Measure 5—IA-G Percent of Participants Enrolled in Education/Training Program Leading to a Recognized Credential/Employment (PY 2019)

Measure 6—IA-G Profile: Pre-Employment Transition Services (PY 2019)

**Table 1—IA-G VR Agency Profile (PYs 2017-2019)**

<b>VR Agency Profile Data</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Employment Rate	47.0%	48.0%	48.0%
Number of Participants Exiting in Competitive Integrated Employment or Supported Employment	2,090	2,110	1,930
Percentage of Timely Eligibility Determinations	90.1%	90.8%	92.6%
Percentage of Eligibility Determination Extensions	3.9%	4.7%	6.6%
Percentage of Timely IPE Development	78.0%	78.3%	80.9%
Number of Applicants	5,517	5,452	4,285
Number of Individuals Determined Eligible	5,153	5,163	4,333
Number of Individuals with an IPE and No VR Services Provided	136	7	2
Number of Participants (with an IPE and VR Services Provided)	16,288	15,459	14,541
<b>WIOA Performance Indicators (General or Blind VR Agency)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Measurable Skill Gains Rate	22%	35.2%	34.6%
Employment Rate in 2 <sup>nd</sup> Qtr After Exit	N/A	52.0%	59.5%
Median Earnings in 2 <sup>nd</sup> Qtr After Exit	N/A	4,291	3,598
Employment Rate in 4 <sup>th</sup> Qtr After Exit	N/A	N/A	54.1%
Credential Attainment Rate	N/A	N/A	54.8%
<b>WIOA Performance Indicators (Statewide)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Measurable Skill Gains Rate	22%	35.2%	34.6%
Employment Rate in 2 <sup>nd</sup> Qtr After Exit	N/A	52.0%	59.5%
Median Earnings in 2 <sup>nd</sup> Qtr After Exit	N/A	4,291	3,598
Employment Rate in 4 <sup>th</sup> Qtr After Exit	N/A	N/A	54.1%
Credential Attainment Rate	N/A	N/A	54.8%

**Table 2—IA-G 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	59	0.4%	49	0.3%	48	0.3%
Auditory or Communicative	663	4.1%	704	4.6%	675	4.6%
Physical	3,088	19.0%	2,834	18.3%	2,589	17.8%
Cognitive	6,539	40.1%	6,131	39.7%	5,686	39.1%
Psychological or Psychosocial	5,617	34.5%	5,639	36.5%	5,543	38.1%
<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	14	0.1%	12	0.1%	12	0.1%
Other Visual Impairments	45	0.3%	37	0.2%	36	0.2%
Deafness, Primary Communication Visual	119	0.7%	131	0.8%	132	0.9%
Deafness, Primary Communication Auditory	35	0.2%	33	0.2%	31	0.2%

<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>
Hearing Loss, Primary Communication Visual	84	0.5%	99	0.6%	104	0.7%
Hearing Loss, Primary Communication Auditory	322	2.0%	348	2.3%	325	2.2%
Other Hearing Impairments (Tinnitus, Meniere's Disease, hyperacusis, etc.)	36	0.2%	25	0.2%	25	0.2%
Deaf-Blindness	4	0.0%	2	0.0%	1	0.0%
Communicative Impairments (expressive/receptive)	63	0.4%	66	0.4%	57	0.4%
Mobility Orthopedic/Neurological Impairments	712	4.4%	680	4.4%	624	4.3%
Manipulation/Dexterity Orthopedic/Neurological Impairments	194	1.2%	160	1.0%	135	0.9%
Both Mobility and Manipulation/Dexterity Orthopedic/Neurological Impairments	439	2.7%	396	2.6%	377	2.6%
Other Orthopedic Impairments (e.g., limited range of motion)	237	1.5%	209	1.4%	185	1.3%
Respiratory Impairments	138	0.8%	128	0.8%	113	0.8%
General Physical Debilitation (e.g., fatigue, weakness, pain, etc.)	964	5.9%	898	5.8%	818	5.6%
Other Physical Impairments (not listed above)	404	2.5%	363	2.3%	337	2.3%
Cognitive Impairments (e.g., impairments involving learning, thinking, processing information and concentration)	6,539	40.1%	6,131	39.7%	5,686	39.1%
Psychosocial Impairments (e.g., interpersonal and behavioral impairments, difficulty coping)	5,449	33.5%	5,469	35.4%	5,387	37.0%
Other Mental Impairments	168	1.0%	170	1.1%	156	1.1%

**Table 3—IA-G Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PYs 2017-2019)**

Individuals Who Exited the VR Program			PY 17	PY 18	PY 9	
Number of Individuals Who Exited the VR Program			6,130	7,371	10,022	
Exit Type	PY 17 Number of Individuals	PY 17 Percent	PY 18 Number of Individuals	PY 18 Percent	PY 19 Number of Individuals	PY 19 Percent
Individual exited as an applicant, prior to eligibility determination or trial work experience	318	5.2%	304	4.1%	194	1.94%
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	35	0.6%	19	0.3%	6	0.1%
Individual exited after eligibility, but prior to a signed IPE	860	14.0%	1,319	17.9%	725	7.2%
Individual exited after an IPE without an employment outcome	2,353	38.4%	2,260	30.7%	2,085	20.8%
Individual exited after an IPE in noncompetitive and/or nonintegrated employment	5	0.1%	3	0.0%	2	0.0%
Individual exited after an IPE in competitive and integrated employment or supported employment	2,090	34.1%	2,110	28.6%	1,930	19.3%
Individual exited as an applicant after being determined ineligible for VR services	77	1.3%	62	0.8%	43	0.4%
Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services	392	6.4%	1,294	17.6%	5,037	50.3%
<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			394	306	354	
Number of Participants Who Exited with a Supported Employment Outcome in Noncompetitive and/or Nonintegrated Employment			-	-	-	

**Table 4—IA-G 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	25	0.4%	18	0.2%	18	0.2%
Health/Medical	145	2.4%	153	2.1%	150	1.5%
Death of Individual	34	0.6%	48	0.7%	34	0.3%
Reserve Forces Called to Active Duty	1	0.0%	-	0.0%	1	0.0%
Foster Care	-	0.0%	-	0.0%	-	0.0%
Ineligible after determined eligible	90	1.5%	65	0.9%	51	0.5%
Criminal Offender	49	0.8%	46	0.6%	43	0.4%
No Disabling Condition	40	0.7%	38	0.5%	25	0.2%
No Impediment to Employment	31	0.5%	26	0.4%	18	0.2%
Does Not Require VR Service	21	0.3%	7	0.1%	3	0.0%
Disability Too Significant to Benefit from Service	40	0.7%	32	0.4%	15	0.1%
No Long Term Source of Extended Services Available	1	0.0%	-	0.0%	1	0.0%
Transferred to Another Agency	34	0.6%	33	0.4%	24	0.2%
Achieved Competitive Integrated Employment Outcome	2,090	34.1%	2,110	28.6%	1,930	19.3%
Extended Employment	5	0.1%	3	0.0%	2	0.0%
Extended Services Not Available	5	0.1%	2	0.0%	3	0.0%
Unable to Locate or Contact	1,187	19.4%	1,401	19.0%	1,098	11.0%
No Longer Interested in Receiving Services or Further Services	1,682	27.4%	1,799	24.4%	1,343	13.4%
All Other Reasons	258	4.2%	296	4.0%	5,263	52.5%
Number of Individuals Who Exited the VR Program	6,130	100%	7,371	100%	10,022	100%

**Table 5—IA-G VR Services Provided to Participants (PYs 2017-2019)**

Participants Who Received Services			PY 17	PY 18	PY 19	
Total Number of Participants Who Received VR Services			16,288	15,459	14,541	
Training Services Provided to Participants	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Graduate Degree Training	130	0.8%	138	0.9%	145	1.0%
Bachelor’s degree Training	914	5.6%	834	5.4%	753	5.2%
Junior or Community College Training	1,187	7.3%	1,069	6.9%	976	6.7%
Occupational or Vocational Training	499	3.1%	529	3.4%	438	3.0%
On-the-Job Training	90	0.6%	91	0.6%	74	0.5%
Apprenticeship Training	4	0.0%	2	0.0%	1	0.0%
Basic Academic Remedial or Literacy Training	3	0.0%	4	0.0%	7	0.0%
Job Readiness Training	678	4.2%	730	4.7%	823	5.7%
Disability Related Skills Training	13	0.1%	15	0.1%	35	0.2%
Miscellaneous Training	199	1.2%	233	1.5%	322	2.2%
Randolph-Sheppard Entrepreneurial Training	-	0.0%	-	0.0%	-	0.0%
Customized Training	-	0.0%	-	0.0%	-	0.0%
Career Services Provided to Participants	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Assessment	4,773	29.3%	4,044	26.2%	3,064	21.1%
Diagnosis and Treatment of Impairment	48	0.3%	59	0.4%	85	0.6%
Vocational Rehabilitation Counseling and Guidance	15,153	93.0%	15,135	97.9%	14,541	100.0%
Job Search Assistance	3,640	22.3%	3,827	24.8%	3,854	26.5%
Job Placement Assistance	995	6.1%	922	6.0%	1,085	7.5%
Short-Term Job Supports	662	4.1%	647	4.2%	785	5.4%
Supported Employment Services	965	5.9%	1,036	6.7%	856	5.9%
Information and Referral Services	2,376	14.6%	2,390	15.5%	2,676	18.4%
Benefits Counseling	628	3.9%	738	4.8%	1,154	7.9%
Customized Employment Services	79	0.5%	83	0.5%	28	0.2%
Extended Services (for youth with the most significant disabilities)	19	0.1%	29	0.2%	40	0.3%

<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	602	3.7%	602	3.9%	571	3.9%
Maintenance	1,356	8.3%	1,444	9.3%	1,364	9.4%
Rehabilitation Technology	352	2.2%	464	3.0%	423	2.9%
Personal Attendant Services	9	0.1%	3	0.0%	5	0.0%
Technical Assistance Services	63	0.4%	158	1.0%	209	1.4%
Reader Services	2	0.0%	1	0.0%	1	0.0%
Interpreter Services	129	0.8%	124	0.8%	107	0.7%
Other Services	304	1.9%	303	2.0%	405	2.8%

**Table 6—IA-G Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gains (PYs 2017-2019)**

<b>Types of Measurable Skill Gains Earned</b>	<b>Number 2017</b>	<b>Number 2018</b>	<b>Number 2019</b>
Educational Functioning Level	1	1	1
Secondary Diploma	1,135	1,674	1,711
Postsecondary Transcript/ Report Card	794	1,285	1,124
Training Milestone	51	142	100
Skills Progression	106	110	64
Total	2,087	3,212	3,000
<b>Participants Who Earned Measurable Skill Gains</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of Participants Who Earned Measurable Skill Gains	2,037	3,126	2,950

**Table 7—IA-G 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		2,090	2,110	1,930		
Median Hourly Earnings at Exit		\$10.50	\$10.75	\$11.53		
Median Hours Worked per Week at Exit		32	30	32		
<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	1,530	73.2%	1,471	69.7%	1,411	73.1%
Family and Friends	102	4.9%	152	7.2%	138	7.2%
Public Support	453	21.7%	474	22.5%	370	19.2%
Other Sources	5	0.2%	13	0.6%	11	0.6%
<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	357	17.1%	380	18.0%	326	16.9%
Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Exit	353	16.9%	383	18.2%	277	14.4%
Temporary Assistance for Needy Families (TANF) at Exit	2	0.1%	4	0.2%	2	0.1%
General Assistance (State or local government) at Exit	1	0.0%	2	0.1%	1	0.1%
Veterans' Disability Benefits at Exit	7	0.3%	8	0.4%	6	0.3%
Workers' Compensation at Exit	-	0.0%	-	0.0%	-	0.0%
Other Public Support at Exit	65	3.1%	46	2.2%	37	1.9%
<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	847	40.5%	971	46.0%	808	41.9%
Medicare at Exit	298	14.3%	288	13.6%	267	13.8%
State or Federal Affordable Care Act Exchange at Exit	51	2.4%	28	1.3%	30	1.6%
Public Insurance from Other Sources at Exit	18	0.9%	26	1.2%	18	0.9%
Private Insurance Through Employer at Exit	467	22.3%	437	20.7%	470	24.4%
Not Yet Eligible for Private Insurance Through Employer at Exit	94	4.5%	136	6.4%	163	8.4%
Private Insurance Through Other Means at Exit	599	28.7%	555	26.3%	503	26.1%

**Table 8— IA-G Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PYs 2017-2019)**

No.	PY 19 SOC Title	PY 17 Number of Participants	PY 17 Median Hourly Earnings
1	Stock Clerks and Order Fillers	150	\$10.00
2	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	137	\$9.99
3	Building Cleaning Workers, All Other	82	\$8.50
4	Construction Laborers	80	\$9.30
5	Office Clerks, General	66	\$10.00
6	Carpenters	56	\$8.25
7	Police and Sheriff's Patrol Officers	54	\$8.63
8	Combined Food Preparation and Serving Workers, Including Fast Food	52	\$10.00
9	Maintenance and Repair Workers, General	51	\$8.25
10	Computer User Support Specialists	47	\$8.50
No.	PY 19 SOC Title	PY 18 Number of Participants	PY 18 Median Hourly Earnings
1	Stock Clerks and Order Fillers	152	\$10.00
2	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	136	\$10.00
3	Building Cleaning Workers, All Other	83	\$9.00
4	Construction Laborers	76	\$10.00
5	Office Clerks, General	64	\$10.00
6	Carpenters	58	\$10.40
7	Police and Sheriff's Patrol Officers	57	\$10.00
8	Combined Food Preparation and Serving Workers, Including Fast Food	56	\$9.00
9	Maintenance and Repair Workers, General	48	\$9.46
10	Computer User Support Specialists	47	\$9.00
No.	PY 19 SOC Title	PY 19 Number of Participants	PY 19 Median Hourly Earnings
1	Stock Clerks and Order Fillers	131	\$10.00
2	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	117	\$10.00
3	Building Cleaning Workers, All Other	74	\$10.50
4	Construction Laborers	67	\$8.50
5	Office Clerks, General	66	\$10.54
6	Carpenters	55	\$12.00
7	Police and Sheriff's Patrol Officers	55	\$9.00
8	Combined Food Preparation and Serving Workers, Including Fast Food	52	\$10.00
9	Maintenance and Repair Workers, General	34	\$11.30
10	Computer User Support Specialists	32	\$8.75

**Table 9—IA-G 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/ Percentage of Students</b>	<b>PY 18 Number/ Percentage of Students</b>	<b>PY 19 Number/ Percentage of Students</b>
Total Students with Disabilities Reported	14,985	19,453	21,053
Students with Disabilities Reported with 504 Accommodation	845	1,193	1,314
Students with Disabilities Reported with IEP	13,587	17,411	18,766
Students with Disabilities Reported without 504 Accommodation or IEP	553	849	973
Total Students with Disabilities Who Received a Pre-Employment Transition Service	11,100	15,739	17,411
Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service	7,836	10,347	10,702
Students with Disabilities, Who Applied for VR Services, and Received a Pre-Employment Transition Service	3,264	5,392	6,709
Percentage of Students with Disabilities Reported Who Received a Pre-Employment Transition Service	74.1%	80.9%	82.7%

**Table 10—IA-G 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	71,618		130,705		154,044	
Job Exploration Counseling	20,441	28.5%	33,605	25.7%	36,904	24.0%
Work-Based Learning Experiences	5,407	7.5%	11,965	9.2%	16,482	10.7%
Counseling on Enrollment Opportunities	18,709	26.1%	33,363	25.5%	38,248	24.8%
Workplace Readiness Training	15,069	21.0%	28,173	21.6%	32,685	21.2%
Instruction in Self-Advocacy	11,992	16.7%	23,599	18.1%	29,725	19.3%

## Vocational Rehabilitation Program Other Measures That Matter

### Measure 1—IA-G Sustaining Employment After Exit (January 1, 2018 – December 31, 2018)

This measure is the percent of VR program participants who are employed at exit and employed in the Second and Fourth Quarters after Exit.

	Number/Percent
Number Exited with Employment (01/01/2018-12/31/2018)	2,129
Number Employed in Second Quarter after Exit AND Fourth Quarter after Exit	1,546
Percent Sustaining Employment	72.64%

### Measure 2—IA-G Profile: Quality Employment (PY 2019)

This profile provides information related to employment status at exit and four quality indicators of employment:

1. Median Hourly Earnings.
2. Median Hours Worked per Week.
3. Employer-Provided Health Insurance; and
4. Social Security beneficiary information

Primary Disability	Number of Participants Exiting with Employment	Percent of Total Exiting with Employment	Median Hourly Earnings at Exit	Median Hours Worked per Week at Exit	Number with Health Insurance at Exit	Number with SS Benefits at Exit	Percent Employed at Exit
Visual	5	0.26%	\$10.00	35.0	4	1	45.45%
Communication	176	9.12%	\$16.00	40.0	167	23	73.64%
Physical	379	19.64%	\$13.00	36.0	364	122	47.67%
Intellectual	728	37.72%	\$11.00	30.0	684	247	50.84%
Psychosocial	642	0%	\$11.00	30.0	601	159	41.74%
Significance of Disability	Number of Participants Exiting with Employment	Percent of Total Exiting with Employment	Median Hourly Earnings at Exit	Median Hours Worked per Week at Exit	Number with Health Insurance at Exit	Number with SS Benefits at Exit	Percent Employed at Exit
Significant	1,118	57.93%	\$13.00	40.0	1,032	128	52.76%
Most Significant	797	41.30%	\$10.00	20.0	775	424	42.67%
Students with Disabilities	Number of Participants Exiting with Employment	Percent of Total Exiting with Employment	Median Hourly Earnings at Exit	Median Hours Worked per Week at Exit	Number with Health Insurance at Exit	Number with SS Benefits at Exit	Percent Employed at Exit
Received Pre-Employment Transition Service under IPE	434	22.49%	\$10.83	32.0	401	71	45.68%

**Measure 3—IA-G Profile: VR Process Efficiency (PY 2019)**

This profile provides information related to how efficiently individuals with disabilities were determined eligible for the VR program and received an Individualized Plan for Employment (IPE) within the Program Year. This profile will also show the outcomes these individuals if they exited during the Program Year.

<b>Application to Eligibility (PY 2019)</b>		<b>Number</b>		
Number of Individuals Who Applied in PY 2019		4,286		
Number of Individuals Determined Eligible in PY 2019		4,334		
<b>Application to Eligibility (PY 2019)</b>		<b>30 Days after Application</b>	<b>31 and 60 Days after Application</b>	<b>61 or More Days after Application</b>
Number Determined Eligible within:		1,921	1,824	301
Percent Determined Eligible within:		47.48%	45.08%	7.44%
Number Determined Eligible in PY 2019 Who Exited with Employment during PY 2019 within		62	32	2
Number Determined Eligible in PY 2019 Who Exited without Employment during PY 2019 within		88	42	2

<b>Eligibility to IPE (PY 2020)</b>		<b>Number</b>			
Number of Individuals Who Had IPEs Developed in PY 2020					
<b>Eligibility to IPE (PY 2020)</b>		<b>30 Days after Eligibility</b>	<b>31 and 60 Days after Eligibility</b>	<b>61 and 90 Days after Eligibility</b>	<b>91 or More Days after Eligibility</b>
Number with IPEs Developed within:					
Percent of IPEs Developed within:					
Number with IPEs Developed in 2020 Who Exited with Employment during PY 2020					
Number with IPEs Developed in 2020 Who Exited without Employment during PY 2020					

\*PY 2020 data was not available at the time of this FFY 2021 monitoring review.

**Measure 4—IA-G Profile: VR Service Provision (PY 2019)**

This profile shows the number of VR program participants who received at least one VR service divided by the total number of VR program participants.

<b>VR Program Participants</b>	<b>Program Year 2019 Q1</b>	<b>Program Year 2019 Q2</b>	<b>Program Year 2019 Q3</b>	<b>Program Year 2019 Q4</b>
Number of Participants Receiving VR Services	11,831	11,529	11,561	11,298
Total Number of Participants	11,831	11,529	11,561	11,298
Percent Receiving VR Services	100%	100%	100%	100%

**Measure 5—IA-G Percent of Participants Enrolled in Education/Training Program  
Leading to a Recognized Credential/Employment (PY 2019)**

This measure shows the number of VR program participants who could earn a Measurable Skill Gains, as they work towards a Recognized Postsecondary Credential or Employment, divided by the total number of VR program participants being served. This measure uses the MSG Rate denominator as its numerator while the denominator is the total number of VR program participants.

<b>Program Year 2019 MSG Rate Denominator</b>	<b>Program Year 2019 Total Number of Participants Served</b>	<b>Program Year 2019 Percent of Participants Eligible to Earn MSG</b>
8,612	14,541	59.23%

**Measure 6—IA-G Profile: Pre-Employment Transition Services (PY 2019)**

These profiles provide information related to the breakout of students with disabilities who received pre-employment transitions services in terms of the potentially eligible students with disabilities and the students with disabilities who received these services under an IPE and the number of students with disabilities who advance from potentially eligible status to VR program participant status and their outcomes. This data may be used to evaluate the relationship between the provision of pre-employment transition services, movement in the VR process, and employment outcomes.

<b>Students with Disabilities (PY 2019)</b>	<b>Job- Exploration Counseling</b>	<b>Workplace Readiness Training</b>	<b>Work-Based Learning Experience</b>	<b>Counseling on PSE Enrollment</b>	<b>Self- Advocacy Training</b>	<b>One or More Service</b>
Number of Potentially Eligible Students Who Received Service	6,719	6,312	2,266	6,994	4,985	10,702
Number of Students Who Received Service under IPE	4,391	3,717	2,552	4479	3,916	5,382
Number of Students Who Received Service as Both Potentially Eligible and under an IPE	2,655	2,319	1,559	2,680	2,335	3,044
Number of Students Who Exited with Employment during PY	320	0	152	352	0	0
Number of Students Who Exited without Employment during PY	403	318	182	405	338	516

	<b>Number/ Percent</b>
Total Number of Participants in VR Program	14,541
Number of Potentially Eligible Students with Disabilities Who Received Pre-Employment Transition Services	10,702
Percent of Potentially Eligible Students with Disabilities Who Received Pre-Employment Transition Services	99.3%
Total Number of Applicants to VR Program	4,286
Number of Potentially Eligible Students with Disabilities Who Applied to VR Program	1,295
Percent of Potentially Eligible Students with Disabilities Who Applied to VR Program	30.2%

## **APPENDIX B: FISCAL DATA TABLES**

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The fiscal data tables generally included in RSA’s monitoring reports are reflective of the latest version of the SF-425 financial data submitted by the VR agency as of the date of the review. Due to the transition of the RSA Management Information System (RSAMIS) during the period of review, fiscal staff used the individual report submissions in lieu of the fiscal data tables. Consequently, RSA has not included the fiscal tables in this report to avoid any confusion or misinterpretation. The agency’s individual SF-425 and RSA-2 submissions are publicly available on the RSAMIS website. Any questions about the fiscal data used for the review should be addressed to the Financial Management Specialist that conducted the review.”