

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



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

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SECTION 1: THE SCOPE OF THE REVIEW

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 Nebraska Vocational Rehabilitation (NEVR) 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 May 3 through 13, 2021, was defined by information, documents, and data submitted by NEVR, taking into account the goals, unique circumstances, and technical assistance needs of NEVR.

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 Jason Hunter (Technical Assistance Unit); Jim Doyle and Jessica Davis (Vocational Rehabilitation Program Unit); Craig McManus (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 NEVR for the cooperation and assistance extended throughout the review process. RSA also appreciates the participation of others, such as the Client Assistance Program, advocates, and other stakeholders during the review process.

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

A. Purpose

Through this focus area, RSA assessed 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 the 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 NEVR on the Case Service Report (RSA-911) and the WIOA Statewide Performance Report (ETA-9169) for program years (PYs) 2017 through 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 NEVR uses data to inform program performance and management of the VR and Supported Employment programs.

Performance Data Summary and Analysis

During the review period, the number of applicants, individuals determined eligible for VR services, and individuals with an individualized plan for employment (IPE) decreased from PY 2017 through PY 2019. NEVR attributed the decline in applicants to a reduction in referrals due to its order of selection (OOS), and limited VR agency staff capacity due to staff vacancies from a 2018 hiring freeze. Since September 2019, NEVR has been in the process of filling 35 positions. There are currently 34 office vacancies (23 specialist and 11 associate vacancies), significantly more than the 11 office vacancies prior to implementation of the OOS. As vacancies are filled, NEVR anticipates an increase in the number of clients able to be served. With additional staff, the VR agency anticipated and was able to open Priority Group 2 on October 1, 2021.

The information presented below represents a summary of relevant data related to the performance of NEVR.

The VR Process

RSA reviewed trend data, including the most recent program year, to understand the engagement and movement of individuals with disabilities through the VR process. The analysis assisted RSA and NEVR in identifying potential obstacles to efficient service delivery and employment

of individuals with disabilities throughout the VR process and effective VR agency initiatives, practices, or policies that have contributed to continuous improvement or declines in performance.

From PY 2017 through PY 2019, the total number of VR applicants declined from 3,446 individuals to 1,763 individuals, a decrease of nearly 50 percent. During the same period, the number of eligible individuals decreased from 3,286 individuals in PY 2017 to 1,801 individuals in PY 2019, and the number of individuals receiving services under an IPE decreased from 5,655 participants in PY 2017 to 2,043 in PY 2019, a 64 percent decrease.

Despite the significant decrease in VR applicants, eligible individuals, and participants receiving services under an IPE, the percentage of IPEs developed within 90 days from eligibility dropped from 78.9 percent in PY 2017 to 65.5 percent in PY 2019. RSA noted that the delays in IPE development may have contributed to increased rates of attrition as individuals exited the VR process due to delays in service delivery. In PY 2019, 968 individuals exited the VR process after being determined eligible for services, but before the development of an IPE. This accounts for approximately 48 percent of all individuals whose VR cases were closed after applying for VR services in PY 2019. RSA reviewed the statutory timeframe with the agency and encouraged NEVR to strive towards the 90 percent or better IPE development compliance metric for PY 2020.

RSA emphasized the importance of developing IPEs within the 90-day timeframe following the eligibility determination and discussed NEVR's efforts to improve its performance in this area. NEVR attributed the delays in the development of IPEs and case closures to multiple reasons, most notably, the resulting delay in receiving services for those in closed categories on the OOS. NEVR implemented an OOS in FFY 2017 and closed all three priority categories due to the lack of fiscal resources and staff capacity, including most significantly disabled (MSD), significantly disabled (SD), and non-significantly disabled (NSD). In addition, NEVR implemented a hiring freeze as an additional cost saving measure contributing to a significant staffing shortage that persisted for the next several years. As a result, the OOS was prolonged and individuals eligible for VR services were typically on a waitlist for a considerable period, averaging from 11.6 months to 22.6 months for PY 2019 depending upon the priority category. As a result, NEVR reported difficulty reaching some individuals and required additional time to reengage with the individual to conduct a comprehensive vocational evaluation prior to developing an IPE.

In addition, NEVR uses multiple IPE forms when engaging in IPE development activities with the agency's participants (e.g., IPE Services Provided, IPE Community Services, Job Goal at Outcome, etc.). While it was unclear whether the use of multiple IPE forms contributed to further delays during the IPE development process, RSA recommended NEVR condense these forms into one document. This is discussed further under Section C of this focus area.

NEVR expressed that the extended closure of its priority categories and prolonged delay in removing eligible individuals from its waitlist, coupled with a decline in NEVR outreach activities, contributed to the overall decrease in the number of individuals who applied and were determined eligible for VR services. NEVR reported that although some of the regional offices implement an informal process to periodically contact eligible individuals on the waitlist, NEVR has no formalized statewide process. RSA explained the importance of maintaining contact with

individuals on the waitlist and potential VR referral sources and provided technical assistance to develop a formal process to reduce attrition of individuals exiting from the waitlist. NEVR had all priority categories closed at the time the review was conducted but in the months that followed RSA's review, the agency requested technical assistance regarding the plans to open one or more of its priority categories and conduct a public meeting to seek public input on opening the most significant disability priority category prior to amending the VR portion of its State Plan.

VR Services

RSA reviewed and analyzed data and policies in consultation with NEVR 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 services, and received quality services needed to maximize achievement of their employment goals.

With few exceptions, NEVR provides most VR services through its VR counselors and other staff instead of purchasing services from community rehabilitation providers (CRPs) or other public or private providers. NEVR indicated that its staff who are trained and educated in vocational rehabilitation or related fields generally have the expertise and knowledge to best assess and serve consumers and few CRPs are established in the rural areas of the state. VR services such as comprehensive vocational evaluations, pre-employment transition services, work readiness training, job development, job search, and job placement services are provided to individuals eligible for VR services or pre-employment transition services almost exclusively by staff, while other VR services, such as postsecondary education, supported and non-supported job coaching services, and all summer camps delivering pre-employment transition services are notable exceptions and are purchased services.

Of the 2,043 participants who received VR services in PY 2019, 898 participants (43.9 percent) received the following postsecondary education training services: graduate degree training (2.8 percent), bachelor's degree training (19.3 percent), and junior or community college training (21.8 percent). In addition, NEVR reported 46 participants (2.3 percent) received occupational or vocational training, 42 participants (2.1 percent) received on-the-job training, and one participant received apprenticeship training during the same period. In total, NEVR reported 941 participants (46 percent of all participants) were in an education or training program and were eligible for measurable skill gains or credential attainment in PY 2019.

However, the performance data review highlighted inconsistencies between the amount of training provided and the number of measurable skill gains reported. Although NEVR reported 941 participants (46 percent) enrolled in a postsecondary education or training program for PY 2019, only 537 participants were identified as eligible for an MSG, and 102 participants were reported as earning measurable skill gains, including those enrolled in secondary education. Similarly, measurable skill gains were underreported for students during the same program year. NEVR reported 10,839 students with disabilities and only reported individuals earning 15 secondary diplomas and 84 postsecondary transcripts/report cards leading to measurable skill gains during the same period. Of those eligible for measurable skill gains, NEVR reported 18.9 percent achieved at least one measurable skill gain in PY 2019.

NEVR attributed the under-reporting of participants eligible for measurable skill gains to a case management system change that altered where measurable skill gains were entered. As a result, NEVR identified the need to include measurable skill gains in the education screen, with the option to load supporting documentation. NEVR provided training to staff related to the tracking and reporting of measurable skill gains in January 2021, and the agency plans to issue subsequent guidance. NEVR acknowledged during the review that additional staff training will be necessary.

Of the career services provided to participants in PY 2019, 2,041 individuals (99.9 percent) received information and referral services, while 1,970 individuals (96.4 percent) received an assessment, 1,905 individuals (74.9 percent) received vocational rehabilitation counseling and guidance, and 1,019 individuals received job search assistance. NEVR communicated that it is currently working with its staff to ensure they are including vocational guidance and counseling on all IPEs. NEVR also shared that it provides job search and placement services directly by VR counselors and NEVR employment specialists.

As noted, NEVR supported a significant percentage of its participants in postsecondary education or training programs. The data demonstrated interest and commitment to the delivery of VR services that lead to career and skilled employment requiring higher education or technical skills training. When compared to the national averages for PY 2019 for all general VR agencies, NEVR supported a higher percentage of its participants in graduate degree training at 2.8 percent (averaging 0.6 percent nationally), bachelor's degree training at 19.3 percent (averaging 6.3 percent nationally), and junior or community college training at 21.8 percent (averaging 5.5 percent nationally). In comparison, NEVR provided a lower percentage of participants with other forms of training in PY 2019 when compared to the national average for all general agencies that prepare participants for skilled employment, such as occupational or vocational training at 2.3 percent (averaging 6.9 percent nationally), on-the-job training at 2.1 percent (averaging 2.7 percent nationally) and apprenticeship training at zero percent, or one participant (averaging 0.1 percent nationally). Although the percentages for participants enrolled in a graduate degree, bachelor's degree, and junior or community college training programs increased from PYs 2017 through 2019, the number of participants for each training program declined during the same period. For example, while the percentage of participants enrolled in bachelor's degree programs increased from 11.3 percent in PY 2017 to 19.3 percent in PY 2019, the number of participants declined from 639 to 395 individuals. Similarly, the percentage of participants enrolled in junior or community college increased from 18.7 percent to 21.8 percent, but the number of participants declined from 1,057 individuals to 446 individuals during this same period. In addition, the number of participants declined from PYs 2017 through 2019 for the following training programs: occupational or vocational training (from 204 to 46 participants), on-the-job training (from 125 to 42 participants), and apprenticeship training (from seven to one participant).

The data results suggest that NEVR is developing and supporting its participants with the necessary training and education to achieve competitive integrated employment. Still, the number of participants has significantly decreased over the three program years. NEVR emphasized the extensive vocational evaluation process that its staff provides to all consumers to fully explore the most appropriate vocational goal consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice. NEVR provides comprehensive vocational evaluations to all individuals eligible for VR services

using its own Discovery Booklet. This 40-page assessment booklet is completed by agency staff or can be completed independently by the individual. In addition, NEVR may develop short-term internships as an assessment service to allow for further job exploration, when necessary. As a result of using its trained VR staff to provide these services, NEVR believes its counselors are in an ideal position to collaborate with consumers in establishing a realistic vocational goal. NEVR's data supports its focus on providing assessment services during the early part of the VR process and prior to the development of the IPE, with between 99 percent and 96 percent of its participants receiving assessments services between PYs 2017 and 2019.

Since NEVR relies almost exclusively on its staff to provide its assessment services and other VR services, little opportunity remains for CRPs to develop in the majority of the State. As a result, when the agency experienced significant staff reductions following a hiring freeze in 2018, NEVR lacked the resources to serve additional applicants or eligible individuals, leading to the extension of its OOS and closure of all categories. The number of individuals receiving VR services decreased from 5,655 in PY 2017 to 2,043 individuals in PY 2019, a 64 percent reduction in participants served.

In PY 2019, 607 participants (29.7 percent) received supported employment services with no extended services provided to youth with most significant disabilities from PY 2017 through PY 2019. Of those who received supported employment services, 104 participants (of the 381 participants who exited with employment in PY 2019) achieved supported employment. NEVR provides VR services prior to job placement and then initiates supported employment services through one of three milestone contracts. NEVR provides VR services, including discovery services, benefits counseling services, and customized employment, through its Title I funds before delivering supported employment services (e.g., ongoing support services and job coaching services) through its Titles I and VI funds. Depending upon the individual's disability and the funder for the extended services, NEVR may use different milestone payment schedules for program funders including Supported Employment Intellectual and Developmental Disabilities, Acquired Brain Injury and Autism, and Behavioral Health. The primary differences are in the amounts paid at each of the five milestones plus the initial discovery services provided and the total amount paid to the provider. At the time of the review, a memorandum of understanding (MOU) was being developed to increase the collaboration between NEVR and the Nebraska Department of Health's Division of Behavioral Health (DBH) to more effectively and efficiently coordinate supported employment services for individuals with most significant disabilities and extended services for youth with most significant disabilities through a streamlined milestone contract that focused on three milestones instead of the five milestones in the traditional contract and allowed for greater variation in the amount of supported job coaching that could be provided based on the individual's needs. Finally, the new agreement would eliminate the provision of milestones five A and B (Milestone 5A and 5B), which allowed for the provider to receive additional payments six months and twelve months post-case closure and into the extended services phase if the individual was still successfully employed.

In terms of other services provided to participants, the data demonstrate a significant decline in the number and percentage of participants that received support services from PY 2017 through PY 2019. The number of individuals that received transportation declined from 1,484 individuals (26.2 percent) to 331 individuals (16.2 percent), maintenance services from 1,487 individuals (26.3 percent) to 315 individuals (15.4 percent), rehabilitation technology from 1,020 individuals

(18 percent) to 363 individuals (17.8 percent), and other services from 1,131 individuals (20 percent) to 287 individuals (14 percent). At the time of the review, NEVR committed to analyzing the services reported as “other services” and training staff on reporting and coding these services accurately in the case management system. NEVR reported that the decline in services was attributable to the OOS and closure of categories but was unable to identify why other services declined at a faster rate compared to the percentage of participants receiving services.

Quality of Employment Outcomes

The RSA review team examined data reported by NEVR along with its policies and practices to determine how the VR agency maximizes 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, 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 (MSG) and credentials;
- Efforts to assist participants in achieving parity with the general working population; and
- Strategies to promote job retention.

In PY 2019, 381 individuals exited the VR program after achieving competitive integrated employment, a significant decrease from 1,669 individuals in PY 2017. During PY 2019, the median hourly earnings for these individuals was \$12.00 per hour and the median hours worked per week was 36 hours. Of the individuals who achieved employment, 18.2 percent received public support, including Social Security Disability Insurance (SSDI) (17.1percent) and Supplemental Security Income (SSI) for the aged, blind, or disabled (13.6 percent). Approximately 40.9 percent of individuals with medical coverage at exit received employer-provided medical coverage during PY 2019, while 24.9 percent received Medicaid and 17.9 percent received Medicare.

In PY 2019, the three most common occupations included dishwashers (23 individuals), janitors and cleaners, except maids and housekeeping cleaners occupations (22 individuals), and food preparation and serving related occupations (16 individuals). Occupations with the highest

median hourly earnings for participants achieving employment included registered nurse occupations (\$28.00) and agricultural occupations (\$15.00). The most frequently reported standard occupation classification (SOC) title for all three program years was janitors and cleaners and dishwashers.

NEVR reported that the agency uses labor market trends to meet the employers' needs throughout the State and works with the State's Department of Labor to identify these trends. NEVR data do not reflect the use of apprenticeships or customized training or employment, which can lead to quality employment outcomes. RSA communicated that VR staff, and the business manager must be knowledgeable of current labor market trends when providing VR guidance and counseling and other VR services to participants of the agency.

RSA and NEVR discussed the quality of its outcomes, the provision of postsecondary training leading to quality employment, and the need to assess in-demand industries and the necessary preparation of individuals with disabilities for such careers as well as the importance of developing strategies to increase the number of participants who achieve high-quality employment. NEVR discussed its efforts with the Department of Labor to identify the top ten "high wage, high demand, and high skilled" ("H3") jobs across the State and in local markets. For example, the Department of Labor identified the top "H3" occupations in Nebraska as heavy equipment and tractor trailer operators, registered nurses (RN), and accountant fields. The employment outcomes obtained by individuals with disabilities served by NEVR demonstrated mixed results, with registered nurses, nursing assistants, and heavy and tractor trailer truck drivers being regularly listed in the top 10 SOC titles obtained, but NEVR also consistently demonstrates a high representation of individuals who achieve employment in areas that include janitors and cleaners, dishwashers, cashiers, stock clerks and food prep workers. RSA encouraged NEVR to continue its partnership with other workforce development programs to expand employment opportunities with employers and determine workforce training needs for various fields such as information technology and healthcare.

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 NEVR related to the provision of pre-employment transition services to eligible and potentially eligible students with disabilities. 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 transitions 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.

From PY 2017 through PY 2019, the total number of students with disabilities reported by NEVR increased by 44 percent, from 6,036 students to 10,839 students. During the same time, the number of students with disabilities that received pre-employment transition services

increased by only 7 percent, from 3,025 students to 3,272 students, representing only 30 percent in PY 2019 of all students with disabilities reported compared to 50 percent in PY 2017. NEVR was not certain as to why the percentage of students with disabilities who received pre-employment transition services was stagnant during the past three years but suspects that the OOS has created the public perception that the agency may not be available to provide services. RSA and NEVR discussed strategies for more concentrated outreach to the school districts and students with disabilities to increase awareness and increase the number of students receiving pre-employment transition services either as potentially eligible or eligible individuals.

The majority of students with disabilities who received pre-employment transition services from NEVR between PYs 2017 and 2019 were potentially eligible and did not apply for VR services. Of the 3,272 students who received pre-employment transition services in PY 2019, 552 students (17 percent) applied for VR services. NEVR attributed the disproportionately high percentage of potentially eligible students with disabilities to the OOS and closure of all priority categories and expects the number of students who apply for VR services to increase as the agency begins to open its priority categories.

From PY 2017 through PY 2019, the total number of pre-employment transition services increased from 17,045 to 31,255 services. Of the 31,255 pre-employment transition services provided in PY 2019, the greatest percentage of services included job exploration counseling (33.3 percent), workplace readiness training (25.1 percent), instruction in self-advocacy (22.9 percent), and counseling on enrollment opportunities (15 percent). The smallest percentage of pre-employment transition services provided was work-based learning experiences (3.6 percent) during the same period. NEVR provides all five of the required pre-employment transition services to students with disabilities.

NEVR reported that it has developed good relationships with most of the school districts across the State for the coordination of referrals for students with disabilities to receive pre-employment transition services. Students with disabilities are eligible for pre-employment transition services between the ages of 14 and 21 years, but NEVR reports that most schools do not refer students until the age of 16 years. In Nebraska, a student does not become of age until the student turns 19 years old. NEVR is located with the Nebraska Department of Education, allowing it to obtain data on the number of students with disabilities within each school district. NEVR has developed good relationships with the transition coordinators or other staff at most of the schools due to having a VR counselor assigned to each school. In addition, NEVR works in coordination with the Parent Training Information (PTI) to familiarize students and parents with VR and pre-employment transition services available through NEVR. NEVR also coordinates referrals through parent-teacher conferences and career fairs, which were being provided exclusively virtually at the end of PY 2019 due to the pandemic. To further increase VR access to all students with disabilities, NEVR hired bilingual pre-employment transition coordinators that were identified as being in-demand particularly in the Omaha area.

NEVR primarily provides pre-employment transition services through its staff who work directly with the schools. NEVR has 40 pre-employment transition coordinators across the State dedicated to providing pre-employment transition services, although some also have a VR caseload. NEVR indicated that despite the reduction in staff following a hiring freeze, it has maintained the 40 pre-employment transition coordinators to meet the increased need for pre-

employment transition services. NEVR maintains a dashboard that provide staff with data on the frequency of each of the five required activities. Pre-employment transition coordinators use different curriculums for each of the five required activities through material that is obtained from external sources or developed by the agency. For example, staff may use portions of the extensive vocational evaluation packet, virtual job shadowing program available online, or YouTube videos that demonstrate field of employment to provide different interest inventories and other career exploration activities as part of its job exploration curriculum. NEVR was able to continue its provision of pre-employment transition services using its virtual services when the pandemic started and has since invested further in additional virtual curriculums to allow the continuation of services to students whether the students were attending in school virtually or in-person. NEVR plans to continue to use many of these methods to expand its ability to provide services in the rural parts of the State in an effort to increase the number of students and services made available.

NEVR also purchases pre-employment transition services for the provision of its summer programs using similar agreements with different payment structures providing multiple required activities. NEVR implemented 18 contracts in the summer of PY 2019, down from 25 contracts implemented during the summer of PY 2018. In addition, NEVR purchased pre-employment transition services through its 15 Project Search agreements located in various areas of the State.

The data for the provision of pre-employment transition services through both purchased and staff provided services continually increased from PY 2017 through PY 2019, however, the total number of work-based learning experiences declined from 9.1 percent to 3.6 percent of all required activities provided during this time. Although the number of pre-employment transition services has increased, the number of students with disabilities that received purchased services ranged greatly, from 13 students who received counseling in postsecondary enrollment opportunities with no expenditures reported (duplicated count for the four quarters in PY 2019) to 248 students who received services in work-based learning opportunities for \$143,501.

Factors Influencing Performance

As discussed previously, NEVR implemented an OOS after the start of FFY 2017, and by December 2017, NEVR closed all three priority categories, including individuals most significantly disabled (priority category I). As a contributing factor to the continuation of the OOS, NEVR struggled with significant staff shortages limiting its ability to provide direct VR and pre-employment transition services to those eligible to receive services from FFY 2017 through FFY 2019. Depending upon the individual's priority category, individuals who received VR services in PY 2019 were typically on a waitlist on an average of 11.6 months to 22.6 months prior to the development of an IPE. NEVR reported difficulty reaching many individuals when eligible to come off the waitlist, resulting in 1,076 individuals exiting after eligibility and prior to an IPE or from an OOS waitlist (53 percent of those who exited after application). From PY 2017 to PY 2019, the number of participants who received services declined by 64 percent, from 5,655 participants to 2,043 participants.

In addition, NEVR has a long tradition and history of providing services to its consumers through its field staff. NEVR has maintained that its trained field staff are most qualified and more familiar with individuals with disabilities, particularly those individuals its serves. NEVR

was able to provide many examples of services provided by its staff that demonstrate the quality and expertise derived from professional VR counselors with the experience to best serve VR consumers, including its vocational evaluation career packets to assess the interest and abilities of individuals prior to the development of IPEs, or the different pre-employment transition services available to students with disabilities. However, when NEVR was under a hiring freeze and was unable to fill the large number of client service vacancies, the agency was limited in its options to provide timely VR services and services were significantly delayed, and, as a result, eligible individuals sought services through other resources. Since NEVR has long used its own staff for the provision of the majority of its services, it was unable to develop a network of CRPs to supplement agency staff services.

NEVR is under the Nebraska Department of Education and, as a result, has a good relationship with the State educational agency (SEA) and support from local education agencies (LEAs). NEVR provided the current LEAs agreements for each of the LEAs in Nebraska along with the SEA agreement detailing the cooperation that allows it access to students with disabilities who are interested in receiving pre-employment transition services and VR services. As a result, NEVR has demonstrated an increase in the number of students with disabilities served and the number of pre-employment transition services provided during the reporting period (PYs 2017 through 2019). Due to the limitations resulting from its OOS and availability of VR services, the number of students with disabilities who apply for or receive VR services has remain mostly static increasing by 7.5 percent from 3,025 students to 3,272 students from PY 2017 to PY 2019.

Use of Data to Inform Performance and Management

NEVR developed its case management system several decades ago and has maintained its operation since that time by updating its case management system regularly to keep up with all Federal reporting requirements. By developing its case management system, the agency is able to customize its reports, dashboards and other criteria identified as critical or most useful in the visualization of case records and maintenance of accurate reporting pursuant to the requirements of RSA-PD-19-03. VR counselors, supervisors and administrators customize the dashboard data to allow for accurate overview of caseload, district office or statewide aggregate data statuses to reduce delays in the provision of services or progression through the VR process.

Further, NEVR developed its case management system to allow for the customization of alerts and notices produced by the system to the intended staff member responsible for taking action or verifying the action was performed in a timely manner. Alerts that are automated within the system that identify specific action that must be taken include items such as the 60-day eligibility requirement or the 90-day timely development of an IPE. In addition, users and managers create “To Do” lists that allow the user to monitor when action needs to be taken prior to the conclusion of the identified timeline.

NEVR reported relying heavily on using its data reports to monitor for timely progression of VR cases through the VR process; identify the services provided by staff; and track purchases, employment outcomes, other closure types, and the various pre-employment transition services provided. District managers and VR counselors also use the reports to identify how a caseload, district office, or the agency is performing in various areas at a given point in the year compared to performance at the same point in the previous year. These reports allow the agency to identify

a cross-section of performance factors, such as the level of expenditures, types of services purchased or provided, and the number of outcomes or participants served at a given point in the program year compared to the same point in prior years to identify if the agency is making progress or needs to improve in specific areas. The graphic reports allow for quick comparisons that can be further evaluated as determined necessary. In addition, NEVR generates quarterly reports to summarize errors and anomalies and distributes these to counselors. These reports serve as additional edit checks for VR counselors and district managers, as well as opportunities to identify additional areas that require further training for staff.

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 achieving 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 to measure 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 ensure compliance with applicable Federal requirements and achieve performance goals.

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 NEVR's internal controls policies to ensure that documentation in the service record was accurate, complete, and supports the data entered into the RSA-911.

NEVR has developed several case management review instruments used by agency program directors and district offices to conduct service case reviews annually. The service case reviews involve random sampling of service records of each caseload. NEVR's Development & Implementation Group (DIG) prioritizes and develops internal and external program supports based on available resources, monitors the agency's implementation of new policies and procedures, and evaluates its success. It conducts quarterly ad hoc queries related to the reporting of data elements on the RSA-911. These inquiries are based on the review of monthly reports to identify any abnormalities in data trends, with additional queries developed as needed. These annual and periodic case reviews are used to inform staff and supervisors of any deficiencies and identify training needs. Results are provided and discussed with the VR counselor and supervisor, and formal feedback is provided from the supervisor to the VR counselor, which is intended to improve performance of the data reliability and documentation requirements and is

used for the performance rating of VR counselors. The program directors meet monthly with office directors to discuss possible issues or trends identified.

C. Technical Assistance and Recommendations

RSA provided technical assistance in the following topical areas to NEVR 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 NEVR to achieve continuous improvement in performance. RSA is available to provide follow-up technical assistance and has referred the VR agency to the RSA Technical Assistance Centers on Quality Management and Quality Employment and to the National Technical Assistance Center on Transition: Collaborative (NTACT:C).

Order of Selection

RSA discussed the requirements at Section 101(a)(5)(D) of the Rehabilitation Act and 34 C.F.R. § 361.36(a)(3)(iv)(A) concerning the implementation of an OOS and ensuring individuals with the most significant disabilities are served first. VR agencies may elect to serve eligible individuals outside of the order of selection who require specific services or equipment to maintain employment in accordance with 34 C.F.R. § 361.36(a)(3)(v). RSA clarified that if a VR agency elects to implement this allowance, it would not be defined as a priority category under an OOS. Further, RSA clarified that for eligible individuals to qualify for VR services under these allowances, there must be a determination, documented in the case service record, that the individual requires specific services or equipment to maintain employment. Specifically, there should be a defined VR service or equipment needed to assist the individual in retaining employment. Once these services have been provided, the individual may receive additional VR services based on the determination of the individual's priority category for services and whether the priority category is open, or the individual has been placed on a waiting list.

RSA reviewed data during the three-year review period (PYs 2017 through 2019) and identified the average wait time for individuals placed on a waitlist before receiving VR services across all three priority categories. For all three years, the data identified different wait times for each of the three priority categories before starting services, ranging from 0 months to 57 months for all three priority categories. For example, in PY 2019, the average time an individual was on a waitlist was 11.6 months for priority category I, 11.8 months for priority category II and 22.5 months for priority category III. At the time these data were developed, all three priority categories were closed. The data show inconsistent wait times for all three priority categories and individuals from all three categories being served. Pursuant to Section 101(a)(5)(D) of the Rehabilitation Act and 34 C.F.R. § 361.36(a)(3)(iv)(A), the VR agency must assure that individuals with the most significant disabilities will be selected first for the provision of VR services before VR services will be provided to other eligible individuals on OOS waitlists. In other words, individuals must be served in the most significant disability category first, and when the agency is able to serve all individuals in that category, then individuals from the next priority category may begin to be served. NEVR indicated only individuals who required VR services or equipment to retain employment were removed from the waitlist, in accordance with its approved State plan and the requirements of 34 C.F.R. § 361.36(a)(3)(v).

Attrition/OOS Waitlist

RSA recommended that NEVR evaluate the cause for the decline in individuals accessing services and the increase in those exiting at various stages of the VR process before achieving an employment outcome. NEVR has seen a dramatic decrease in new applicants (from 3,446 applicants in PY 2017 to 1,763 in PY 2019) while the number of participants receiving services has significantly decreased (from 5,655 participants in PY 2017 to 2,043 participants in PY 2019). In addition, the percentage of individuals who exited after being determined eligible but before the development of an IPE also increased, from 29 percent in PY 2017 exiting prior to an IPE, to 53 percent exiting in PY 2019. As a result, fewer individuals with disabilities are likely to receive VR services that result in an employment outcome.

RSA recommends that NEVR, upon evaluation, develop goals with measurable targets to engage and retain individuals from the time of application to the receipt of VR services. In addition, the agency should ensure the various stakeholders across the State are aware of NEVR's ability to continue to accept new applicants and provide VR services to eligible individuals regardless of the OOS status. RSA also recommends that NEVR provide continuous information and regular communication with its referral sources about its ability to serve individuals, including potentially eligible and eligible students with disabilities, with VR services, including information on the status of its OOS. Additionally, RSA and NEVR discussed the importance of providing regular communication with individuals on a waitlist to maintain engagement and reduce attrition. NEVR discussed its current process for maintaining communication with individuals on a waitlist, but indicated the process was not consistently adapted across all district offices. RSA encouraged these practices be structured across all districts to minimize the number of individuals who drop out of the VR process. RSA provided NEVR technical assistance to develop a formal process to check in with those on the waitlist to reduce attrition.

IPE Development

NEVR did not achieve timely development of IPEs within the required 90-day timeframe. In PY 2018, NEVR reported 54.1 percent of IPEs were developed within 90 days from the date of eligibility determination, down from 78.9 percent in PY 2017. In PY 2019, the percentage increased to 65.5 percent. NEVR reported the delays were due, in part, to staff capacity.

RSA recommends streamlining measures, including the use of existing assessments, and quarterly compliance reviews along with the analysis of trends to identify improvements in performance. During the review, RSA also recommended that NEVR assess and evaluate its current procedures for tracking and monitoring counselor performance and efficient practices to ensure timely IPE development. As mentioned previously, NEVR uses multiple IPE forms during the IPE development process depending upon the type of VR plan or VR services that will be implemented. These options include the following IPE forms: IPE Provided Services; IPE Community Services; Job Goal at Outcome; IPE Supports; IPE Supported Employment; and IPE Pre-Employment Transition Services. NEVR explained these are not intended to create different IPEs for any individual, but rather are applicable forms for each individual when developing the individual's employment plan. RSA indicated that NEVR consolidate its IPE forms into one form that incorporates all options to reduce confusion or loss of integrity when working for different individuals that require individualized VR services.

Quality of Employment

The ten most frequent SOC titles occurring during the past three program years are primarily entry-level or low-skilled positions, with only a few exceptions, paying slightly above the State's minimum hourly wage and below the median hourly wage for the agency. RSA discussed the need for NEVR to better prepare its consumers for higher-paying, technical positions that meet the current and trending labor market. NEVR attributed its performance to the OOS and serving those with the most significant disabilities, as well as its staff capacity during the review period. NEVR indicated it has taken steps to work more closely with employers and identify labor trends and the specific training or education needed to fill these positions to better align an appropriately trained and educated workforce with the actual needs of the local labor market.

The number of Supported Employment outcomes has decreased from 368 individuals in PY 2017 to 104 individuals in PY 2019. NEVR also reported providing significantly fewer supported employment services to its participants from PY 2017 through PY 2019, from 1,395 participants to 607 participants. NEVR was unable to clarify the differences between those participants who received supported employment services and those participants who achieved a supported employment outcome. Since supported employment services are provided after placement in employment, this is an area that the VR agency needs to explore to determine whether supported employment services are being reported prior to placement, or if service records are remaining open and supported employment services are being provided for more extended periods after placement to ensure stability prior to participants exiting the program.

Policies and Procedures and Internal Controls

RSA reviewed NEVR's policies related to the VR process, supported employment, requirements for competitive integrated employment, customized employment, and pre-employment transition services. NEVR provided multiple versions of the same policies for the period under review. RSA provided written and verbal feedback on the agency's policies, particularly related to the development of an IPE, supported employment services, and the process for closing a case record as successfully employed. RSA noted its concern involving NEVR's policy for "successful outcome" that allows for employment outcomes for students in high school, including summer employment or part-time employment while attending classes. The policy allows for the IPE to be amended before case closure, even if the amended IPE is not signed and returned within 90 days after employment begins.

NEVR provided RSA its policy on "Assessment for Determining Competitive Integrated Employment" used by the Office Directors when considering employment funded through AbilityOne contracts under the Javits-Wagner-O'Day (JWOD) Act. Although the assessment provided a good foundation for assessing whether the position is considered competitive integrated employment, RSA refers NEVR to FAQ 22-02 Criterion for an Integrated Employment Location in the Definition of "Competitive Integrated Employment" and Participant Choice for additional details when assessing each position.

NEVR did not have policies or procedures for measurable skill gains and credential attainment implemented at the time of the review. RSA noted a lack of written policies and internal controls for reporting performance accountability measures, including standards for the accurate tracking and reporting of measurable skill gains and the achievement of credential attainments. NEVR indicated its case management system automatically enrolls participants eligible for measurable skill gains or credential attainment based on the education or training programs identified on the individual's IPE. RSA shared its concern over the lack of formal guidance when determining whether a program is an industry-recognized training or educational program, which is assessed by the VR counselor at the time the education or training program is identified on the IPE. As noted above, NEVR reported providing training to its staff in 2021 (before policy development); however, the agency was in the process of developing formal policies and procedures for tracking, reporting, and verifying the achievement of measurable skill gains and credential attainment at the time of the review. The Vocational Rehabilitation Technical Assistance Center for Quality Management (VRTAC-QM) and RSA will review and provide feedback once completed.

RSA reviewed NEVR's quality assurance (QA) policies and procedures, including its case review instruments and procedures for the RSA-911 Submission and Internal Controls for Data Accuracy and Timeliness. The QA process involves reviews by the Program Director and the QA team. The Program Director reviews 15 case records annually and the QA team reviews three to five case records quarterly, covering different aspects of the VR process. NEVR identified a heavy reliance on edit and system checks built into its case management system, and methods described throughout its policy and procedure manual to identify potential errors in data reporting. Much of the QA processes were developed and implemented recently (2020). RSA recommends that additional technical assistance be provided from the TACs to enhance NEVR's processes further when conducting case reviews to ensure sufficient data are correct concerning the RSA-911 reporting, including verification that the required supporting documentation is included in each service record corresponding to the data being reviewed. Further, RSA recommends NEVR amend its case review instrument and its policies and procedures governing successful case closure to ensure all required documentation is present and case records meet the requirements of 34 C.F.R. § 361.56.

Tracking and Reporting of VR Services

RSA and NEVR discussed the need to train staff following the issuance of policy directives or appropriate agency guidance to ensure that VR services and performance indicators are accurately coded, tracked, and reported at the time of the provision of service and upon documentation, when required.

RSA provided technical assistance related to the reporting of measurable skill gains. NEVR appeared to have underreported the performance levels for measurable skill gains and credential attainment based on the number of individuals identified as enrolled in postsecondary education and training programs compared to those reported as eligible for measurable skill gains. For example, in PY 2019, 395 individuals were identified as being enrolled in a bachelor's degree program, 446 individuals enrolled in junior or community college, 46 individuals enrolled in occupational or vocational training, 42 individuals participating in an on-the-job training

program and one individual participating in an apprenticeship program, for a total of 930 individuals, not including other possible programs, such as secondary education. But NEVR reported only 540 participants were eligible to earn measurable skill gains and 102 participants were reported as achieving measurable skill gains.

Pre-Employment Transition Services Policies and Procedures

During the review, RSA provided technical assistance related to the policies, procedures, or internal controls necessary to track and report pre-employment transition services and the provision of required activities. Pre-employment transition services are provided primarily by NEVR staff except for Project Search programs and summer transition programs. Therefore, reporting staff time when providing pre-employment transition services is critical for the accurate accounting of services provided by staff. The procedures developed by NEVR were limited and did not provide extensive details to ensure staff accurately track their time. Specifically, the timekeeping system identifies users as primarily attributing their time to pre-employment transition services or working with individuals receiving VR services. When a VR counselor provides pre-employment transition services the user must identify the time spent on providing one or more required activities (or coordination or authorized activities) during the day. The procedures do not identify the intervals that must be used by the employee, such as 15-minute intervals or 60-minute intervals. According to NEVR, the timesheets are verified by the supervisor on a monthly basis.

In discussions about purchased summer programs providing pre-employment transition services in PY 2019 and the 15 Project Search programs throughout the State, RSA identified concerns with tracking pre-employment transition services, specifically NEVR's inability to determine the time spent providing each of the five required activities when paying for the services. Although many of the contracts identified the provision of the five required activities, data from the RSA-911 report for PY 2019 demonstrate not all services are reported equally. For example, in PY 2019, NEVR reported purchasing the following number of required activities for all four quarters: workplace readiness training – 129 students; work-based learning experiences – 248 students; instruction in self-advocacy – 27 students; job exploration counseling – 36 students; and counseling on postsecondary enrollment opportunities – 13 students. According to conversations with NEVR during the review, the cost for pre-employment transition services received during the summer camps would often be entered into the case management system by the program director who would attribute the costs for all the services upon receiving the invoice and distribute it equally among all of the students served based on the students attendance, attributing the cost during the reporting period to a primary service instead of identifying each of the required activities received.

RSA also discussed the active Project Search programs during PY 2019. Of the 16 programs across the State, NEVR maintained 15 during the past year despite the pandemic. NEVR funds the job trainer for each site, paying a flat rate of \$25,000 to the job trainer for salary and benefits. Invoices identify the salary/benefits are equally distributed across each student based on the number of students participating, adjusting the monthly amount if a student drops out. The specific time with each student is not identified or required and the costs are not allocated to each required activity received. The only progress reports are regular emails from the transition

coordinators who work with the students in the classroom. RSA provided technical assistance about accurately identifying the services and allocating the cost to each service.

Technical Assistance Follow up

Nebraska's Rule 72 promulgation (revised in 2018): NEVR followed up with its attorney to clarify the purposes of this rule and if the rule is necessary. RSA recommended revising the use of Rule 72 to eliminate any arbitrary cap for the cost of VR services and establish rates of services for the costs of services using a reasonable methodology consistent with the rate setting requirements that govern all purchased VR services in accordance with 34 C.F.R. § 361.50, and the provisions in the Uniform Guidance related to reasonable costs in 2 C.F.R. § 200.404. NEVR may wish to consider implementing a financial needs assessment to determine whether eligible individuals should contribute to the costs of VR services consistent with the requirements of 34 C.F.R. § 361.54, excluding those VR services exempt for the financial participation of the individual (34 C.F.R. 361.54(b)(3)).

Comparable Benefits: NEVR also requested additional assistance to further clarify its comparable benefits policies and will follow up with RSA and the VRTAC-QM for additional assistance.

D. Findings and Corrective Actions

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

Finding 2.1 Untimely IPE Development

Issue: Did NEVR develop IPEs within the 90-day Federal timeframe from the date of eligibility determination.

Requirement: In accordance with 34 CFR §361.45(a)(1), an IPE must be developed and implemented in a timely manner for each individual determined to be eligible for VR services, or if the DSU is operating under an OOS, for each eligible individual to whom the State unit is able to provide VR services. In addition, 34 CFR §361.45(e) requires that an IPE must be developed as soon as possible, but not later than 90 days after the date of determination of eligibility, unless the designated State unit and the eligible individual agree to the extension of that deadline to a specific date by which the IPE must be completed.

Analysis: RSA analyzed the length of time NEVR took to develop IPEs for individuals determined eligible for VR services. During the three-year period covered under the review, NEVR operated under an OOS that required the assignment of some individuals to a waitlist before an IPE was developed and the individual was served. RSA took into account the delay some individuals experienced due to being placed on a waitlist before being served. The number of individuals and percentages reported for each fiscal year are based on the time the individual was determined eligible until the IPE was approved, or if placed on a waitlist, from the date the individual was moved off a waitlist until the date the IPE was approved. The data reported by NEVR on the RSA-911 showed that—

- In PY 2017, 78.9 percent of eligible individuals had an IPE developed within the required 90-day period;
- In PY 2018, 54.1 percent of eligible individuals had an IPE developed within the 90-day required period; and
- In PY 2019, 65.5 percent of eligible individuals had an IPE developed within the 90-day required period.

During the period under review, IPE extensions were not addressed in policy. Since the review, NEVR has developed policies and procedures, dated July 8, 2021, that allow for the VR counselor to grant an IPE extension in situations where the individual is unable to develop an IPE within 90 days. According to NEVR's policy, an extension can be granted for 90 additional days for no more than 180 days total, unless administrative approval is granted by the Office Director. Although NEVR noted that in FFY 2020, extensions were granted, the policy (dated July 8, 2021) was not in effect during the period of the review. NEVR did not provide data on IPE extensions during PYSs 2017, 2018, and part of 2019.

Conclusion: NEVR did not develop IPEs within the required 90-day timeframe for all individuals served during the period under review, and policies for IPE extensions, dated July 8, 2021, were not implemented until after the period of review. As a result of the analysis, RSA determined that NEVR was not in compliance with the development of IPEs within the required timeframes pursuant to 34 CFR §361.45(a)(1) and within the required 90-day period in 34 CFR §361.45(e).

Corrective Actions 2.1 RSA requires that NEVR—

- 2.1.1 Assess and evaluate current procedures for tracking and monitoring counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the use of case management tools for, and supervisory review of, timely IPE development; and
- 2.1.2 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

VR Agency Response: Nebraska VR recognizes the importance of developing timely IPEs and has therefore been implementing specific improvement activities since 2018 to address this area of compliance. Nebraska VR shared updated policy, compliance instruments, and internal controls with RSA in June 2020 as a way of documenting its dedication to improving in this area. It is noted in the report the data reviewed for this indicator was FFY 2017-2019. It is also specified that IPE extensions were not reviewed for this given timeframe. Therefore, the improvement efforts the agency has been implementing were not reflected in the timeframe studied during this review.

Nebraska VR has provided (below) its most recent data on this measure (FFY20-22). As documented, the agency studies its compliance with the regulation including (1) whether the IPE was written within 90 days; and (2) if the IPE was not written within the required timeline, was there appropriate documentation in the case file including if the eligible individual agreed to the extension and a specific date was determined by which the IPE must be completed.

Reviewing both components ensures Nebraska VR can demonstrate compliance with 34 CFR 361.45 even when the 90 day timeline for developing and implementing an IPE is not met.

FFY20:

Total IPEs: 887

- Met 90 days: 622- 70.12%
- Did not Meet 90 days: 265- 29.88%

Extensions Completed: 264

- Extensions completed within 90 days: 193- 73.11%

Total IPEs in compliance with 34 CFR 361.45

815/887= 91.8%

FFY21:

Total IPEs: 1213

- Met 90 days: 833 – 68.67%
- Did not Meet 90 days: 380 – 31.33%

Extensions Completed: 380 – 100%

- Extensions completed within 90 days: 317 – 83.42%

Total IPEs in compliance with 34 CFR 361.45

1150/1213= 94.8%

FY22 to Date:

Total IPEs: 381

- Met 90 days: 312 – 81.88%
- Did not Meet 90 days: 69 – 18.11%

Extensions Completed: 69 – 100%

- Extensions completed within 90 days: 54 – 78.26%

Total IPEs in compliance with 34 CFR 361.45

366/381= 96.0%

In conclusion, Nebraska VR requests RSA remove this finding from the draft report, as FFY20-22 data support the agency has addressed the compliance issue and the improvement activities Nebraska VR has been implementing since 2018 have resulted in systemic compliance.

RSA Response: RSA appreciates the information provided by NEVR in its response and acknowledges the efforts of the VR agency to ensure that the 90-day requirement for the development of the IPE and extensions are being met. However, NEVR’s response does not substantiate a change to the finding since the data submitted in its response do not represent the full period of the review (PY 2017 through PY 2019), which was erroneously reflected as FFYs 2017 through 2019 in the draft report. As a result, the finding stands as written. Given the progress that NEVR’s response has indicated, RSA looks forward to resolving the finding expeditiously through the CAP and providing additional technical assistance, if needed.

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

2.2 Insufficient Internal Controls

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

Requirement: A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. 2 C.F.R. § 200.303 requires that VR agencies develop an internal controls process to provide a reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use; and that is established and implemented as a measure of checks and balances to ensure proper expenditures of funds, including the evaluation and monitoring of compliance with statutes, regulations and the terms and conditions of Federal awards.

Additionally, 2 CFR §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. These internal controls should be in compliance 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 noncompliance are identified, including noncompliance identified in audit findings.

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

Analysis: RSA found several areas of concern related to insufficient internal controls or a lack of internal controls, which affect NEVR’s ability to effectively manage the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

I. Insufficient Internal Controls to Ensure Accurate Data Reporting

- a. **VR Services Reporting:** RSA discussed the issuance of a policy directive or appropriate agency guidance that all services provided to participants, including career, training, and other services, are accurately coded, tracked, and reported at the time-of-service provision. As part of the review process, NEVR submitted a review tool used by State VR program directors and office directors. Upon review of NEVR’s policy and

procedures, internal control documentation, and discussions with the NEVR management staff, RSA determined that NEVR had not maintained a comprehensive system of effective internal controls, or sufficient policies and procedures to ensure consistency with applicable Federal requirements in accordance with 2 C.F.R. § 200.303 and requirements in 34 C.F.R. § 361.50.

- b. Pre-Employment Transition Services Tracking and Reporting: RSA reviewed three of the 18 contracts used for the provision of Transition Summer programs implemented in PY 2019 in addition to the invoices and progress reports. Although the contracts included a description of each of the required activities to be provided to each of the participating students, not all services were identified or reported as required for the RSA-911 report. When the invoice was received for a reporting period, the vendor identified the students, days of attendance and the rate based on the days and students served in the reporting period. The program director would attribute the costs for the four or five required activities to one primary service for each student. As a result, the data for the program year was skewed to a few services. For example, in PY 2019, NEVR identified it purchase the following required activities:
- 27 students received instruction in self-advocacy for a total of \$0;
 - 248 students received Work-Based Learning Experiences for a total of \$143,501;
 - 129 students received Workplace Readiness Training for a total of \$32,160;
 - 13 students receive Counseling on postsecondary education Enrollment Opportunities for \$0; and
 - 36 students received Job Exploration Counseling for a total of \$17,948.

As described above, there is a lack of internal controls to permit NEVR to accurately collect and report the appropriate services as provided to students with disabilities. Pursuant to RSA-PD-19-03, the VR agency is responsible for the accurate collection and reporting of data required for the RSA-911 report.

II. Insufficient Policies and Procedures consistent with Federal requirements

- a. Supported Employment program policies and procedures. NEVR has a five-milestone payment structure for supported employment, including fee policies for Acquired Brain Injury (ABI) or Autism as well as People with Intellectual/Developmental Disabilities (I/DD). NEVR issues an authorization for the first four milestones as supported employment services. While all milestones are identified by the agency as supported employment services, NEVR appropriately uses VR funds payments for the first two milestones or until the individual has secured employment. Although RSA was assured that only VR funds are used prior to the achievement of supported employment for the first two milestones, RSA pointed out these services cannot be reported as supported employment services regardless of the funding source. Milestone 3 includes a set fee for job coaching while Milestone 4 is for VR closure and extended supports, requiring a plan for extended supports and job stabilization for 60 days after transitioning to extended services.

An authorization is issued for Milestone 5 that allows for payment to the provider six months after exit if the individual is still employed and a second payment if the individual is employed after 12 months. VR and Supported Employment program funds cannot be used to pay costs incurred after a participant has exited the program. While VR and supported employment funds may pay for extended services to youth (not adults) with the most significant disabilities, the VR case must remain open during the provision of extended services, which also must be included as a service on the individual's approved IPE.

Finally, NEVR's procedures guide indicates individuals must sustain employment 60 days after transitioning to extended services to take a successful employment outcome. NEVR has developed a revised draft version of the procedures that clarifies job stability must be maintained for a minimum of 90 days after transitioning to extended services.

- b. RSA identified the need for revisions to existing policies and development of written policies and procedures governing the provision of services for individuals with disabilities in accordance with 34 C.F.R. § 361.50. Specifically, some policies require clarification in order to align with the requirements in 34 C.F.R. § 361.40 regarding the submission of timely and accurate data reports. At the time of the review, NEVR did not have written policies or procedures specific to the requirements for reporting measurable skill gains and other performance accountability measures, which may have contributed to the inaccurate reporting of measurable skill gains observed through the review team's analysis of its data. Furthermore, internal controls have not been developed or implemented to ensure the accurate reporting of measurable skill gains or credential attainment, as well as the maintenance of supporting documentation to substantiate the gain reported.
- c. NEVR does not have any procedures concerning staff tracking time spent for the provision of pre-employment transition services and how this time would be verified. This includes the process for identifying authorized and coordination activities or authorized activities, specific intervals of time that should be used by staff (e.g., every 15 minutes, six minutes), and the specific activities that should be included. In addition, the procedures should include the process for the verification of time to ensure only the applicable activities provided by staff are counted towards the reserve and staff time has been accurately recorded.

Conclusion: RSA determined that, at the time of the review, NEVR had not established and maintained effective internal control over its Federal award that provided reasonable assurance that the non-Federal entity was managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. As a result of the analysis, RSA determined that NEVR's internal controls did not ensure the service record requirements at 34 C.F.R. § 361.47 were met. NEVR must develop and implement internal controls that ensure the proper and efficient administration of the VR program, including those necessary to submit accurate and reliable data reports with required documentation to verify its data for the VR and Supported Employment programs. In addition, NEVR must develop a system of internal controls to evaluate and monitor its performance for continuous improvement and compliance.

Corrective Action 2.2: RSA requires that NEVR—

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

VR Agency Response:

Corrective Action 2.2.1: Nebraska VR has written and implemented policies and process related to performance accountability measures mentioned in this section including Measurable Skill Gains and staff tracking time spent for the provision of pre-employment transition services. All staff training was delivered in 2021 to ensure the policies are being implemented consistently. The agency agrees with the need to have sufficient internal controls to verify accurate reporting and service record documentation requirements are being met. Nebraska VR will use this opportunity to complete work already underway.

Corrective Action 2.2.2: Nebraska VR recognizes the importance of assessing, evaluating, and improving our current procedures for tracking and monitoring including our case management tools and reviews. Nebraska VR has planned to make this a priority to develop written policies, processes and procedures surrounding our case review instruments, timelines of case reviews and reporting the results.

Corrective Action 2.2.3: Nebraska VR recognizes the importance of developing mechanisms to collect and aggregate the results of reviews and utilizing the results for training and evaluation of staff. Nebraska VR has planned to make this a priority and develop written policies, processes and procedures. The processes will include reviewing the results of the reviews and identifying any targeted reviews, utilizing dashboard data and WIOA common performance measures to identify training needs and evaluation of staff.

RSA Response: RSA appreciates NEVR’s efforts to develop internal control policies and procedures to ensure data accuracy and validity and that case files adhere to the service record requirements. RSA looks forward to working with NEVR to resolve the finding through the CAP and ongoing technical assistance.

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

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

A. Purpose

Through this focus area RSA assessed the financial management and fiscal accountability of the VR and Supported Employment programs to ensure that: funds were being used only for intended purposes; there were sound internal controls and reliable reporting systems; available resources were maximized for program needs; and funds supported the achievement of 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 NEVR's 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 NEVR's performance in meeting the matching requirements for the VR program, including whether the matching level was met, as well as whether the sources of match were consistent with Federal requirements and any applicable 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 comprise all the non-Federal share for the VR program.

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 NEVR's 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 contracts for the provision of pre-employment transition services.

C. Technical Assistance and Recommendations

RSA provided technical assistance in the following topical areas to NEVR 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 NEVR to achieve continuous improvement in the financial management and

performance of the VR and Supported Employment programs. RSA is available to provide follow-up technical assistance and has encouraged NEVR to follow up with the various technical assistance centers available to the agency.

Personnel Cost Allocation

RSA discussed with NEVR options proposed to allocate leave. Since leave must be equitably allocated to all related activities and programs, RSA indicated that the allocation of leave should include a sample period of personnel time worked that is large enough to capture variations in time spent working on cost objectives over time. Using multiple pay periods will result in a proportionate allocation to activities and programs worked on by NEVR employees, not just the activities or programs worked on during the pay period in which the leave is taken by the employee, as this may result in activities or programs not receiving a fair allocation of leave costs. NEVR share general User Guides and FAQs related to Kronos, and RSA provided technical assistance recommending NEVR compile the Kronos information into an NEVR and VR-specific policy tailored to the individual needs of the VR program to instruct NEVR staff, including VR Counselors, on the requirements for tracking and recording personnel costs.

Rate Setting Procedures

RSA and NEVR discussed the rate setting requirements that govern all purchased VR services in 34 C.F.R. § 361.50, and the provisions in the Uniform Guidance related to reasonable costs in 2 C.F.R. § 200.404, which the VR agency should consider and incorporate when finalizing its updated written policies governing rates of payment for VR services. These factors include, among others, acting with prudence, comparing rates other State or private agencies may pay for similar activities, comparing what the VR agency pays for similar activities across the State, and other sound business practices. Rate setting for Service Agreements, conducted by office directors in the field, will benefit from a written protocol to provide uniform guidance to NEVR staff when establishing rates. NEVR indicated it is issuing a request for proposal (RFP) for a study to help revise the supported employment rate setting process.

Tracking Pre-Employment Reserve Activity Costs

RSA staff provided technical assistance about tracking and reporting costs and services paid for with pre-employment transition services reserve funds. Reserve funds must be reported on Federal reports, including the RSA-911, SF-425 reports, and the RSA-17 report beginning in FFY 2021, all of which have different requirements. The RSA-911 report captures both expenditures and service type (individual required activity) when under a contract for purchased consumer services, but it also requires reporting of which required activity is provided to a student with a disability when the activity is provided “in-house.” While tracking of service provision is always required, personnel costs for pre-employment transition services provided by VR agency staff are only reported on the VR program financial reports (SF-425 and RSA-17), and these costs are also used to determine the amount of set-aside reserve funds necessary to provide required and coordination activities before spending funds on authorized activities. Therefore, there is no need for VR agency staff to track personnel costs down to the level of each of the five required activities to determine overall costs for reporting reserve expenditures. This

is also true of coordination and authorized activities, which can be included on VR Federal financial reports as part of reserve expenditures.

RSA further clarified that the 2020 Notice of Interpretation: Pre-Employment Transition Services Flexibility Regarding the Use of Federal Vocational Rehabilitation Funds ([NOI](#)) allows VR services for students with disabilities under and IPE, necessary for the student to participate in required activities, may also be charged to the pre-employment reserve. As a result, these costs should be included in the set-aside determination – along with required and coordination activities – that the agency completes to determine if it can spend reserve funds on authorized activities.

This means that VR agency staff must have a method to identify, track and report the provision of the five specific required pre-employment transition services activities provided to students with disabilities as a service type. In addition, the VR agency personnel costs associated with providing pre-employment transition services (based on activity category) may be assigned and tracked using the following example cost objectives, which will assist with financial reporting and set-aside determination:

- Time spent providing required and coordination activities, as well as time providing VR services that the NOI allows to be charged to the reserve to facilitate participation in required activities; and
- Time spent providing authorized activities as its own cost objective.

Uniform Guidance states that personnel activity reports (PARs), or other record keeping systems, may be used to track VR agency staff time and personnel costs, and assign them to cost objectives (2 C.F.R. § 200.430). As an example, for the RSA-911, if a VR Counselor is providing work readiness training, the VR Agency will report that the service was provided on the RSA-911. However, the VR Counselor personnel costs associated with the time spent providing the required activity will be reported on the SF-425 or RSA-17 report and may be factored into the agency's set-aside determination. The tracking of costs for the RSA-911 is required for purchased required activities, including those purchased under a contract providing required activities to students with disabilities. Purchased service costs from the reserve are also reported on the SF-425 and RSA-17 reports.

Contract Provisions

RSA discussed the definition of a contract, as identified in Uniform Guidance, as a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. RSA reminded NEVR that while Uniform Guidance indicates States must follow the same policies and procedures it uses for procurements from its non-Federal funds, NEVR must also ensure all procurement documents meet programmatic and fiscal contractual requirements, including those in Appendix II of Uniform Guidance, as well as VR-specific requirements. RSA reviewed some of the various provisions that may apply in certain circumstances, such as Davis-Bacon requirements for construction contracts over \$2,000. NEVR indicated a review of the terms and conditions would occur to ensure the required provisions were included. NEVR was able to confirm during the review that Davis-Bacon requirements were included in construction contracts (e.g., for home modifications).

Additionally, RSA noted that NEVR's Supported Employment milestone service agreements included a clause indicating independent providers are exempt from some assurances including conflict of interest provisions. When RSA inquired about this provision, NEVR indicated this is to promote informed choice in providers (e.g., family or friends). RSA provided technical assistance that the VR agency must follow the procurement requirements of the State. However, internal controls are necessary to prevent fraud, waste and abuse, including those service agreements in which independent providers such as family and friends are providing services. NEVR agreed to review the provisions and make adjustments to ensure Federal funds are protected.

RFP Review Committee Procedures

When NEVR releases RFPs, it establishes a committee to review the RFP applications and score the applicants across five different areas, using a template scoring sheet. During the review, RSA and NEVR discussed this process and learned there is little written guidance related to scoring, inter-rater reliability, etc., to objectively score the five areas (Proposal Narrative, Personnel, Work Plan, Coordination of Services/Evaluation, and Budget Narrative), including requirements for an applicant to receive full versus partial points across each area, ranging between 15 – 30 points. RSA provided technical assistance to NEVR to develop and implement further written guidance to RFP reviewers to assist with consistency of scoring and review of RFPs.

Accounting of Expenditures

A review of the SF-425 reports submitted for the review period demonstrated a pattern of discrepancy between Federal drawdowns and disbursements (lines 10a and 10b) in comparison to Federal expenditures (line 10e) on most SF-425 reports. NEVR indicated that this is related to the assignment of fund source in the State accounting system (E1). Nebraska initially pays expenditures out of State funds in the accounting system, which helps to pay approved invoices and obligations efficiently and promptly. However, the coding for the expenditures in the accounting system points to a Federal business unit at the time of payment. The numbers that comprise the eight-digit business units identify the State Department of Education, NEVR as the specific agency, the grant award (i.e., year of appropriation or carryover) or cost objective (e.g., pre-employment), the FFY, and the fund source as Federal or non-Federal.

When Federal funds from G5 are drawn down those funds are used to reimburse the State funds, resulting in Federal expenditures reported higher than Federal drawdowns and disbursements. A review of the draw patterns in G5 indicates that the Nebraska Department of Administrative Service (DAS) draws down Federal funds multiple times per week, which should result in a short lag time between the recording and payment of expenditures in the accounting system and Federal reimbursement with G5 drawdowns. Despite the payment of expenditures with general revenue funds, the State considers them Federal funds because the Federal business unit has already been assigned in the accounting system. On the surface, it appears that non-Federal funds pay for expenditures, then Federal drawdowns reimburse the fund and are considered collected. Discussions with NEVR indicated that there are no specific accounting adjustments on the back end (e.g., journaling expenditures from the State fund source to Federal funds, etc.), because in those specific instances, a Federal business unit has already been assigned. A review of the internal controls indicates they are sufficient to ensure the tracking and accounting in this manner

is reflective of period of performance and reporting requirements. RSA provided technical assistance that the SF-425 report data should match the State accounting system data to avoid inaccuracies and discrepancies. RSA confirmed the agency should work with DAS as it continues to frequently draw down and reconcile Federal fund reimbursement, to facilitate accurate data collection prior to the submission of any outstanding SF-425 reports and future RSA-17 reports submitted by NEVR staff.

Prior Approval

As part of the review effort, RSA reviewed NEVR's written policies and procedures to ensure the agency was meeting the prior approval requirements. While the policy identified seven cost categories that require prior approval from RSA, the policy did not include all the relevant cost categories consistent with those identified in Uniform Guidance at 2 C.F.R. § 200.407 that require approval from RSA as the Federal awarding agency. NEVR has effectively managed prior approval, including approvable aggregate requests and individual requests when appropriate. However, the prior approval policy should be further developed to include the remaining applicable cost categories subject to prior approval to help inform NEVR staff of the various categories to review. RSA provided the VR Prior Approval Requirement List, released on May 16, 2018. RSA provided technical assistance to NEVR to expand its written policies to enhance its prior approval process and the allowability of costs as is required in 2 C.F.R. § 200.302(b)(7). Additionally, RSA noted reference to TAC-18-02 in the policy, which was replaced by the Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants, released on October 29, 2019.

D. Findings and Corrective Actions

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

Finding 3.1 Internal Control Deficiencies for Administrative Policies

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

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

“Internal controls” means processes designed and implemented by non-Federal entities 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. § 200.1).

In accordance with the Uniform Guidance, 2 C.F.R. § 200.303, among other things, a non-Federal entity must—

- 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 be in compliance 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 noncompliance are identified including noncompliance identified in audit findings.

Provisions at 2 C.F.R. § 200.302(a) require that 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.

Additionally, 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.

Furthermore, provisions at 2 C.F.R. § 200.302(b)(7) require that the financial management system of each non-Federal agency must provide for written policies and procedures for determining the allowability of costs in accordance with Federal cost principles and the terms and conditions of the Federal award.

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

Analysis: RSA found areas of concern, listed below, that fall within the internal control focus area and specifically relate to the VR agency's administrative policies.

A. Reasonableness of Rates of Payment for VR Services

During discussions with NEVR management and a review of the agency's policies regarding VR services, RSA learned that NEVR has a fee schedule at the end of promulgated Rule 72, Cost Sharing And Cost Containment Rules For Vocational Rehabilitation Services, that identifies the rates it uses for assigning costs to purchased VR services. A review of this policy revealed language indicating certain service costs follow those determined by other State agencies (e.g., medical services costs primarily follow the Nebraska Medicaid Fee Schedule). However, the language regarding many other VR services states that fees are established in the written agreement (individual contracts) with the service provider. There is no written process or procedure outlining how rates are determined and, during our review, NEVR staff indicated that VR agency Office Directors typically establish rates in Service Agreements with providers that service their field offices, resulting in varying approaches to establishing rates with providers across the State. As a result, there is inconsistency and lack of a uniform process to determine rates of payment for VR services and the extent to which rates represent reasonable costs (2 C.F.R. § 200.404).

Federal regulations require NEVR to establish procedures that enable it to administer the VR program in an efficient manner to ensure it can carry out all VR functions properly (34 C.F.R. § 361.12). Furthermore, Uniform Guidance provisions at 2 C.F.R. § 200.303(b) require NEVR to establish internal controls that ensure the agency complies with all Federal requirements. NEVR also must establish and maintain written policies that govern the rates of payment for all purchased VR services (34 C.F.R. § 361.50(c)(1)). The Federal cost principles require that costs be allowable, reasonable, and allocable to the program (2 C.F.R. §§ 200.403 through 200.405). To be allocable to a program, the cost must be relative to the benefit received (2 C.F.R. § 200.405(a)). NEVR does not have written policies that sufficiently govern the rate-setting methodology NEVR uses to assign costs for purchased VR services, and it has no clear guidelines for staff members to follow in determining when to authorize rates of payment for VR services, including rates written into contracts such as Service Agreements. As a result, NEVR cannot ensure that all expenditures incurred for the provision of purchased VR services are allowable, reasonable, and allocable to the VR program. Therefore, NEVR cannot assure that it is administering the VR program in a proper and efficient manner and ensuring financial accountability. For these reasons, NEVR has not complied with the requirements set forth at 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303(b).

B. Period of Performance Policies

During the review, RSA and NEVR discussed the agency's ability to meet period of performance requirements, including the ability to track and report obligations in its systems. A review of the Federal Fiscal Year-End policy the agency submitted as part of its document request for the period of performance monitoring focus area included language related to obligations, as well as examples of how to treat obligations at the end of the Federal fiscal

year. However, the level of specificity in the policy was not sufficient to understand how the period of performance requirements are met.

In contrast to the Federal Fiscal Year-End policy, the agency described the internal controls within its system (providing a chart of accounts listing object codes that identify services), business units in the accounting system to identify fund sources, and processes to limit instances when authorization begin or end dates cross over Federal fiscal years. The management of Federal and non-Federal case service funds generally occurs in QE2, the agency's case management system. NEVR indicated it obligates funds for authorizations and contracts for purchased case services in its case management system, but the obligation coding points to the award and FFY of appropriation. It is only upon payment of an approved authorization that NEVR determines whether to charge case service authorization expenditures against Federal or non-Federal funds, the carryover year award, etc., through assignment of the business units, which are reflected in the State accounting system (E1) where the grant balances are managed, along with operating expenses, salaries, expense reimbursements. The numbers that comprise the eight-digit business units identify the State Department of Education, NEVR as the specific agency, the grant award (i.e., year of appropriation or carryover) or cost objective (e.g., pre-employment), the FFY, and the fund source as Federal or non-Federal. NEVR conducts obligation reviews through encumbrance reports run every 90 days and will de-obligate authorizations that will cross a FFY and re-obligate authorizations to the next FFY of appropriation, to help better track and manage obligation/expenditure patterns.

NEVR's written Federal Fiscal Year-End policy does not address the procedures NEVR uses to meet period of performance requirements, which it was able to describe in more detail during the review. NEVR's ability to ensure that all expenditures incurred for the provision of VR services are allowable, reasonable, and allocable to the VR program requires written policies necessary to ensure that the agency has established and maintained internal controls to meet the requirements of the Federal award. Without detailed written policies, NEVR cannot assure that it is administering the VR program in an efficient manner and ensuring financial accountability. For these reasons, NEVR has not complied with the VR administration and internal control requirements set forth at 34 C.F.R. § 361.12 and 2 C.F.R. §§ 200.302 and 200.303(a), respectively.

C. Federal Reporting

RSA requested documentation from NEVR as part of RSA's monitoring activities, including those for various policies and procedures. RSA noted NEVR did not submit policies or procedures for preparing and submitting the SF-425 report. During the review RSA and NEVR discussed its processes and NEVR provided a brief half-page narrative generally describing submission deadlines for the SF-425, RSA-2 and RSA-17 reports.

During RSA's review of Federal financial reports, RSA learned that fiscal staff use some general written instructions and an SF-425 Excel workbook to generate Federal reports, but those have not yet been formalized into policy. Combined, these documents describe how to generally access the sources of data for the SF-425 report. However, the instructions do not provide the level of specificity necessary to analyze, synthesize and report the data out on the

SF-425. As stated earlier in this section, RSA learned that NEVR relies on the Nebraska Department of Administrative Services (DAS) to conduct Federal award fund drawdowns in G5 and provide the data to NEVR for Federal reporting purposes.

During the review, RSA noted two data reporting errors:

- The final FFY 2018 SF-425 was submitted prior to the last drawdown from G5, which is inconsistent with the SF-425 instructions and Uniform Guidance requirements (RSA provided clarification about the need to access timely external award history report information in G5 for line 10a (SF-425) and line 11 (RSA-17) drawdown data). Despite NEVR's ready access to G5 drawdown reports from DAS, collaboration and communication between NEVR and DAS is necessary to ensure submitted reports include accurate drawdown data; and
- Due to the functionality of the E1 accounting system, NEVR has been reporting additional non-Federal share in the fifth through final SF-425s reports. However, further discussion with NEVR indicated that the non-Federal share resulted in accounting system journal adjustments conducted in the carryover year that reassigned business units for Federal expenditures that occurred in the year of appropriation to a non-Federal source. While the General Ledger of the year of appropriation does not reflect the change, the business unit reassignment that occurs at the time of the journal voucher indicates the funds should be reported on the first through fourth quarter SF-425 reports when the original expenditure occurred. RSA explained the importance of reporting non-Federal share in the correct reporting period to ensure match and maintenance of effort are calculated correctly.

As described above, the agency does not have a comprehensive written policy or procedure for how it will synthesize data from the case management system and State accounting system to generate reports including the SF-425 and RSA-17 reports. RSA discussed the importance of a procedure that would outline the steps for identifying the correct data from State and agency systems to accurately compile, synthesize and report data. Such a procedure is necessary to ensure NEVR meets Federal requirements consistent with RSA reporting guidance, Uniform Guidance, and terms and conditions of the award. Additionally, such policies will not only ensure accuracy of reporting, but assist NEVR with training new staff and conducting succession planning activities.

Uniform Guidance requirements at 2 C.F.R. § 200.302(a) require that a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. As discussed in the prior section, a comprehensive period of performance policy will help inform NEVR's Federal reporting policies, to ensure all obligations are reported consistent with EDGAR 34 C.F.R. § 76.707.

NEVR cannot assure that it is administering the VR program in a proper and efficient manner and ensuring financial accountability. For these reasons, NEVR has not complied with the VR program provisions and internal control requirements set forth at 34 C.F.R. §§ 361.3(a) and 361.12, and 2 C.F.R. § 200.302(a) and (b)(4). RSA reminded NEVR that the implementation of robust policies and procedures to submit SF-425 reports should be replicated as it develops policies for the RSA-17, incorporating the instructions in Dear Colleague Letter [\(DCL\)-20-02](#) that RSA published on August 13, 2020.

D. Personnel Cost Allocation

During the monitoring review, RSA discussed with NEVR its procedures for tracking personnel time across cost objectives. The agency shared a User Guide and FAQs related to Kronos, the time-tracking system use in the State of Nebraska, which describes how staff track time to various cost objectives. RSA notes the User Guide and FAQ are generic in nature, and not tailored specifically to the VR program. RSA learned that leave is allocated based on the hours worked across programs on the current two-week timesheet. RSA clarified that to allocate leave based on proportionate use, a larger period of time is necessary to offset variances that may occur in personnel hours worked on programs in a given pay period when the leave is taken. RSA continued to work with NEVR and the Nebraska Department of Education Finance and Organizational Services after the dedicated review period to determine the extent to which the proportion of leave allocated based on pay periods aligns with the percentages of leave taken by employees for a larger sample time period. RSA received some preliminary information from the State, but no conclusive information that would demonstrate the allocation of leave based on individual two-week pay periods is proportionate to relative benefits received by programs and cost objectives.

Federal regulations require NEVR to establish procedures that enable it to administer the VR program in an efficient manner to ensure it can carry out all VR functions properly (34 C.F.R. § 361.12). Furthermore, Uniform Guidance provisions at 2 C.F.R. § 200.303(b) require NEVR to establish internal controls that ensure the agency complies with all Federal requirements. The Federal cost principles require that costs be allowable, reasonable, and allocable to the program (2 C.F.R. §§ 200.403 through 200.405). To be allocable to a program, the cost must be relative to the benefit received (2 C.F.R. § 200.405(a)). Uniform Guidance provisions at 2 C.F.R. § 200.431(b)(2) require leave costs to be equitably allocated to all related activities, including Federal awards.

Because NEVR does not have written policies addressing the methodology NEVR uses to track and allocate leave in proportion to relative benefits received, or to reconcile leave allocated on the shorter pay period to a sample time period sufficient to ensure leave is assigned to all benefitting programs proportionally, NEVR cannot ensure that all expenditures incurred for the provision of VR services are allowable, reasonable, and allocable to the VR program. Therefore, NEVR cannot assure that it is administering the VR program in a proper and efficient manner and ensuring financial accountability. For these reasons, NEVR has not complied with the VR administration and internal control requirements set forth at 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303(b), respectively.

Conclusion: NEVR does not maintain effective internal controls over the Federal awards necessary to provide reasonable assurances that it 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. §§ 361.3(a) and 361.12, and 2 C.F.R. §§ 200.302 and 200.303. NEVR did not satisfy the requirements in 34 C.F.R. §§ 361.3 and 361.12, and 2 C.F.R. § 200.302(a), (b)(4) and (b)(7) that require a State’s financial management systems to be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal requirements, that funds are spent solely on authorized VR activities, and because the financial management system does not include satisfactory written procedures for determining the allowability of costs in accordance with Subpart E of Uniform Guidance, and the terms and conditions of the Federal award.

Specifically, NEVR does not have sufficient policies for establishing rates of payment, period of performance, and Federal reporting instructions for the SF-425 and RSA-17, and for allocation of leave costs.

Corrective Action 3.1: RSA requires that, in the first quarterly update after approval of the corrective action plan (CAP), NEVR develop and implement policies and procedures to—

- Govern determination of rates of payment for all purchased VR services, including those procured through contracts;
- Accurately describe the procedure and internal controls that NEVR implements to ensure that period of performance requirements are met, including management of obligations;
- Accurately collect and report program and fiscal data on Federal Financial and performance reports, including the SF-425 and RSA-17 reports; and
- Develop internal controls, policies, and procedures to identify methodologies to allocate leave costs based on a sufficient timeframe that reflects proportionate use and relative benefits received by programs.

VR Agency Response: Nebraska VR agrees with RSA’s analysis specific to developing and implementing policies and procedures related to govern determination of rates of payment for all purchased VR services, including those procured through contracts.

In addition, Nebraska VR utilizes a program required by the Nebraska Department of Education (NDE). This program (Kronos) is managed by the Department of Administrative Services (DAS) and tracks personnel time across cost objectives. During its monitoring review, Nebraska VR shared with RSA the Kronos technical assistance guides available and involved key NDE fiscal staff to best describe and demonstrate what functions Kronos currently allows. Nebraska VR recognizes the changes outlined in corrective action 3.1 (bullet 4) and will need to rely on its partners at NDE and DAS to identify a process for allocating leave that meet the expectations of RSA, given the program’s limitations. Nebraska VR does not have sole responsibility for carrying out the activities outlined under this corrective action.

RSA Response: RSA appreciates NEVR’s thoughtful responses to the finding and corrective actions. RSA understands that NEVR does not have sole authority regarding some of the administrative functions managed by grantees, including management of personnel and fringe

costs such as leave, and that NEVR must work within the structure of the State accounting system to meet the Federal requirements of the VR award. RSA looks forward to working with NEVR to help ensure that all Federal requirements identified in these corrective actions are met, including those related to the proper allocation of leave and accurate reporting of non-Federal and Federal expenditure data on Federal reports.

VR Agency Request for Technical Assistance: Nebraska VR has a policy on Federal fiscal year end, and how expenditures are assigned to the correct fiscal year, grant, period of performance. Therefore, Nebraska VR would like to request technical assistance to ensure the existing policy documents the necessary components to satisfy RSA's expectations.

RSA states in the 2nd reporting error on page 36 "the importance of reporting non-Federal share in the correct reporting period to ensure match and maintenance of effort are calculated correctly". As noted in the report, the state accounting system does not allow journal adjustments completed during the carryover year that are applied to expenditures that originally occurred in the year of appropriation to be reflected in the year of appropriation. The system identifies the adjustment to the expenditure at the time the adjustment occurs (carryover year) not at the time of the original expenditure (appropriation year), so Nebraska VR reported the adjustment in non-Federal share expenditures on the Federal reports submitted during the carryover year when they occurred, which is the correct reporting period. It is our understanding RSA has asked Nebraska VR instead to revise their SF-425s for the appropriation year to reflect the adjustments made to the non-federal expenditures during the carryover year. Doing this will accurately reflect the non-Federal expenditures for the appropriation year for RSA to ensure match and maintenance of effort are calculated correctly; however, the result will be that the agency's revised SF-425s for the appropriation year will no longer match reports run from the state's accounting system, since those costs are reflected in the carryover year. This will likely generate questions during Nebraska VR's annual state audit. Therefore, Nebraska VR will document in its written procedures how adjustments during the carryover year affect match and maintenance of effort, and include RSA's requirement that the SF-425 for the appropriation year be revised during the carryover year to reflect these adjustments rather than the spending patterns in the state accounting system. The written instructions used by Nebraska VR detail how reports are run from E1 (State Accounting system) to obtain the data for reporting on the SF-425 and RSA-17. Nebraska VR will need technical assistance from RSA to identify what needs to be included in the instructions to "provide the level of specificity necessary" to complete the reports.

Finding 3.2 Internal Control Deficiencies for Contracts

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

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

“Internal controls” means processes designed and implemented by non-Federal entities 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. § 200.1).

In accordance with the Uniform Guidance, 2 C.F.R. § 200.303, among other things, a non-Federal entity must—

- 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 be in compliance 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 noncompliance are identified including noncompliance identified in audit findings.

Additionally, provisions at 2 C.F.R. § 200.302(a) require that 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 *The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds*, the U.S. Department of Education (Department) made clear to grantees that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting. Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their

assigned functions, to prevent or correct processes that might lead to noncompliance with Federal and State requirements.

Analysis: RSA found areas of concern, listed below, that fall within the internal control focus area and specifically relate to the VR agency's contracts and service agreements.

A. Lack of Contractual Internal Controls

During the monitoring review, RSA discussed with NEVR staff, and reviewed contracts for, purchased consumer services, including sample invoices, and supporting documentation from three pre-employment transition services contracts for summer transition programs with Educational Service Unit (ESU) #13, ESU #9, and Goodwill Industries, Inc. The three contracts are constructed in a similar manner, primarily designed to reimburse contractor staff based on hourly rates of payment established in Section 3.b of the contract. Section 3.a addressed the method and timing of payment, indicating an itemized list of expenditures must include the line items identified in Section 3.b, the reimbursement amount by line item, as well as documentation for personnel time with a copy of the time certification by individual, number of hours worked per date, and amount paid. However, the language in Sections 3.a and 3.b did not specifically require expenditures for each VR service (pre-employment transition required activities) provided per student, necessary to accurately review and approve invoices, as well as report data accurately in accordance with RSA-911 requirements. The Uniform Guidance requirements at 2 C.F.R. § 200.302(a) require that a State's financial management system, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions, and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. However, as described above, a review of the contract language developed by NEVR and supporting documentation submitted by vendors demonstrated these requirements are not met on a consistent basis.

RSA's further review of the contracts identified inconsistencies in the language across the RFP, contractor application, services provided, and invoices and progress reports submitted by contractors. The scope of work in the contracts under Section 2.a typically referred to a single activity or service for the contracts (e.g., work-based learning or summer work experiences, transition summit), but also indicated further descriptions are located in Attachment 1. A review of the attachments in the contracts identified them as the RFP submitted by the contractors, and the RFP language indicated in the program description narratives of all three contracts described the provision of multiple pre-employment required activities, not the single pre-employment required activity (e.g., typically only work-based learning) described in Section 2.a. The terms and conditions in the contract do not describe or provide instruction on how the CRP should track the provision of services to each student or effort provided by CRP staff, necessary to provide detailed supporting documentation to NEVR to demonstrate services were provided at the minimum standard that NEVR expects to meet its Federal reporting requirements. In addition, discussions with the agency indicated that NEVR managed the contracts through the Program Director of Transition, who was the

primary contact for contractors, and would review and approve invoices and supporting documentation submitted. The agency indicated the program director would focus on the primary service provided under the contract, typically the single required activity identified in Section 2.a of the contracts and divide the costs out evenly across the students participating in the programs, with some adjustment for students who drop out or do not otherwise complete the program. This general assignment of contract costs to a single service was reflected through a review of RSA-911 data, which demonstrated a skewed trend in purchased required activities reported for work-based learning experiences. Specifically, NEVR reported purchasing the following number of required activities during PY 2017 Q4 and PY 2018 Q1, which generally overlaps the timeframe of the ESU #13 and Goodwill contracts, primarily June and July 2018:

- 97 students received workplace readiness training;
- 500 students participated in work-based learning experiences;
- 46 students received instruction in self-advocacy;
- 13 students received job exploration counseling; and
- 0 students received counseling on postsecondary enrollment opportunities.

The RSA-911 data demonstrate that, of the 656 purchased required activities reported during the two quarters, Work-based learning experiences accounted for over 76 percent of purchased pre-employment transition services required activities, which would support the inaccurate reporting of purchased pre-employment transition required activities. NEVR confirmed the agency does not have the ability under the current summer transition program contract structure to assign, track and report data including expenditures per service per student to meet Federal reporting requirements for the RSA-911.

The ESU #9 contract, invoice and supporting documentation indicated that the contract's purpose was to conduct an intensive three-day transition training in late June 2019 for students who are deaf or hard of hearing. The terms and conditions of the contract indicated reimbursement would be primarily based on salaries of contractor staff, but no further instruction or requirements were provided for the contractor to describe the provision of services, standards or how the vendor should ensure the minimum requirements are met, such as identifying measurable objectives and specific goals for students attending the workshop and how to report the data to NEVR. Attachment 1 described the goal and proposed services to include a focus on college/career planning, workplace readiness and self-advocacy. Further descriptions under the Work Plan section of the attachment referred to the provision all five required activities. The contractor submitted a summary report that included general descriptions of the five required activities and activities students participated in during the program. However, there was no specific measurable data about the extent to which students participated in the required activities. Claim forms were submitted by the contractor for reimbursement, summarizing the total hours the staff spent on the project, but the data was insufficient to reflect the effort and corresponding expenditures spent providing specific required activities to each student.

The ESU #13 and Goodwill contracts are similar to the ESU #9 contract in relation to the reimbursement of staff time based on hourly wages for the provision of services, identified as

work-based learning experiences and a summer work experience, respectively, under the scope of services in Section 2.a. The attachments described the provision of multiple pre-employment required activities, and the summary reports confirmed the provision of more required activities than just work-based learning experiences, including all five required activities under the Goodwill contract. The terms and conditions of the contract indicated no further instruction or requirements for the contractor to describe the provision of services, standards or how the vendor should ensure that minimum requirements are met, such as identifying measurable objectives and specific goals for students receiving services, and how to report the data to NEVR. While the two summary reports provided some data regarding the accomplishments of students, there was no specific measurable data about the extent to which students participated in the required activities that would identify the level of effort received or the corresponding expenditures associated with the provision of services. The invoices submitted to NEVR summarized the salaries and wages of contractor staff that comprised the majority of costs, along with other cost categories of lesser amounts. Supporting documentation in the form of time logs or timesheets were submitted for the staff performing work under both contracts; however, the tracking efforts only identified the total number of hours worked per day. As a result, the data from the summary reports and timesheets were insufficient to reflect the effort and corresponding expenditures spent providing specific pre-employment transition required activities to each student.

RSA discussed throughout the monitoring review the need for NEVR to ensure that contracts' scopes of works include clear and consistent language, outlining the responsibilities of NEVR and the CRP/contractor. Such language should include not just identification of each service provided in the contract, but the requirements of the CRP/contractor to track the cost and provision of each service to each individual and submit information sufficient for NEVR to determine if services are provided in a manner that meets NEVR's expectations and requirements. The contract language should include programmatic requirements of each service, fiscal requirements for payment, and details to meet reporting requirements on all reports, including the SF-425, RSA-17 and RSA-911, the latter report requiring the reporting of expenditures per service per individual. As referenced above, the contract management, including review of invoices and supporting documentation, has been conducted at the State administrative office instead of at the district office level by VR Counselors. A written policy or procedure for contract development, including contractor requirements for tracking time and providing detailed supporting documentation invoices is necessary to structure how NEVR manages contracts, including the review and approval of invoices and supporting documentation, whether the documentation meets the contracts standards, and the extent to which the CRP should be paid full, partial or no payment. These standards may be built into the contract provisions.

As described above, there is a lack of internal controls to verify CRP staff member effort spent working on the project and an inability to report costs per service per individual on Federal reports, which is further limited by the contract monitoring issues identified below. As such, NEVR cannot assure that it is administering the VR program in a proper and efficient manner and ensuring financial accountability. For these reasons, NEVR has not complied with the VR program provisions and internal control requirements set forth at 34 C.F.R. §§ 361.3(a) and 361.12, and 2 C.F.R. § 200.302(a) and (b)(4).

B. Contract Monitoring

The Uniform Guidance at 2 C.F.R. § 200.303(c) requires grantees to implement internal controls sufficient to ensure the grantee evaluates and monitors the agency's activities to ensure compliance with Federal requirements. In addition, 2 C.F.R. § 200.329(a) requires NEVR to be responsible for the oversight of the operations of all grant-supported activities. VR program implementing regulations at 34 C.F.R. § 361.12 require NEVR to employ methods of administration necessary for the proper administration and for carrying out all functions under the State plan. These methods include procedures to ensure accurate data collection and financial accountability. As such, NEVR must monitor and evaluate grant-supported activities to ensure compliance of all activities performed under the VR program.

As part of the review preparation, RSA sent a document request to NEVR for information related to the monitoring topics in the Monitoring and Technical Assistance Guide. For the request related to contract monitoring, the agency submitted a Service Agreements policy that included in paragraph 20 a description of a general annual review conducted for those documents. The agency's service agreements establish fee-for-service requirements. The service agreement does not obligate funds, which occurs only when VR counselors in the field issue individual authorizations. Discussions with the agency indicated that service agreement reviews involve Office Directors that perform an on-site review annually to address issues that arise that may include billing, service provision, and staffing. Generally, the directors address if services meeting individual's needs. NEVR indicated that there is no standard template, form, or checklist used in monitoring, and that it is primarily an informal process.

The agency considers contracts the mechanism to purchase services that include obligation of funds when executed. However, similar to service agreements, NEVR confirmed that there is no formalized monitoring protocol for its contracts. The document request indicated that the agency did not have sufficient policies and procedures for contract monitoring. Discussions with the agency during the review and the VR response to the document request confirmed the agency did not have any current samples of completed monitoring at the time of the review. The agency staff acknowledged the need to develop a more robust contract monitoring protocol, including the use of QE2 data, to conduct contract monitoring in a more structured and formal manner, incorporating programmatic elements along with legal and fiscal requirements.

Conclusion: NEVR does not maintain effective internal controls over the Federal awards necessary to provide reasonable assurances that it 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. §§ 361.3(a) and 361.12, and 2 C.F.R. §§ 200.302 and 200.303. NEVR did not satisfy the requirements in 34 C.F.R. §§ 361.3 and 361.12, and 2 C.F.R. § 200.302(a) and (b)(4) that require a State's financial management systems to be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal requirements, and that funds are spent solely on authorized VR activities, because an internal control deficiency exists for developing contracts, monitoring contracts, reviewing and approving invoices and supporting documentation, which does not permit NEVR to ensure all

costs charged to the contracts are reasonable, necessary, allocable and allowable under the VR program, as required by Federal cost principles in Uniform Guidance.

NEVR does not have mechanisms to monitor and reconcile contracts reimbursed with Federal funds, to ensure that expenditures reported are accurate, allocable and allowable, in accordance with 2 C.F.R. § 200.405, or to track, account and report program and fiscal data for service provision accurately on the RSA-911 report.

Corrective Actions 3.2: RSA requires that NEVR—

- 3.2.1 By the second quarterly update after approval of the CAP, develop or revise (e.g., NEVR Contracting Procedures), and implement written policies and mechanisms governing the development of contracts to ensure—
- Contracts follow a clear and concise process, consistent with State and Federal requirements, outlining a scope of the specific services the contractor will provide, measurable goals, objectives and expected outcomes, and tracking and reporting requirements of the contractor to ensure NEVR has data sufficient to meet VR service provision and reporting requirements; and
 - Costs for all pre-employment transition services required activities provided through contracts and VR services are allocable and allowable in accordance with 2 C.F.R. § 200.405 and Sections 110(d)(1) and 113 of the Rehabilitation Act; and
- 3.2.2 By the second quarterly update after approval of the CAP, develop and implement written policies and procedures governing the oversight of the operations of all grant-supported activities, as required by 2 C.F.R. § 200.329(a), particularly with respect to—
- Requiring uniform requirements and tools CRPs/contractors can use to submit expenditures and supporting documentation that accurately tracks non-Federal and Federal activities, and reflects costs and services provided under pre-employment transition services and VR services;
 - Contract monitoring steps, schedules and instruments to ensure that programmatic and fiscal performance expectations are achieved, and procedures to identify contractual performance deficiencies and establish corrective action plans for contractors; and
 - Staff members' review of invoices prior to and during payment processing including confirmation that supporting documentation sufficiently demonstrates the contractor is meeting the deliverables and requirements of the contract.

VR Agency Response: NEVR did not provide a response to this corrective action.

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

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

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

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

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

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

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

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

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

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

Vocational Rehabilitation Program Other Measures That Matter

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

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

Measure 3—NE-G Profile: VR Process Efficiency (PYs 2019 and 2020)

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

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

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

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

VR Agency Profile Data	2017	2018	2019
Employment Rate	64.0%	58.0%	51.0%
Number of Participants Exiting in Competitive Integrated Employment or Supported Employment	1,669	941	381
Percentage of Timely Eligibility Determinations	97.0%	94.3%	98.8%
Percentage of Eligibility Determination Extensions	2.2%	3.8%	8.4%
Percentage of Timely IPE Development	78.9%	54.1%	65.5%
Number of Applicants	3,446	2,302	1,763
Number of Individuals Determined Eligible	3,286	2,132	1,801
Number of Individuals with an IPE and No VR Services Provided	2	29	12
Number of Participants (with an IPE and VR Services Provided)	5,655	3,007	2,043
WIOA Performance Indicators (General VR Agency)	2017	2018	2019
Measurable Skill Gains Rate	24.3%	19%	18.9%
Employment Rate in 2 nd Qtr After Exit	N/A	63.9%	65.9%
Median Earnings in 2 nd Qtr After Exit	N/A	4,171	4,436
Employment Rate in 4 th Qtr After Exit	N/A	N/A	64.7%
Credential Attainment Rate	N/A	N/A	18.4%
WIOA Performance Indicators (Statewide)	2017	2018	2019
Measurable Skill Gains Rate	29%	26%	31.8%
Employment Rate in 2 nd Qtr After Exit	N/A	17.5%	64.4%
Median Earnings in 2 nd Qtr After Exit	N/A	4,207	4,445
Employment Rate in 4 th Qtr After Exit	N/A	N/A	62.7%
Credential Attainment Rate	N/A	N/A	18.4%

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

Primary Disability Type by Group	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Visual	-	0.0%	-	0.0%	-	0.0%
Auditory or Communicative	470	8.3%	259	8.6%	174	8.5%
Physical	1,138	20.1%	635	21.1%	422	20.7%
Cognitive	1,975	34.9%	1,192	39.6%	932	45.6%
Psychological or Psychosocial	2,072	36.6%	921	30.6%	515	25.2%
Detailed Primary Disability Type	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Blindness	-	0.0%	-	0.0%	-	0.0%
Other Visual Impairments	-	0.0%	-	0.0%	-	0.0%
Deafness, Primary Communication Visual	107	1.9%	61	2.0%	49	2.4%

Detailed Primary Disability Type	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Deafness, Primary Communication Auditory	-	0.0%	-	0.0%	-	0.0%
Hearing Loss, Primary Communication Visual	302	5.3%	166	5.5%	100	4.9%
Hearing Loss, Primary Communication Auditory	-	0.0%	-	0.0%	-	0.0%
Other Hearing Impairments (Tinnitus, Meniere's Disease, hyperacusis, etc.)	4	0.1%	1	0.0%	2	0.1%
Deaf-Blindness	1	0.0%	-	0.0%	-	0.0%
Communicative Impairments (expressive/receptive)	56	1.0%	31	1.0%	23	1.1%
Mobility Orthopedic/Neurological Impairments	80	1.4%	52	1.7%	41	2.0%
Manipulation/Dexterity Orthopedic/Neurological Impairments	19	0.3%	8	0.3%	5	0.2%
Both Mobility and Manipulation/Dexterity Orthopedic/Neurological Impairments	315	5.6%	206	6.9%	151	7.4%
Other Orthopedic Impairments (e.g., limited range of motion)	277	4.9%	133	4.4%	65	3.2%
Respiratory Impairments	20	0.4%	9	0.3%	8	0.4%
General Physical Debilitation (e.g., fatigue, weakness, pain, etc.)	179	3.2%	100	3.3%	74	3.6%
Other Physical Impairments (not listed above)	248	4.4%	127	4.2%	78	3.8%
Cognitive Impairments (e.g., impairments involving learning, thinking, processing information and concentration)	1,975	34.9%	1,192	39.6%	932	45.6%
Psychosocial Impairments (e.g., interpersonal and behavioral impairments, difficulty coping)	1,415	25.0%	658	21.9%	393	19.2%
Other Mental Impairments	657	11.6%	263	8.7%	122	6.0%

Table 3—NE-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			5,429	3,445	3,589	
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	348	6.4%	224	6.5%	70	1.95%
Individual exited during or after a trial work experience	-	0.0%	-	0.0%	-	0.0%
Individual exited after eligibility, but from an order of selection waiting list	-	0.0%	182	5.3%	108	3.0%
Individual exited after eligibility, but prior to a signed IPE	1,182	21.8%	240	7.0%	968	27.0%
Individual exited after an IPE without an employment outcome	927	17.1%	674	19.6%	365	10.2%
Individual exited after an IPE in noncompetitive and/or nonintegrated employment	-	0.0%	-	0.0%	-	0.0%
Individual exited after an IPE in competitive and integrated employment or supported employment	1,669	30.7%	941	27.3%	381	10.6%
Individual exited as an applicant after being determined ineligible for VR services	1	0.0%	187	5.4%	137	3.8%
Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services	240	4.4%	1,175	34.1%	1,560	43.5%
Supported Employment			PY 17 Number of Participants	PY 18 Number of Participants	PY 19 Number of Participants	
Number of Participants Who Exited with a Supported Employment Outcome in Competitive Integrated Employment			368	227	104	
Number of Participants Who Exited with a Supported Employment Outcome in Noncompetitive and/or Nonintegrated Employment			-	-	-	

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

Reason for Exit	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 is No Longer Available for Services Due to Residence in an Institutional Setting Other Than a Prison or Jail	-	0.0%	12	0.3%	14	0.4%
Health/Medical	-	0.0%	29	0.8%	49	1.4%
Death of Individual	11	0.2%	18	0.5%	15	0.4%
Reserve Forces Called to Active Duty	-	0.0%	-	0.0%	-	0.0%
Foster Care	-	0.0%	1	0.0%	-	0.0%
Ineligible after determined eligible	-	0.0%	3	0.1%	-	0.0%
Criminal Offender	-	0.0%	17	0.5%	19	0.5%
No Disabling Condition	2	0.0%	3	0.1%	2	0.1%
No Impediment to Employment	-	0.0%	5	0.1%	2	0.1%
Does Not Require VR Service	-	0.0%	120	3.5%	184	5.1%
Disability Too Significant to Benefit from Service	24	0.4%	77	2.2%	77	2.1%
No Long Term Source of Extended Services Available	-	0.0%	2	0.1%	2	0.1%
Transferred to Another Agency	32	0.6%	95	2.8%	36	1.0%
Achieved Competitive Integrated Employment Outcome	1,669	30.7%	941	27.3%	381	10.6%
Extended Employment	-	0.0%	-	0.0%	-	0.0%
Extended Services Not Available	4	0.1%	1	0.0%	-	0.0%
Unable to Locate or Contact	232	4.3%	857	24.9%	1,000	27.9%
No Longer Interested in Receiving Services or Further Services	2,824	52.0%	1,035	30.0%	1,530	42.6%
All Other Reasons	39	0.7%	240	7.0%	279	7.8%
Number of Individuals Who Exited the VR Program	5,429	100%	3,445	100%	3,589	100%

Table 5—NE-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			5,655	3,007	2,043	
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	60	1.1%	59	2.0%	57	2.8%
Bachelor Degree Training	639	11.3%	533	17.7%	395	19.3%
Junior or Community College Training	1,057	18.7%	741	24.6%	446	21.8%
Occupational or Vocational Training	204	3.6%	120	4.0%	46	2.3%
On-the-Job Training	125	2.2%	71	2.4%	42	2.1%
Apprenticeship Training	7	0.1%	5	0.2%	1	0.0%
Basic Academic Remedial or Literacy Training	7	0.1%	3	0.1%	1	0.0%
Job Readiness Training	31	0.5%	15	0.5%	10	0.5%
Disability Related Skills Training	37	0.7%	25	0.8%	10	0.5%
Miscellaneous Training	242	4.3%	167	5.6%	101	4.9%
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	5,630	99.6%	2,980	99.1%	1,970	96.4%
Diagnosis and Treatment of Impairment	411	7.3%	193	6.4%	92	4.5%
Vocational Rehabilitation Counseling and Guidance	4,848	85.7%	2,489	82.8%	1,530	74.9%
Job Search Assistance	3,177	56.2%	1,672	55.6%	980	48.0%
Job Placement Assistance	3,367	59.5%	1,756	58.4%	1,019	49.9%
Short-Term Job Supports	3,633	64.2%	1,768	58.8%	992	48.6%
Supported Employment Services	1,395	24.7%	719	23.9%	607	29.7%
Information and Referral Services	5,655	100.0%	3,007	100.0%	2,041	99.9%
Benefits Counseling	1,042	18.4%	676	22.5%	663	32.5%
Customized Employment Services	70	1.2%	53	1.8%	61	3.0%
Extended Services (for youth with the most significant disabilities)	-	0.0%	-	0.0%	-	0.0%

Other 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
Transportation	1,484	26.2%	746	24.8%	331	16.2%
Maintenance	1,487	26.3%	687	22.8%	315	15.4%
Rehabilitation Technology	1,020	18.0%	593	19.7%	363	17.8%
Personal Attendant Services	275	4.9%	143	4.8%	84	4.1%
Technical Assistance Services	52	0.9%	34	1.1%	22	1.1%
Reader Services	3	0.1%	3	0.1%	2	0.1%
Interpreter Services	70	1.2%	45	1.5%	26	1.3%
Other Services	1,131	20.0%	630	21.0%	287	14.0%

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

Types of Measurable Skill Gains Earned	Number 2017	Number 2018	Number 2019
Educational Functioning Level	-	-	-
Secondary Diploma	37	11	15
Postsecondary Transcript/ Report Card	219	131	84
Training Milestone	32	21	16
Skills Progression	31	20	18
Total	319	183	133
Participants Who Earned Measurable Skill Gains	2017	2018	2019
Number of Participants Who Earned Measurable Skill Gains	261	155	102

Table 7—NE-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)

Median Hourly Earnings and Hours Worked per Week at Exit			PY 17	PY 18	PY 19	
Number of Participants Who Exited in Competitive and Integrated Employment or Supported Employment			1,668	937	374	
Median Hourly Earnings at Exit			\$11.00	\$11.32	\$12.00	
Median Hours Worked per Week at Exit			39	35	36	
Primary Source of Support at Exit	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Personal Income	1,361	81.6%	750	80.0%	285	76.2%
Family and Friends	62	3.7%	39	4.2%	21	5.6%
Public Support	238	14.3%	147	15.7%	68	18.2%
Other Sources	7	0.4%	1	0.1%	-	0.0%
Public Support at Exit	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Social Security Disability Insurance (SSDI) at Exit	263	15.8%	160	17.1%	64	17.1%
Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Exit	172	10.3%	111	11.8%	51	13.6%
Temporary Assistance for Needy Families (TANF) at Exit	14	0.8%	1	0.1%	-	0.0%
General Assistance (State or local government) at Exit	14	0.8%	14	1.5%	1	0.3%
Veterans' Disability Benefits at Exit	13	0.8%	6	0.6%	4	1.1%
Workers' Compensation at Exit	1	0.1%	1	0.1%	-	0.0%
Other Public Support at Exit	29	1.7%	10	1.1%	8	2.1%
Medical Insurance Coverage at Exit	PY 17 Number of Participants	PY 17 Percent	PY 18 Number of Participants	PY 18 Percent	PY 19 Number of Participants	PY 19 Percent
Medicaid at Exit	335	20.1%	199	21.2%	93	24.9%
Medicare at Exit	283	17.0%	158	16.9%	67	17.9%
State or Federal Affordable Care Act Exchange at Exit	74	4.4%	28	3.0%	17	4.5%
Public Insurance from Other Sources at Exit	77	4.6%	22	2.3%	12	3.2%
Private Insurance Through Employer at Exit	540	32.4%	322	34.4%	153	40.9%
Not Yet Eligible for Private Insurance Through Employer at Exit	137	8.2%	53	5.7%	15	4.0%
Private Insurance Through Other Means at Exit	303	18.2%	174	18.6%	65	17.4%

Table 8—NE-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	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	100	\$9.50
2	Cashiers	72	\$10.00
3	Dishwashers	66	\$9.10
4	Customer Service Representatives	45	\$11.00
5	Stock Clerks and Order Fillers	45	\$10.00
6	Food Preparation and Serving Related Workers, All Other	37	\$9.50
7	Childcare Workers	35	\$9.50
8	Combined Food Preparation and Serving Workers, Including Fast Food	35	\$9.25
9	Food Preparation Workers	30	\$9.25
10	Building Cleaning Workers, All Other	29	\$10.00
No.	PY 19 SOC Title	PY 18 Number of Participants	PY 18 Median Hourly Earnings
1	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	48	\$9.88
2	Cashiers	33	\$10.75
3	Stock Clerks and Order Fillers	31	\$9.50
4	Food Preparation and Serving Related Workers, All Other	26	\$10.00
5	Dishwashers	23	\$9.00
6	Nursing Assistants	22	\$12.00
7	Heavy and Tractor-Trailer Truck Drivers	22	\$22.60
8	Dining Room and Cafeteria Attendants and Bartender Helpers	19	\$9.25
9	Sales and Related Workers, All Other	19	\$10.25
10	Customer Service Representatives	19	\$11.00
No.	PY 19 SOC Title	PY 19 Number of Participants	PY 19 Median Hourly Earnings
1	Dishwashers	23	\$10.00
2	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	22	\$10.00
3	Food Preparation and Serving Related Workers, All Other	16	\$9.50
4	Stock Clerks and Order Fillers	14	\$10.00
5	Registered Nurses	10	\$28.00
6	Customer Service Representatives	8	\$10.96
7	Sales and Related Workers, All Other	7	\$11.75
8	Food Preparation Workers	7	\$10.00
9	Retail Salespersons	6	\$11.85
10	Agricultural Workers, All Other	6	\$15.00

Table 9—NE-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)

Students with Disabilities	PY 17 Number/ Percentage of Students	PY 18 Number/ Percentage of Students	PY 19 Number/ Percentage of Students
Total Students with Disabilities Reported	6,036	8,654	10,839
Students with Disabilities Reported with 504 Accommodation	129	191	239
Students with Disabilities Reported with IEP	4,366	6,378	8,208
Students with Disabilities Reported without 504 Accommodation or IEP	1,541	2,085	2,392
Total Students with Disabilities Who Received a Pre-Employment Transition Service	3,025	3,408	3,272
Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service	2,609	2,855	2,720
Students with Disabilities, Who Applied for VR Services, and Received a Pre-Employment Transition Service	416	553	552
Percentage of Students with Disabilities Reported Who Received a Pre-Employment Transition Service	50.1%	39.4%	30.2%

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

Pre-Employment Transition Services	PY 17 Number of Pre- Employment Transition Services Provided	PY 17 Percent of Total Pre- Employment Transition Services Provided	PY 18 Number of Pre- Employment Transition Services Provided	PY 18 Percent of Total Pre- Employment Transition Services Provided	PY 19 Number of Pre- Employment Transition Services Provided	PY 19 Percent of Total Pre- Employment Transition Services Provided
Total Pre-Employment Transition Services Provided	17,045	-	27,425	-	31,255	-
Job Exploration Counseling	6,724	39.4%	9,829	35.8%	10,418	33.3%
Work-Based Learning Experiences	1,557	9.1%	1,664	6.1%	1,137	3.6%
Counseling on Enrollment Opportunities	1,863	10.9%	3,939	14.4%	4,678	15.0%
Workplace Readiness Training	3,449	20.2%	6,205	22.6%	7,852	25.1%
Instruction in Self-Advocacy	3,452	20.3%	5,788	21.1%	7,170	22.9%

Vocational Rehabilitation Program Other Measures That Matter

Measure 1—NE-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)	1,431
Number Employed in Second Quarter after Exit AND Fourth Quarter after Exit	1,031
Percent Sustaining Employment	77.1%

Measure 2—NE-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	-	-	-	-	-	-	-
Communication	67	17.91%	\$16.00	40.0	63	7	88.16%
Physical	68	18.18%	\$14.13	37.5	60	22	45.03%
Intellectual	160	42.78%	\$11.00	30.0	149	58	52.98%
Psychosocial	79	0%	\$11.00	27.0	58	21	38.35%
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	101	27.01%	\$15.65	40.0	89	11	58.05%
Most Significant	202	54.01%	\$10.06	20.0	180	96	49.51%
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	-	0%	-	-	-	-	0%

Measure 3—NE-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.

Application to Eligibility (PY 2019)		Number		
Number of Individuals Who Applied in PY 2019		1,763		
Number of Individuals Determined Eligible in PY 2019		1,801		
Application to Eligibility (PY 2019)	30 Days after Application	31 and 60 Days after Application	61 or More Days after Application	
Number Determined Eligible within:	991	647	163	
Percent Determined Eligible within:	55.02%	35.92%	9.05%	
Number Determined Eligible in PY 2019 Who Exited with Employment during PY 2019 within	3	6	3	
Number Determined Eligible in PY 2019 Who Exited without Employment during PY 2019 within	1	-	-	

Eligibility to IPE (PY 2020)		Number			
Number of Individuals Who Had IPEs Developed in PY 2020					
Eligibility to IPE (PY 2020)	30 Days after Eligibility	31 and 60 Days after Eligibility	61 and 90 Days after Eligibility	91 or More Days after Eligibility	
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—NE-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.

VR Program Participants	Program Year 2019 Q1	Program Year 2019 Q2	Program Year 2019 Q3	Program Year 2019 Q4
Number of Participants Receiving VR Services	1,441	1,477	1,500	1,444
Total Number of Participants	1,441	1,477	1,500	1,444
Percent Receiving VR Services	100 %	100%	100%	100%

**Measure 5—NE-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.

Program Year 2019 MSG Rate Denominator	Program Year 2019 Total Number of Participants Served	Program Year 2019 Percent of Participants Eligible to Earn MSG
540	2,043	26.43%

Measure 6—[Insert] 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.

Students with Disabilities (PY 2019)	Job- Exploration Counseling	Workplace Readiness Training	Work-Based Learning Experience	Counseling on PSE Enrollment	Self- Advocacy Training	One or More Service
Number of Potentially Eligible Students Who Received Service	2,013	1,565	171	808	1,428	2,710
Number of Students Who Received Service under IPE	90	56	7	41	64	122
Number of Students Who Received Service as Both Potentially Eligible and under an IPE	51	39	1	24	39	74
Number of Students Who Exited with Employment during PY	0	0	0	0	0	0
Number of Students Who Exited without Employment during PY	0	0	0	0	0	0

	Number/ Percent
Total Number of Participants in VR Program	2,043
Number of Potentially Eligible Students with Disabilities Who Received Pre-Employment Transition Services	2,710
Percent of Potentially Eligible Students with Disabilities Who Received Pre-Employment Transition Services	54.4%
Total Number of Applicants to VR Program	1,763
Number of Potentially Eligible Students with Disabilities Who Applied to VR Program	400
Percent of Potentially Eligible Students with Disabilities Who Applied to VR Program	22.7%

APPENDIX B: FISCAL DATA TABLES

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.