

**FISCAL YEAR 2017  
MONITORING REPORT  
ON THE  
MASSACHUSETTS COMMISSION FOR  
THE BLIND  
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: EXECUTIVE SUMMARY

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## **A. Background**

Section 107 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under Section 101 of the Rehabilitation Act and with the evaluation standards and performance indicators established under Section 106 subject to the performance accountability provisions described in Section 116(b) of WIOA. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment Services under Title VI, of the Rehabilitation Act.

Through its monitoring of the VR and State Supported Employment Services programs (Supported Employment program) administered by the Massachusetts Commission for the Blind (MCB) in Federal fiscal year (FFY) 2017, RSA:

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities and those with the most significant disabilities, including students and youth with disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
  - Performance of the Vocational Rehabilitation Program;
  - Transition Services, including Pre-Employment Transition Services, for Students and Youth with Disabilities;
  - State Supported Employment Services Program
  - Allocation and Expenditure of State Vocational Rehabilitation Services and State Supported Employment Services Program Funds; and
  - Joint Workforce Innovation and Opportunity Act Final Rule Implementation.

In addition, RSA reviewed a sample of individual case service records to assess internal controls for the accuracy and validity of Case Service Report (RSA-911) data and provided technical assistance to the VR agency to enable it to enhance its performance.

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from September 11 through 14, 2017, is described in detail in the Federal [FY 2017 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide](#).

## **B. Summary of Observations and Findings**

RSA's review of MCB resulted in the observations and findings summarized below. The entire observations and findings, along with the recommendations and corrective actions that the agency can undertake to improve its performance are contained within the sections of this report covering the focus areas to which they pertain.

### **Observations**

RSA's review and analysis of MCB did not result in observations or recommendations.

### **Findings**

RSA found that—

- MCB was not complying with the State's earliest age requirement of 14 for provision of transition services under the Individuals with Disabilities Education Act (IDEA) in its provision of pre-employment transition services to students with disabilities;
- MCB did not maintain effective internal control over the Federal award to provide reasonable assurance that MCB is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award;
- MCB did not assign obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12; 2 C.F.R. §§ 200.77, 200.302, 200.303(a), 200.309; and 34 C.F.R. § 76.702;
- MCB did not satisfy personnel cost allocation requirements in 2 C.F.R. §§ 200.430 and 200.431;
- MCB was not satisfying the prior approval requirements in 2 C.F.R. § 200.407; and
- MCB's process for funding the VR program's proportionate amount of the One-Stop system's infrastructure costs did not satisfy the requirements at 34 C.F.R. §§ 361.13 and 361.715.

## **C. Summary of Technical Assistance**

During the review process, RSA provided technical assistance to MCB on the following topics:

- Information on the implementation of an order of selection (OOS), including fiscal forecasting, development of a thorough analysis of the need for an OOS, development of effective OOS categories, requirements for implementing an OOS (including public hearings, State Plan amendment, and the approval process), and staff training;
- Methods to improve internal controls and data quality and validity through improved source documentation, use of new report and notification features in the case management system, and better use of case notes and narrative fields by VR counselors;
- Clarification of and strategies for the provision and tracking of pre-employment transition required services, authorized services, and coordination activities;

- Significant changes to the Supported Employment program resulting from the WIOA amendments to the Rehabilitation Act, including the “short-term” basis and extended services for youth provisions;
- Guidance on needed revisions to supported employment contracts;
- Clarification of allowable supported employment services;
- Technical assistance regarding low participation and reporting rates for supported employment;
- The definition of and requirements for internal controls;
- The process of obligating, tracking, liquidating, and reporting of Federal and non-Federal expenditures to the appropriate FFY award within the appropriate period of performance;
- The prohibition against subgranting Federal awards made under the VR, Supported Employment, and Client Assistance programs;
- Personnel cost allocation requirements in the Uniform Guidance (2 C.F.R. §§ 200.430 and 200.431);
- Prior approval requirements in the Uniform Guidance (2 C.F.R. § 200.407);
- Fiscal forecasting and cost containment strategies in response to MCBs concerns that it was approaching a critical funding shortfall; and
- The requirements of the memorandum of understanding (MOU) for the One-Stop delivery system, specifically related to funding the costs of the services and the operating costs of the system as defined in 34 C.F.R. § 361.500(b)(2).

As a result of the monitoring process, MCB and RSA identified the need for additional technical assistance in the following areas:

- MCB requested additional technical assistance on methods to increase supported employment participation;
- MCB identified Supplemental Security Income (SSI) eligibility as a major barrier to engaging youth, as families are reluctant to allow VR participation due to fears of losing cash benefits, medical benefits, and most importantly, day habilitation program slots, and requested strategies for addressing this barrier; and
- MCB requested additional technical assistance in its payroll allocation, asking RSA to provide resources and examples of other State VR agencies’ payroll practices similar to MCB whose payroll is allocated on a State FY (SFY) basis.

#### **D. Review Team Participants**

Members of the RSA review team included Larry Vrooman and Zera Hoosier (Vocational Rehabilitation Program Unit), James Billy and Janette Shell (Technical Assistance Unit), Julya Doyle and Mariangela Patruno (Fiscal Unit), and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

## **E. Acknowledgements**

RSA wishes to express appreciation to the representatives of MCB for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the Client Assistance Program (CAP) and advocates, and other stakeholders, in the monitoring process.

## **SECTION 2: FOCUS AREA – PERFORMANCE OF THE VOCATIONAL REHABILITATION PROGRAM**

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### **A. Nature and Scope**

Through implementation of this focus area, RSA assessed the achievement of quality employment outcomes by individuals with disabilities served in the VR program by conducting an in-depth and integrated analysis of core VR program data and review of individual case service records. The analysis represents a broad overview of the VR program administered by MCB and included employment outcomes in competitive integrated employment and supported employment. It should not be construed as a definitive or exhaustive review of all available VR program data. The data generally measure performance based on individuals who exited the VR program during the most recently completed three-year period for which data are available. Consequently, the tables do not provide complete information that could otherwise be derived from examining open service records. The analysis includes the number of individuals participating in the various stages of the VR process; the number and quality of employment outcomes; the services provided to eligible individuals; the types of disabilities experienced by individuals receiving services; and the amount of time individuals are engaged in the various stages of the VR process, including eligibility determination, development of the individualized plan for employment (IPE), and the provision of services. RSA also reviewed policies and procedures related to internal controls necessary for the verification of data and compared the performance of MCB with that of all VR agencies of similar type (i.e., blind agencies) as appropriate.

In addition to data tables, the review team used a variety of other resources to better understand the performance trends indicated by the outcomes measured. Other resources included, but were not limited to—

- Agency policies and procedures related to the provision of transition and pre-employment transition services, competitive integrated employment, and supported employment services; and
- Description in the VR services portion of the program year 2016 Combined State Plan describing goals and priorities pertaining to the performance of the VR program.

The review teams shared the data with the VR agency prior to the on-site visit and solicited information throughout the review process explaining the performance trends demonstrated by the data. Specifically, the review teams met with the following:

- The VR agency director;
- VR agency managers and supervisors;
- VR counselors;
- VR agency personnel; and
- Representatives of the SRC, the CAP, and other VR program stakeholders.

In addition to a review of the RSA-911 and Quarterly Cumulative Caseload Report (RSA-113) data provided by the VR agency, RSA conducted a review of individual case service records. RSA provided guidelines to the VR agency prior to the on-site visit. The review team discussed the selection of service records with MCB and the method it uses to maintain records. RSA used the information obtained through the review of service records to assess MCB's internal controls for the accuracy and validity of RSA-911 data.

The review team provided technical assistance on the WIOA joint performance accountability measures established in Section 116(b) of WIOA. RSA did not issue compliance findings on these measures. However, the review team and VR agency used these measures to discuss the potential effect of the joint performance accountability measures on the State and agency level performance.

RSA provided additional technical assistance to the VR agency during the course of monitoring to enable it to improve programmatic performance.

## **B. Overview and Internal Controls**

RSA reviewed MCB's performance during FFYs 2014, 2015, and 2016, with particular attention given to the number and quality of outcomes achieved by individuals with disabilities in the State. The data used in this review were provided by MCB to RSA on the RSA-113 and the RSA-911.

### **The VR Process**

During the period FFY 2014 through FFY 2016, the total number of applicants for the VR program decreased from 444 individuals to 380 individuals, and the total number of individuals with disabilities eligible for VR services decreased from 419 to 373 individuals. The number of individuals with an IPE who received services decreased from 1,344 individuals in FFY 2014 to 1,153 individuals in FFY 2016.

During FFY 2014 through FFY 2016, of all individuals whose service records were closed, the number of individuals who exited from the VR system as applicants decreased from 40 individuals or 8.2 percent in FFY 2014, to 6 individuals or 1.8 percent in FFY 2016, significantly lower than the national performance for blind agencies of 17.4 percent. During the same time period, the percentage of individuals who exited from the VR system without employment outcomes, after eligibility determination, but before an IPE was signed and services were received, decreased from 15 individuals, 3.1 percent of all individuals whose service records were closed in FFY 2014, to 3 individuals or 0.9 percent in FFY 2016, which was significantly better than the national performance of 10.1 percent for blind agencies. This low rate of attrition prior to IPE helped MCB increase the percentage of eligible individuals receiving services from 88.7 percent in FFY 2014 to 97.0 percent in FFY 2016, well above the 71.9 percent national performance for blind agencies. MCB attributes this low attrition rate to VR counselors often coordinating with social workers or other agencies for several months before a referral is made to MCB, particularly if an individual is unsure when making the decision to pursue work.

As shown in Table 3.4a, compliance with the 60-day time frame from application to eligibility determination varied between 97.3 percent in FFY 2014 and FFY 2015, and 96.3 percent in FFY 2016. MCB's performance was well above the national performance for blind agencies of 89.6 percent and MCB substantially met the 60-day application to eligibility determination requirement.

Closed case data in Table 3.4b shows that the percentage of individuals with disabilities whose IPEs were developed in 90 days or less ranged from a low of 94.5 percent in FFY 2014, to a high of 96.5 percent in FFY 2015, and 95.6 percent in FFY 2016. MCB significantly exceeded the national blind agency performance of 82.0 percent in FFY 2016.

### **VR Services Provided**

The data in Table 3.2a, b, and c indicate that with a few notable exceptions, MCB's service provision to individuals with disabilities did not differ significantly compared to similar agencies nationally in FFY 2016. However, MCB demonstrated significant increases in several service areas over the course of the review period.

MCB's reported use of assessment services increased from 2.5 percent in FFY 2014 to 11.6 percent in FFY 2016, remaining well below the national performance of all blind agencies of 66.2 percent. MCB's provision of diagnostic and treatment of impairments increased from 12.7 percent in FFY 2014 to 51.4 percent in FFY 2016, close to the national performance of blind agencies of 54.5 percent. MCB's provision of rehabilitation technology increased from 24.4 percent to 84.7 percent over the review period, well above the national blind agency performance of 65.6 percent. Disability-related skills training increased from 26 individuals (6.0 percent) in FFY 2014 to 194 individuals (60.6 percent) in FFY 2016, well above the national performance for all blind agencies of 44.7 percent.

MCB showed a significant increase in the provision of graduate level training from ten individuals (2.3 percent) in FFY 2014 to 23 individuals (7.2 percent) in FFY 2016, well above the national performance for blind agencies of 1.4 percent. MCB also demonstrated an increase in four-year or university training from four individuals (0.9 percent) in FFY 2014 to 22 individuals (6.9 percent) in FFY 2016, below the national performance for blind agencies of 10.1 percent. Similarly, MCB demonstrated an increase in occupational or vocational training from two individuals (0.5 percent) in FFY 2014, to 20 individuals (6.3 percent) in FFY 2016, compared to the national performance for blind agencies in FFY 2016 of 12.5 percent.

Job readiness training increased significantly over the review period from 7 individuals (1.6 percent) in FFY 2014 to 62 individuals (19.4 percent) in FFY 2016, well above the 11.9 percent national performance for blind agencies. Job search assistance increased from eight individuals (1.8 percent) in FFY 2014 to 64 individuals (20.0 percent) in FFY 2016, nearly twice the national performance for all blind agencies in FFY 2016 of 10.5 percent.

### **Employment Outcomes**

The number and percentage of individuals with IPEs who achieved employment increased from 262 (53.7 percent) in FFY 2014 to 266 (80.6 percent) in FFY 2016. Over the same period of time the number of individuals with IPEs who exited without employment decreased from 171 (35.0 percent) to 54 (16.4 percent). The total number of individuals who received services under an IPE decreased from 433 to 320, while the number exiting into employment remained about the same. This resulted in a significant increase in the percentage of individuals employed (80.6 percent) compared to MCBs FFY 2014 performance of 53.7 percent, and compared to the national performance of 47.3 percent for blind agencies in FFY 2016.

MCB's performance and increase in the percentage of individuals achieving employment outcomes does not represent an increase in the percentage of individuals achieving competitive employment outcomes. MCB's number and percentage of individuals achieving competitive employment remained stable during the period under review, changing only slightly from 173 (66.0 percent) in FFY 2014 to 177 (66.5 percent) in FFY 2016. MCB's performance compares less favorably to the national performance for blind agencies of 86.4 percent in FFY 2016 for competitive employment outcomes. The lower percentage of competitive employment outcomes reflects MCB's former emphasis on homemaker outcomes. Closed case RSA-911 data used during the review does not capture fully the effects of WIOA, the cessation of homemaker outcomes, and the effects of MCB's transition to competitive employment outcomes. However, for individuals with disabilities who achieved competitive employment outcomes, the average hourly wage was well above the national average wage in FFY 2016 for all blind agencies of \$15.61. Individuals who exited from MCB with employment had an average hourly wage of \$24.41 in FFY 2014, \$22.86 in FFY 2015, and \$24.16 in FFY 2016, reflecting MCB's ability to place individuals into high-quality employment.

Excluding homemaker outcomes, the top five occupational areas for employment outcomes achieved in FFY 2016 were office and administrative support occupations (9.4 percent); education, training, and library occupations (9.0 percent); community and social services occupations (7.1 percent); sales and related occupations (6.4 percent); and management occupations (4.9 percent). Overall, the employment outcomes achieved by individuals who exited into competitive employment showed more diversity than blind agencies generally and had lower percentages of placements in occupations that are traditionally lower paying or hold less career advancement potential. The RSA review team found that the percentage of individuals exiting MCB into employment in professional and technical fields such as business and financial operations occupations; computer and mathematical occupations; legal occupations; and life, physical, and social science occupations; exceeded the national performance of blind agencies, reflecting positively on the quality of employment outcomes achieved by individuals exiting MCB.

As noted previously, the RSA review team noted a great deal of diversity in employment outcomes during the review period along with higher percentages of individuals placed in occupations that are associated with greater pay and potential for career advancement. MCB attributed this to a number of on-going initiatives including—

- Project Search's use of a robust internship model, classroom and on the job supports and

orientation and mobility services to place individuals into health care settings, resulting in 17 of 17 individuals offered employment;

- A summer internship program now in its fourteenth year, which is resulting in about 90 internships per year with an average of 88 percent retention;
- Efforts through the Job Driven Vocational Rehabilitation Technical Assistance Center (JDVRTAC) to—
  - Develop a coordinated employer data base with MCB, Carroll Center for the Blind and Perkins School for the Blind business partners; and
  - Engage the Perkins School for the Blind Business Partnership to identify why blind and visually impaired individuals are not hired and address these issues, including 360-degree evaluations and employer perspectives, and outreach to an expanding base of prospective employers;
- Mass Rehabilitation Hiring events (jointly sponsored by Massachusetts Rehabilitation Commission (MRC) and MCB) which have evolved from job fairs to hiring events with individuals applying and interviewing for existing job openings with pre-screening and supports by MCB staff to ensure individuals are ready and competitive for these positions;
- Mentoring program which matches budding professionals (mostly youth) to visually impaired professionals, and including job shadowing and networking;
- Use of the Perkins School for the Blind Business Partnership on line platform to educate employers and provide them with information about MCB along with a certificate from Harvard;
- Employment collaboratives, in which job developers share leads and ensure existing vacancies and employer needs are met;
- Use of a phone interview service to assist individuals in preparing for interviews and providing feedback over two to three calls to assess and monitor improvement; and
- Other activities including—
  - Annual information day for college students;
  - Employer events with MRC; and
  - Partnering with the Work Without Limits conference.

## **Homemaker Outcomes**

MCB reported 84 homemaker outcomes (32.1 percent) in FFY 2014, increasing to 112 (42.3 percent) in FFY 2015, before declining to 85 (32.0 percent) in FFY 2016, compared to the national performance for all blind agencies of 11.7 percent in FFY 2016. MCB has successfully transitioned from a long history of homemaker outcomes to a focus on competitive integrated employment. MCB closed all homemaker plans prior to July 1, 2017 and has no homemaker or unpaid family worker IPEs remaining in its caseloads. The increase in assessment, diagnostic and treatment of impairments, rehabilitation technology, graduate training, four-year college and university training, and job readiness and job search assistance services all signal a change in focus from homemaker outcomes to competitive employment outcomes.

## **Order of Selection**

While MCB is not on an order of selection (OOS), the agency has identified several factors that are resulting in an increase in expenditures and a reduction in carryover each year. The number of months that MCB operates on carryover funds has decreased from 12 months in FFY 2014 by 3 to 4 months each year, and at the time of the on-site review, MCB predicted a funding shortfall within 18 months that will require the agency to go on an OOS.

MCB links the causes of the increased expenditures to both the 15 percent reserve requirement for students with disabilities receiving pre-employment transition services, and MCB's transition from homemaker outcomes. The focus on competitive integrated employment outcomes, on the positive side, has prompted an increase in the number of postsecondary education students; however the agency has experienced a commensurate increase in the costs for tuition. MCB has also noted an increase in the number of individuals receiving assistive technology for both postsecondary education and for competitive employment. The data reflect these changes in service patterns.

MCB also noted increases in case management system costs as it transitions to a new system to comply with the WIOA reporting requirements and addresses internal control and data validity issues noted in the case management system in use at the time of the on-site review, which is discussed in more detail under Internal Controls. This required an expenditure of \$400,000 by December 2017 with annual costs of \$223,000 to maintain the system.

MCB cited increasing costs of doing business, including cost-of-living increases for staff, and noted that while strong unions are helping MCB obtain high-quality VR counselors who are helping individuals obtain better wages and employment outcomes, these increased costs also reduce the funds available for service delivery.

## **Internal Controls**

During the on-site monitoring review, the RSA team conducted a targeted review of a sample of 30 service records of individuals who did or did not achieve employment, to ensure the documentation in the service record is accurate, complete, and supports the data entered into the RSA-911 with respect to the date of application, date of eligibility determination, date of IPE, start date of employment in primary occupation at exit or closure, hourly wage at exit or closure, employment status at exit or closure, type of exit or closure, and date of exit or closure.

The service record review results, summarized in Appendix B, indicate that the date of application reported in the RSA-911 was correct in 26 of the 30 cases reviewed, resulting in an accuracy rate of 80.0 percent. The RSA team also found that correct eligibility dates were reported in 28 of 30 cases, resulting in an accuracy rate of 93.3 percent. The correct start date of employment was found in 29 out of 30 cases resulting in an accuracy rate of 96.7 percent. The accuracy rate for the other data elements assessed was 100 percent.

Twenty-three of the 30 cases contained no errors, creating an overall accuracy rate of 76.7 percent. Consistent with this overall rate, the errors found by the RSA team were evenly

distributed over the remaining seven cases. Only two of the seven cases with errors contained multiple errors including date of application and date of eligibility in each case. Seven of the eight errors found were made in date of application or date of eligibility, suggesting that there are specific factors or agency practices that contribute to high error rates in these specific data elements.

MCB supervisors meet with VR counselors and use a number of case status reports to monitor case flow and timely completion of milestones including 60-day eligibility determination and 90-day IPE development from the determination of eligibility. MCB reported a high turnover in staff due to a number of scheduled retirements as well as an early retirement program offered a few years ago. MCB described this as both a challenge in terms of training new staff, but also as an opportunity to accelerate needed changes in the agency's procedures and practices. At the time of the on-site visit, MCB indicated that its case management system was no longer supported and that it planned to move to a new case management system in December 2017. This new system offers improved capability for VR counselors to monitor case flow and service provision. The RSA staff and MCB staff discussed possible methods of improving accountability and accuracy in the case management system as part of this system change.

### **C. Analysis of Performance and Observations**

RSA's review and analysis of the performance of MCB in this focus area did not result in observations or recommendations.

### **D. Findings and Corrective Actions to Improve Performance**

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

### **E. Technical Assistance**

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

#### **Order of Selection**

RSA provided substantial technical assistance in the areas of fiscal forecasting and cost savings in response to MCB's concerns that it was approaching a critical funding shortfall. Despite this technical assistance, MCB may need to implement an OOS in FFY 2019.

Based on the possibility that MCB may implement an OOS during FFY 2019, RSA provided extensive technical assistance on the process of implementing an OOS, including—

- Development of a thorough analysis and justification for an OOS;
- Development of effective OOS categories;

- Fiscal forecasting to predict potential savings resulting from the closure of one or more categories;
- Staff training prior to the implementation of an OOS;
- Requirements for public hearings; and
- Required changes to the MCB VR services portion of the Combined State Plan; and
- Steps in the RSA approval process.

### **Internal Controls and Data Validity**

While on-site, the RSA review team discussed the error rates in date of application and date of eligibility with MCB staff. The consensus among the MCB staff was that errors were more likely in these data elements due to a combination of data migration errors from the agency's previous case management system to its current case management system, and entry of data for applications completed in itinerant locations that is entered into the case management system at a later date with an inaccurate date. The RSA team provided technical assistance to MCB staff regarding:

- Methods of improving the accuracy of data entry for the application and eligibility date elements as a means to significantly improve data validity in these areas and in the overall error rate including—
  - Backdating parameters for inputting applications taken remotely; and
  - Use of available tools, reports, and notifications for staff, supervisors, and administrators contained in the new case management system;
- Implementation of the new case management system including—
  - Staff training; and
  - Improving internal controls as the new system is implemented; and
- Suitable source documentation of case management system data including—
  - Integration with the case management system;
  - Improved use of case notes and narrative fields on case management system forms and pages;
  - Staff training to improve source documentation; and
  - Internal controls such as supervisory review of source documentation during periodic, random case file reviews.

## **SECTION 3: FOCUS AREA – TRANSITION SERVICES, INCLUDING PRE-EMPLOYMENT TRANSITION SERVICES FOR STUDENTS AND YOUTH WITH DISABILITIES**

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### **A. Nature and Scope**

Through the implementation of this focus area, RSA assessed the VR agency performance and technical assistance needs related to the provision of transition services, including pre-employment transition services, to students and youth with disabilities and the employment outcomes achieved by these individuals. For purposes of the VR program, “transition services” are defined as a coordinated set of activities for a student or youth with a disability, designed within an outcome-oriented process that promotes movement from school to post-school activities, including postsecondary education, vocational training, competitive integrated employment, supported employment, continuing and adult education, adult services, independent living, or community participation.

The Rehabilitation Act, as amended by WIOA, places heightened emphasis on the provision of services, including pre-employment transition services, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional vocational rehabilitation services, such as transition services.

“Pre-employment transition services,” defined in Section 7(30) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(42), include both required activities and authorized activities specified in Section 113 of the Rehabilitation Act and in 34 C.F.R. § 361.48(a). Pre-employment transition services also include pre-employment transition coordination activities. Section 113(a) of the Rehabilitation Act requires that VR agencies provide, or arrange for the provision of, pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. The term “potentially eligible” is specific to the provision of pre-employment transition services but is not defined in the Rehabilitation Act. A “student with a disability,” as defined in Section 7(37) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(51), includes the minimum age for the receipt of pre-employment transition services, the minimum age for the provision of transition services under IDEA, and the maximum age for the receipt of services under IDEA; thus, the implementing definition of “student with a disability” may vary from State to State.

“Youth with a disability” is defined in Section 7(42) of the Rehabilitation Act and in 34 C.F.R. § 361.5(c)(58) as an individual with a disability who is age 14 through 24. The distinction between the definitions of “student with a disability” and “youth with a disability” is critical for purposes of the various authorities for providing transition-related services, including pre-employment transition services.

During the monitoring process, RSA and the VR agency jointly reviewed applicable data and documentation related to transition and pre-employment transition services, which included—

- State educational agency (SEA) and local educational agency (LEA) agreements;
- Policies related to the provision of transition services, including pre-employment transition services;
- Sample third-party cooperative arrangement contracts for the provision of pre-employment transition services;
- An on-the-job training agreement;
- Assurance 4(c) and descriptions (j), (m), and (o), and any other relevant information from the most recently submitted VR services portion of the Combined State Plan;
- Federal Financial Report (SF-425) reporting procedures, especially as those procedures relate to the proper accounting and reporting of expenditures with funds reserved under Section 110(d)(1) of the Rehabilitation Act for the provision of pre-employment transition services for students with disabilities;
- Supporting documentation for expenditures incurred with funds reserved for the provision of pre-employment transition services and reported in line 12b of the SF-425; and
- Updated policies or procedures for tracking expenditures for the provision of pre-employment transition services for 1) purchased services and services provided by VR agency personnel; and 2) related procedures to exclude administrative costs from expenditures paid with funds reserved under Section 110(d)(1) of the Rehabilitation Act for the provision of pre-employment transition services (Section 110(d)(2) prohibits such costs from being paid for with funds reserved under Section 110(d)(1)).

In gathering information related to the provision of transition services, including pre-employment transition services, RSA consulted—

- The VR agency director and other senior managers;
- VR agency fiscal officers and staff;
- VR agency counselors;
- VR agency transition coordinators and staff;
- Educational agencies; and
- Service providers.

## **B. Overview**

### **Transition Service Delivery Structure**

MCB operates in six regions in the State with a VR unit in each region supervised by a regional director or VR supervisor. MCB coordinates services with the Children's Services program, which works with individuals who are blind until they reach age 14. During this period of service the Children's Services worker in the region participates in individualized education program (IEP) meetings and provides referral services as needed, including the referral to MCB when the

student reaches age 14. MCB also receives referrals from social service agencies such as the Carroll Center for the Blind and Perkins School for the Blind. MCB begins its provision of VR transition services at age 14 and also provides outreach services to all individuals who are blind at age 14 and again at age 25 to advise them of the VR program and available services.

The majority of students and youth with disabilities receiving transition and pre-employment transition services are located in the three largest regions in the State. Each of these regions has a VR counselor with a dedicated pre-employment transition services caseload. These counselors also cover an additional region in order to provide a dedicated VR counselor to each of the six regions. Transition students who are not receiving pre-employment transition services are managed by regular VR counselors.

MCB primarily uses contractors to provide the required pre-employment transition services and continues to actively engage providers to expand contract services. MCB is working with the Carroll Center for the Blind and the Perkins School for the Blind to make some of their services more mobile.

At the time of the on-site portion of the review, both MRC and MCB used age 16 as the minimum age for pre-employment transition services. As a result, MCB opened VR cases at age 14 and provided transition services to these students until they turned 16 and were eligible to begin pre-employment transition services.

## **Pre-Employment Transition Services**

### Required Activities

MCB and MRC jointly issued a Request for Response (RFR) for the provision of required pre-employment transition services. Once selected, the contract unit then developed contracts for specific services from specific vendors, some of whom work with both MCB and MRC and others who work only with MCB. The required services provided under these contracts are primarily funded based on a daily or weekly rate for daily and weekly programs. Hourly rates, when necessary, are derived from the daily rate divided by the number of hours in the day to obtain an hourly rate.

As noted earlier, the majority of required services are provided by vendors; however, some pre-employment transition services, such as work based learning activities in the form of internships, are provided by VR counselors. Two of MCB's contractors provide statewide services, while the other vendors provide services to local areas but are strategically placed to ensure the required services are available in all areas of the State. Some services are available in centralized locations on weekends, and transportation to these services is provided by parents or volunteer networks.

Prior to MCB's migration to its new case management system in December 2017, MCB tracked services for potentially eligible students using a spreadsheet. Following the migration to the new system, potentially eligible individuals are now being tracked in the case management system.

### Authorized Activities

At the time of the review, MCB reported the provision of staff training and other activities that would qualify as authorized activities under the pre-employment transition services authority, but was not charging the related staff time and travel to the funds reserved for pre-employment transition services. MCB stated it was not doing so as it was unsure of the amount of funds necessary to provide the required activities to students statewide. MCB did not have written policies in place regarding the tracking and provision of authorized activities and expenditure of pre-employment transition services reserve funds for authorized activities.

### Coordination Activities

MCB engages in a number of activities that qualify as coordination activities under the pre-employment transition services authority. These activities include conferences attended by teachers of visually impaired students and orientation and mobility specialists to discuss pre-employment transition service opportunities.

MCB works closely with special education teachers and administrators in many education districts to network and reach potentially eligible students. MCB also coordinates and collaborates with blind advocacy groups in the State to get input on needed services and service delivery methods. MCB VR counselors attend IEP and other meetings to coordinate services for students with disabilities in local schools and began allocating time spent on all pre-employment transition services activities following related training and the distribution of a Field Operations Memo to VR staff in June, 2017.

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

MCB indicated during the monitoring process that it has not provided any pre-employment transition services in group settings, in large part due to the low incidence of blind and visually impaired students in a particular school and the challenges and benefits of providing group versus individual services. However, MCB staff believe that self-advocacy training may lend itself to the provision of services in group settings and are currently exploring this possibility.

### **Statewideness of Transition Services.**

In addition to the regional presence of transition and pre-employment transition VR counselors, the RFR process resulted in the statewide availability of vendors who may provide pre-employment transition services required activities. Consequently, required services are delivered in all areas of the State. MCB is continuing to explore additional opportunities to provide pre-employment transition services and is still seeking to improve the proximity of services to students who need them, whenever possible.

### **Outreach and Referral**

The majority of students receiving pre-employment transition services are receiving services under an IPE. MCB reported about 10 participants who are potentially eligible who have not yet opened a VR case. Due to good availability of public transportation including free bus services and low cost (\$3 per ride) paratransit services, VR funding of transportation services is not generally needed for students to participate in transition and pre-employment transition services.

However, if funding is needed, MCB indicates funding for transportation services can be provided as a service under an IPE.

Nearly all students receiving pre-employment transition services from MCB have an IEP or are individuals with disabilities for purposes of Section 504. MCB relies on special educators to help the agency reach more potentially eligible students. While MCB does not employ teachers of the visually impaired (TVIs), about 35 percent of the Commonwealth's TVIs are employed by the Carroll Center for the Blind and the Perkins School for the Blind, who provide services under contract to various schools.

Reporting of legal blindness to MCB is mandatory in the Commonwealth of Massachusetts, and as a result, referrals are also made to MCB by eye doctors and physicians. These referrals are forwarded to the region serving the area where the consumer lives, and are assigned to a VR counselor covering that location.

Massachusetts also has a state-funded children's services program that provides services to families with blind children up to the age of 14. This program provides another referral source for transition and pre-employment transition students, and MCB conducts outreach to the families of blind students when they turn 14, and again at 17 for those youth who do not yet have open transition cases.

MCB has streamlined the referral process for pre-employment transition services. Although an eye doctor report is preferred, MCB accepts a report from a TVI indicating that the individual has a qualifying impairment and is working with the local school district. However, at the time of the on-site review, provision of transition services for 14- and 15-year-old students required VR eligibility, given the minimum age of 16 for pre-employment transition services under the joint agreement with MRC.

### **Transition Policies and Procedures**

The MCB policy for pre-employment transition services primarily focuses on the differences in definitions between transition and pre-employment transition services, the required scope of pre-employment transition services, and the differences in IPE development and related services and tracking. MCB policy does not discuss in great detail how the required services are delivered through different means in Massachusetts.

The MCB policy also covers coordination responsibilities for VR counselors including: attending IEP meetings; working with workforce boards, One-Stops, and employers to develop pre-employment opportunities; working with schools and TVIs to ensure provision of appropriate pre-employment transition services to students who are eligible or potentially eligible for pre-employment transition services; and when invited, attending person-centered planning meetings. Authorized services are also addressed, but in definitional form rather than outlining specifically how VR counselors or the agency will provide these services.

MCB, in collaboration with MRC, updated its policy to expand VR services to individuals with low vision diagnosed with a progressive visual impairment (including dual sensory loss) leading to legal blindness. Thus, MCB is now able to work with individuals who are visually impaired if

the underlying condition is one that will lead to legal blindness, which will increase the number of potentially eligible and eligible individuals being served.

### **Minimum Age for Pre-Employment Transition Services**

In the course of preparing for the review and in developing technical assistance for both MCB and MRC, RSA noted that the VR agencies are using a higher minimum age standard for students receiving pre-employment transition services than the Massachusetts IDEA minimum age for transition. At the time of the on-site review, MCB was formally providing pre-employment transition services based on age 16, under an agreement with MRC, adopting this as the common age for the start of pre-employment transition services. However, in light of the students exiting from the children's services program at age 14 and referred to MCB for services, MCB was providing transition services to eligible individuals, including services that would count as pre-employment transition services, but was not charging these services toward the 15 percent reserve. MCB deemed this necessary as the child services program ends at age 14, requiring MCB to become involved in transition for blind students at age 14 to avoid a two-year gap in services.

MCB also noted that since the employment age in Massachusetts is 16, the "pre-employment" work for students is often completed by age 16 and students are much more focused on employment and other services that do not always fall under the pre-employment transition services authority. MCB stated that it is, in effect, doing the equivalent of pre-employment transition work prior to the minimum agreed upon age.

The RSA team noted that the definition in the Massachusetts Department of Elementary and Secondary Education Technical Assistance Advisory SPED 2009-1 states that transition must begin at age 14, or sooner if determined appropriate by an IEP team.

### **Transition Planning**

To assist students and youth with disabilities in transition planning and moving from secondary education to postsecondary education and employment, MCB is undertaking a concerted effort in the State to facilitate training with community and technical colleges. This includes participation in a Science, Technology, Engineering and Math (STEM) conference each fall. MCB completed its last Comprehensive Statewide Needs Assessment (CSNA) just as WIOA was enacted and the SRC conducted a separate needs assessment on pre-employment transition services, surveying 960 students age 14-22 with responses from 119 students. The survey results indicated that only 42 percent of students were aware of cooperation between their school and the VR program, and only 29 percent indicated they had been offered services by MCB.

At the time of the on-site monitoring visit, MCB planned to conduct its next CSNA in 2017 during the fall, and intended to integrate pre-employment transition services into the needs assessment.

### **Review of Programmatic Data for the Provision of Transition Services**

#### Attrition and Type of Closure

MCB data demonstrated a decrease in the number of individuals under the age of 25 whose cases were closed due to an inability to locate or contact the individual, from 13 individuals in FFY 2014 to three individuals in FFY 2016. Similarly, the number of individuals whose cases were closed as “no longer interested in receiving services or further services” decreased from nine individuals in FFY 2014 and 11 individuals in FFY 2015 to just one individual in FFY 2016.

### Employment Outcomes

The number of individuals under the age of 25 exiting with employment increased from 15 individuals in FFY 2014 and FFY 2015 to 25 individuals in FFY 2016. Similarly, the number of individuals exiting with competitive employment outcomes increased from 14 and 15 in FFY 2014 and FFY 2015, respectively, to 24 individuals in FFY 2016. MCB attributed this increase to individuals exiting who participated in college and internship programs, making such individuals more attractive to employers. The overall employment rate decreased from 45.0 percent in FFY 2014 to 39.0 percent in FFY 2015, but increased significantly to 75.8 percent in FFY 2016, as MCB started its transition from homemaker to competitive employment outcomes. MCB had no homemaker outcomes for individuals under the age of 25 during the review period.

The focus on in-demand skills and relevant postsecondary education is reflected in the occupations obtained by individuals who exited during FFY 2016. Four individuals exited into computer and mathematical occupations; four individuals into education, training, and library occupations; two individuals into management occupations; one individual into business and financial operations; and one individual into arts, design, entertainment, sports, and media. This demonstrates nearly half of all youth entering employment in career-based employment, rather than lower-wage employment.

### Services Provided

The increase in employment outcomes due to greater participation of individuals under age 25 in postsecondary education and/or internship programs is consistent with data showing an increase in individuals attending graduate school from three individuals in FFY 2014 to nine individuals in FFY 2015, and in individuals attending four-year degree programs from one individual in FFY 2014 to 12 individuals in FFY 2016.

The provision of job readiness training also increased from no individual exiting in FFY 2014 receiving such training to 12 and 14 individuals who exited the program in FFYs 2015 and 2016, respectively, receiving this training. Similarly, the number of individuals provided job search services increased from no individual exiting in FFY 2014 who received this service, and only one individual exiting in FFY 2015 who received this service, to 15 individuals exiting in FFY 2016 who received job search services.

Individuals receiving rehabilitation Technology services increased from one individual exiting in FFY 2014 to 19 individuals exiting in FFY 2015 who received this service, increasing further to 26 individuals who exited in FFY 2016 receiving rehabilitation technology. MCB attributed this increase to greater availability and use of assistive technology devices.

MCB also showed a significant increase in the number of individuals who received maintenance, from no one exiting in FFY 2014 who received this service, to 13 individuals who exited in FFYs 2015 and 2016 receiving maintenance. This is attributed to a definitional change of reimbursement for internships which are now paid as maintenance, rather than as a stipend under the “other” category. Despite this shift from maintenance services from the “other” service category, the number of individuals reported as receiving “other” services increased from one individual who exited in FFY 2014 receiving “other” services to 18 individuals who exited in FFYs 2015 and 2016 receiving “other” services. This increase was due to coding changes and mirrors the increase in the general agency where the same coding changes occurred.

### **C. Analysis of Performance and Observations**

RSA’s review of the performance of MCB in this focus area did not result in the identification of observations and recommendations.

### **D. Findings and Corrective Actions to Improve Performance**

RSA’s review of the performance of the VR program in this focus area resulted in the identification of the following finding and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

#### **3.1 Minimum Age Requirements for Pre-Employment Transition Services Unmet**

**Issue:** Is MCB complying with the State’s earliest age requirements for provision of transition services under IDEA in its provision of pre-employment transition services to students with disabilities.

**Requirement:** Section 113(a) of the Rehabilitation Act and 34 C.F.R. § 361.48(a) require the designated State unit, in collaboration with local educational agencies, to provide or arrange for the provision of pre-employment transition services for all students with disabilities in need of such services who are eligible or potentially eligible for VR services. The definition of “student with a disability” in section 7(37) of the Rehabilitation Act and in 34 C.F.R. § 361.5(c)(51) means, in part, an individual with a disability in a secondary, postsecondary or other recognized education program who—

- Is not younger than the earliest age for provision of transition services under Section 614(d)(1)(A)(i)(VIII) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(1)(A)(i)(VIII)); or
- If the State involved elects to use a lower minimum age for receipt of pre-employment transition services under the Rehabilitation Act is not younger than that minimum age...

Massachusetts Session Laws, Chapter 285 of the Acts of 2008, enacted August 6, 2008, amended Section 2 of c.71B (the Massachusetts special education statute) by adding the following paragraph:

“Beginning age 14 or sooner if determined appropriate by an individualized education program team, school age children with disabilities shall be entitled to transition services and measurable postsecondary goals, as provided under the Federal Individuals with Disabilities Education Act, 20 USC sec. 1400, et sec.”

**Analysis:** By joint agreement, MCB and MRC use age 16 as the minimum age for the provision of pre-employment transition services, although the Massachusetts IDEA age for the start of transition is age 14.

During the monitoring process, RSA reviewed the definitions used for transition age in the Massachusetts State law, and in the Massachusetts’ Department of Elementary and Secondary Education special education’s Technical Assistance Advisory SPED 2009-1: Transition Planning to Begin at Age 14. Per Massachusetts State law outlined in the requirements section and the technical advisory circular noted, the IDEA age for the required start of transition services under IDEA is age 14 and continues until age 22.

MCB’s VR services portion of the Combined State Plan mentions the age of 14 as the age to begin providing transition and pre-employment transition services to students with disabilities; however, MRC referred to the minimum age of 16 in its VR services portion of the 2016 State Plan for the provision of pre-employment transition services. Both MCB and MRC indicated during the monitoring process that a jointly agreed-upon age of 16 is used for the start of pre-employment transition services. MCB is providing transition services beginning at age 14, and many of those services would meet the definition of required or authorized services or coordination activities under the pre-employment transition authority, if the age of 14 were used. Consequently, MCB has been providing services that would qualify as pre-employment transition services, but because of the joint agreement with MRC, has not been charging those expenditures to the reserve.

The use of a mutually agreed upon age for the start of transition services that is higher than the IDEA age for the start of transition in the State is not allowed. The definition of “Student with a disability” in 34 C.F.R. § 361.5(c)(51)(i)(A)(2) allows a State, meaning the combined VR agency, or both the blind and general VR agencies in States where separate VR agencies are found, to adopt a transition age that is lower than the IDEA minimum age for a State. State VR agencies may not singly or jointly adopt an age to begin pre-employment transition services for students with disabilities that is higher than the State’s minimum IDEA age for transition.

**Conclusion:** The Commonwealth of Massachusetts has elected to use the lower age of 14 for the start of transition services under IDEA. Since there is no provision in the regulations for a State to adopt an age for VR pre-employment transition services that is higher than that State’s IDEA minimum age for transition, the MCB and MRC cannot adopt a higher minimum age for the start of pre-employment transition services. Both agencies must mutually agree upon and adopt a minimum age for the start of pre-employment transition services that is not greater than the age of 14.

### **Corrective Action Steps:**

RSA requires MRC and MCB to—

- 3.1.1 Jointly adopt a minimum age for the provision of pre-employment transition services to students with disabilities that is not greater than Massachusetts' IDEA age for transition, which is currently age 14; and
- 3.1.2 Develop, implement, and provide instruction to staff on new policies to reflect the new agreed upon age.

### **E. Technical Assistance**

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

#### **Qualifying Expenditures for Pre-employment Transition Services**

At the time of the on-site review, the RSA team provided technical assistance regarding a projected inability to expend up to \$300,000 in pre-employment transition services reserve funds. RSA provided technical assistance on the issue of minimum transition age and the services currently being provided to 14- and 15-year-old students.

RSA also provided technical assistance on specific costs, such as staff costs that could be counted toward the reserve, particularly for activities MCB is doing currently such as authorized and coordination activities that could be counted toward the reserve if properly documented and tracked and reported, and the team discussed methods of achieving the required documentation and reporting.

#### **Determining Funds Available for Authorized Activities**

As indicated in section B of this focus area, MCB is providing certain authorized services and coordination activities, but is not tracking the allowable staff costs related to these activities. MCB indicated that it is not applying authorized expenses to the reserve since it is not sure when the need for the required activities has been met. RSA advised MCB that the agency does not need to wait until the end of the year, after all required services have been provided, to begin spending reserve funds on authorized services and coordination activities. The team provided technical assistance to MCB regarding the development of a forecasting model to determine how many individuals are expected to need required services and the anticipated costs for those services. RSA pointed out that while there is a population of potentially eligible students in Massachusetts that far exceeds the potential resources of the agency, for various reasons, only a portion of those students may approach or be referred to MCB for pre-employment transition services. This number comprises a more realistic estimate of students served and estimated costs for required services. Once the amount of funds required has been identified, reserve funds can be spent on authorized activities. RSA pointed out that the authorized and coordination activities are intended to increase awareness and outreach to students in order to increase the number of

students who will ultimately seek required pre-employment transition services and derive benefits from these services.

## **SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM**

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### **A. Nature and Scope**

Through this focus area, RSA assessed the Supported Employment program, authorized under Title VI of the Rehabilitation Act, as amended by WIOA, and regulations in 34 C.F.R. part 363. The Supported Employment program provides grants to assist States in developing and implementing collaborative programs with appropriate entities to provide programs of supported employment services for individuals with the most significant disabilities, including youth with the most significant disabilities, to enable them to achieve a supported employment outcome in competitive integrated employment. Grants made under the Supported Employment program supplement grants issued to States under the VR program.

WIOA made several significant changes to Title VI of the Rehabilitation Act that governs the Supported Employment program. The amendments to Title VI are consistent with those made throughout the Rehabilitation Act to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities.

The changes to the Supported Employment program made in the Rehabilitation Act, as amended by WIOA, covered in this focus area included:

- The extension of the time frame for the provision of supported employment services from 18 to 24 months (Section 7(39)(C) of the Rehabilitation Act, 34 C.F.R. § 361.5(c)(54)(iii), and 34 C.F.R. § 363.50(b)(1));
- The requirement that supported employment must be in competitive integrated employment or, if not in competitive integrated employment, in an integrated setting in which the individual is working toward competitive integrated employment on a short-term basis (Section 7(38) of the Rehabilitation Act, and 34 C.F.R. § 363.1);
- The requirement that supported employment funds and/or VR program funds be available for providing extended services to youth with the most significant disabilities for a period of time not to exceed four years, or until such time that a youth reaches the age of 25 and no longer meets the definition of “youth with a disability,” whichever occurs first (Section 604(b) of the Rehabilitation Act and 34 C.F.R. § 363.4(a)(2)); and
- The reduction of the amount of funds that may be spent on administrative costs (Section 606(b)(7)(H) of the Rehabilitation Act and 34 C.F.R. § 363.51).

To facilitate the provision of monitoring and technical assistance activities, and in preparation for the on-site visit, the RSA and MCB reviewed applicable documentation and resources related to the Supported Employment program, including, but not limited to:

- VR agency policies and procedures related to the provision of supported employment and extended services;
- Third-party cooperative arrangements and/or cooperative agreements with employers, State agencies, private nonprofit organizations, and other groups that fund extended services;
- Third-party cooperative arrangements and/or cooperative agreements with supported employment vendors and associated community rehabilitation programs (CRPs);
- Supported employment assurances 5, 6, and 7 and descriptions e, j.1.A, k.2.B, l.2, n, o, p, and q and any additional information from the VR services portion of the most recently approved Unified or Combined State Plan;
- Procedures to limit expenditures on administrative costs to 2.5 percent of the State's supported employment award; and
- Performance data related to the number and percentage of individuals with the most significant disabilities receiving supported employment services and achieving supported employment outcomes.

In gathering information related to this focus area, the review team consulted:

- The VR agency director and other senior managers;
- VR agency counselors;
- VR agency supported employment coordinators and staff;
- Supported employment vendors and associated CRPs;
- Entities with which the VR agency has third-party cooperative arrangements.

## **B. Overview**

MCB demonstrated relatively good quality in its supported employment outcomes. However RSA-911 data for supported employment service records closed during the review period of FFY 2014 through FFY 2016 indicated that few supported employment outcomes were achieved. This may be due to policies, practices and other factors that are discussed further in this section and that suggest that supported employment activity may be higher than what is reported in the data.

RSA-911 data indicated that seven individuals had supported employment closures in FFY 2014, four individuals in FFY 2015, and six individuals in FFY 2016. The RSA team noted no individuals under the age of 25 whose service records were closed during FFY 2014 through FFY 2016 achieved supported employment. At the time of the on-site review, MCB estimated approximately 1,500 legally blind individuals per year would receive VR services as active consumers during FFY 2016 and FFY 2017. From this population it was estimated that 20 to 30 individuals with the most significant disabilities would be provided with supported employment

services each year, suggesting that supported employment outcomes are underreported.

### **Supported Employment Performance**

The average hourly wage for all individuals who achieved a supported employment outcome increased from \$21.84 in FFY 2014 to \$27.91 in FFY 2016 compared to the national performance of \$13.89 per hour for blind agencies in FFY 2016. However, during the same period, the number of hours worked per week decreased from 39.3 in FFY 2014 to 35 in FFY 2015 and 18.5 in FFY 2016, significantly lower than the national performance of 21.9 for blind agencies.

The percentage of all individuals who achieved supported employment with employer-provided medical insurance varied from 42.9 percent in FFY 2014, to 25 percent in FFY 2015 and 33.3 percent in FFY 2016, compared to the blind agency national performance of just 17.1 percent in FFY 2016. The number of individuals being reported was small, however, with just 3 in FFY 2014, 1 in FFY2015, and 2 in FFY 2016.

The percentage of individuals who achieved supported employment and who received job placement assistance was fairly low compared to 36.8 percent for the national performance of blind agencies—14.3 percent in FFY 2014, 0 percent in FFY 2015, and 16.7 percent in FFY 2016.

### **Supported Employment Policy: Effects on Reporting of Supported Employment Outcomes**

MCB's policy on Supported Employment (chapter 22) states that an individual is counseled to consider supported employment only after all alternative vocational goals have been explored and it has been determined that, without supports, the consumer is unemployable in the competitive labor market and can benefit from supported employment.

The MCB policy for eligibility for supported employment under Chapter 22 B (2) states:

“2) has not worked in competitive employment or has only worked intermittently in competitive employment due to a most significant disability. The nature of the consumer's problems in working competitively must be explained in the case record so that it is clear that an unsupported competitive employment goal would not be realistic for the consumer even with the provision of traditional VR services.”

This policy effectively precludes eligibility for supported employment if the individual was previously employed in a competitive integrated employment position. The MCB policy also suggests that supported employment is not an allowable outcome if extended services are not needed, even after on the job supports have been provided to enable the individual to stabilize and maintain employment.

## Practices that May Contribute to Lower Reporting of Supported Employment

MCB's VR counselors described the use of customized employment through job carving to eliminate job duties that might otherwise require long-term supports, reducing the number of outcomes that are perceived to be supported employment outcomes as well as the number of outcomes where long-term supports are needed.

During the course of the review, the team found that MCB accesses State funding through the Chapter 688 account for Supported Employment. Chapter 688 (better known as the "Turning 22" law) was enacted in 1984 to provide a planning process for young adults with severe disabilities as they leave special education and transition into the adult service system. All individuals referred to Chapter 688 must be receiving special education services and graduating or turning 22 years of age and must be in need of continuing services and unable to work 20 or more hours per week in non-supported competitive integrated employment. A unit at the MRC determines Turning 22 eligibility for individuals not eligible for SSI by reviewing the individual's records and work evaluations and/or conducting a personal interview, when necessary. Individuals who receive SSI or Social Security Disability Insurance (SSDI) or are listed on the registry of the blind at MCB are automatically eligible.

The Turning 22 funds are State line item appropriations that are used to fund an array of supports including community-based residential services, support for day program services, employment services, transportation, and family supports or respite. MCB uses the employment services funds available under this authority instead of Federal VR funds rather than having these State funds revert to the Massachusetts treasury. This is essentially a comparable benefit to VR which would reduce the use of VR funds for supported employment; however, RSA explained that services paid for with these funds should still be reported on the individual's IPE and in the RSA-911.

## Other Factors

MCB administrators indicated that the low participation rate in supported employment is also partly due to the potential loss of medical and financial benefits for individuals once employed if they receive SSI or SSDI. MCB indicated it has begun to target 21-year-old individuals and recruit them for VR services rather than simply letting individuals proceed into noncompetitive employment. This is still a challenge as MCB indicates that guardians for these individuals are afraid of losing SSI or SSDI benefits. In addition, parents and guardians fear the loss of eligibility for adult service day programs, which can result if the individual does not attend the program for a sufficient number of hours per week, as Medicaid stops paying for the slot if the individual's attendance falls below a certain threshold.

## **Collaboration with Other Partners to Improve Supported Employment Outcomes**

In October 1997, a Community-Based Employment Service (CBES) service delivery system was developed through the Employment Services Advisory Committee. Later that year, the MRC, the

Department of Developmental Services (DDS), the Massachusetts Commission of Deaf and Hard of Hearing (MCDHH) and the MCB collaborated on the release of a competitive bid for CBES.

As a result of this effort, an individual receiving supported employment services is able to access a system of supports in a more streamlined fashion that incorporates collaboration and consumer choice and is outcome-driven, offering all reasonable and allowable supports to individuals, including extended services.

During 2015 and 2016, MCB collaborated with the DDS to expand services to mutual consumers that includes an initiative to better identify consumers who are not receiving supported employment services but who could benefit from them. A new MOA was executed in November 2015 that includes provisions for use of joint agency resources to ensure quality service delivery and long-term supports for supported employment. This included a formal commitment of funding from MCB for appropriate supported employment services and a commitment from DDS for funding of the long-term, ongoing employment support services when needed. The agreement also provides for cross-training of staff.

MCB executed a WIOA Cooperative Agreement with Mass Health in January 2016. This agreement clarified that MCB consumers who have been rehabilitated into competitive integrated supported employment will be eligible to receive funding for on-going supports under its State-funded Extended Ongoing Supports Program.

The Institute for Community Inclusion and MCB have executed a MOA that includes provisions for use of joint agency resources to ensure quality service delivery and long-term supports that result in competitive integrated employment outcomes.

The Massachusetts Department of Mental Health has worked cooperatively with MCB by providing extended services and other services to some legally blind persons who have received supported employment services and other services from MCB.

### **C. Analysis of Performance and Observations**

RSA's review and analysis of the performance of MCB in this focus area did not result in the identification of observations and recommendations.

### **D. Findings and Corrective Actions to Improve Performance**

RSA's review of the performance of the VR program in this focus area did not result in the identification of findings and corrective actions.

### **E. Technical Assistance**

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

## **Significant Changes to the Supported Employment Program Resulting from the WIOA Amendments to the Rehabilitation Act**

RSA and MCB reviewed the Internal Control Plan (ICP) and the Program Policy Manual (PPM), as well as additional MCB policies and procedures related to the provision of supported employment, to determine the policy revisions necessary to address the new requirements under the Rehabilitation Act.

RSA and MCB discussed requirements specific to the Supported Employment program to ensure that MCB's supported employment policies and procedures incorporate and implement all new requirements under the Rehabilitation Act and assist in the development of measurable goals and strategies to increase the quality of the employment outcomes achieved by individuals with disabilities, including performance with respect to the hourly wage earned and hours worked per week.

RSA provided technical assistance on supported employment services consistent with Section 7(39) of the Rehabilitation Act and 34 C.F.R. § 361.5(c) (54), including the extension of the allowable time frame for the provision of these services from 18 months to 24 months. RSA clarified that this time frame may be extended under special circumstances if the individual and VR counselor jointly agree to extend it in order to achieve the employment outcome identified in the IPE.

## **Issuance of Guidance Related to Short-Term Basis and Revision Of Supported Employment Contract**

RSA provided technical assistance to MCB regarding the Issuance of a Policy Directive and agency "Training Briefs" in the interim prior to amendments to the administrative code , revisions to the PPM and the Electronic Information Systems Management, (EISM), version 5.0, development of procedures for tracking individuals working in integrated employment toward competitive wages in supported employment on a short-term basis, and revisions to its supported employment contracts to incorporate competitive integrated employment and the use of the short-term basis period into the provision of supported employment services.

## **Clarification of Allowable Supported Employment Services**

RSA provided technical assistance on the allowable services that can be provided or arranged for under supported employment. RSA also provided clarification that allowable supported employment services cannot start until employment has begun and cannot include job search, job development, or job placement services.

## **Clarification of Extended Services for Youth**

RSA clarified the extended service requirements for youth in Section 604(b)(2) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(v) and 34 C.F.R. § 363.4(a)(2). RSA explained that once an individual reaches the age of 25, he or she no longer meets the definition of a "youth

with a disability” pursuant to 34 C.F.R. § 361.5(c)(58) and is no longer eligible to receive extended services from the VR agency. RSA also clarified that MCB may not provide extended services to a youth with a most significant disability who has not received services from MCB through an IPE simply because he or she meets the definition of a “youth with a disability,” and is in need of extended services. RSA further clarified that to be eligible for supported employment services, including extended services, a youth must meet the requirements of Section 605 of the Rehabilitation Act and 34 C.F.R. § 363.3, which include being determined eligible for VR services.

### **Participation and Outcomes in Supported Employment**

RSA suggested that MCB consider an evaluation to identify the reasons for the low participation of individuals with the most significant disabilities in supported employment and develop goals and strategies to increase supported employment participation and outcomes. RSA provided clarification as to when the service record of an individual who has achieved a supported employment outcome may be closed in accordance with Title VI of the Rehabilitation Act and 34 C.F.R. § 363.55, as well as the requirements under Title I of the Rehabilitation Act and 34 C.F.R. § 361.56.

### **Technical Assistance Requested**

MCB requested additional technical assistance on methods to increase the proper use of supported employment and participation of individuals in supported employment.

MCB also identified SSI eligibility as a major barrier to engaging youth and requested additional technical assistance on effective ways to work with parents and guardians who fear a loss of benefits or day program slots.

## **SECTION 5: FOCUS AREA – ALLOCATION AND EXPENDITURE OF STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM FUNDS**

### **A. Nature and Scope**

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; MCB is maximizing resources available for program needs; and funds support the achievement of employment outcomes for individuals with disabilities, including youth with disabilities and individuals with the most significant disabilities. RSA reviewed MCB's adherence to Federal fiscal accountability requirements, which include both general administrative and program-specific requirements.

General administrative requirements refer to:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) located in 2 C.F.R. part 200. These regulations establish the foundation of Federal cost principles and standards for determining costs for Federal awards while reducing the administrative burden on award recipients and guarding against the risk of waste and misuse of Federal funds;
- Education Department General Administrative Regulations (EDGAR) in 34 C.F.R. part 76. These regulations are applicable to Department of Education (Department) grantees and establish uniform administrative rules for the Department's Federal grants to State administered programs; and
- Departmental and RSA guidance, including Policy Directives (PDs), Technical Assistance Circulars (TACs), Grant Bulletins, Frequently Asked Questions (FAQ), etc.

Program-specific requirements refer to the Rehabilitation Act and VR and Supported Employment program implementing regulations in 34 C.F.R. part 361 and 34 C.F.R. part 363, respectively. These requirements establish the specific provisions related to the administration and operation of the VR and Supported Employment programs.

In addition to the fiscal accountability requirements covered in this focus area, RSA reviewed fiscal requirements pertaining to the VR program funds reserved for the provision of pre-employment transition services (i.e., the prohibition against the use of these funds for administrative costs) and Supported Employment program funds (i.e., the limit on the use of these funds for administrative costs to 2.5 percent of the award to youth with the most significant disabilities). The nature and scope of this focus area did not include a review of the extent to which States have satisfied the requirements to reserve at least 15 percent of the Federal VR program award for expenditures on pre-employment transition services, to reserve 50 percent of

Supported Employment program funds for services to youth with the most significant disabilities, and to provide a 10 percent match for this amount, or to track expenditures toward these reserves. Instead, in FFY 2017, RSA initiated technical assistance to, and reviewed the progress of, each State toward satisfying these requirements through other processes established by RSA's State Monitoring and Program Improvement Division, Fiscal unit.

RSA used a variety of resources and documents from the period covering FFY 2014 through FFY 2016. If the issues identified included Federal fiscal years prior to 2014, RSA requested additional information within the statute of limitations. Resources and documentation included data maintained on RSA's Management Information System (MIS) generated from reports submitted by MCB (e.g., Federal Financial Reports (SF-425), Annual VR Program/Cost Report (RSA-2), and the VR services portion of the program year 2016 Combined State Plan. These data were organized into a fiscal profile for each State and shared with the VR agency and served as a reference for discussions regarding the areas covered within this focus area.

The review team reviewed the following documents, as needed, to ensure adherence to accountability requirements (list is not exhaustive):

- A-133 audit findings and corrective actions;
- State/agency allocation/budget documents and annual fiscal reports;
- Agency policies, procedures, and forms (e.g., monitoring, personnel cost allocation, procurement, etc.);
- Documentation of obligations and expenditures, including contracts, purchase orders, invoices, etc.; and
- Grant award notifications, documentation of non-Federal share/match, maintenance of effort (MOE), and program income documentation.

Prior to conducting the review, RSA provided MCB with a documentation request that included a list of the documentation that the agency needed to provide prior to the start of the review in a manner that enabled RSA to analyze the documents prior to the on-site visit. The review team requested additional supporting fiscal documents or clarifying information regarding contract monitoring, and documented internal control procedures.

The degree to which the review team addressed each accountability requirement was dependent upon the individual circumstances of the agency. The review team analyzed the information obtained prior to the on-site visit by reviewing the documentation requested, conducting teleconferences, and examining RSA-MIS data to determine the level of review required for each component.

## **B. Overview and Analysis**

Non-Federal entities are required to have an internal controls process designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of reporting for internal and external use, and compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This includes

the methods and procedures used to manage the day-to-day operations of grant-supporting activities to assure compliance with applicable Federal requirements. As mentioned in more detail in Section 5-C of this report, MCB maintains an internal control plan yearly that is a high-level agency wide plan referencing procedures and controls that exist for programmatic and financial operations. MCB also maintains internal control guides and agency policies and procedures related to the day to day operations of the agency.

MCB's Federal and non-Federal obligations and expenditures are entered into the Massachusetts Management Accounting and Reporting System (MMARS) where MCB tracks budgets and unobligated balances of Federal and non-Federal funds. In addition to MMARS, the agency uses a separate system (OI) to maintain obligations, liquidations, and unliquidated obligations, as well as all contractual obligations and liquidations. Fiscal staff in MCB are responsible for ensuring obligations are assigned to the appropriate FFY award as well as appropriate cost objective. The Commonwealth of Massachusetts Comptroller's Office maintains policies and procedures related to assigning and tracking obligations within the State fiscal year (SFY). MCB maintains internal policies and procedures related to tracking and accounting for obligations and expenditures in MMARS and OI, including processing the different types of obligations, monitoring contractual expenditures, and processing payments and refunds. Additionally, the information reported in the required Federal financial report (SF-425) is obtained and compiled from MMARS and OI. Invoices are processed and approved by MCB fiscal staff.

At the time of the on-site visit, MCB had recently completed written policies and procedures related to prior approval. The policies included different items that might require prior approval, the internal approval process within MCB before submission to RSA, as well as processes for staff to obtain prior approval prior to the encumbrance of equipment for consumers. As discussed in Section 5-C and 5-D of this report, the policies did not address all of the prior approval requirements.

MCB does not use TPCAs to provide services to VR clients. As such, the agency has no policies or procedures regarding these arrangements.

MCB has not used the establishment authority, and has no plans to do so. As such, the agency has no policies or procedures regarding establishing, renovating or constructing a public or nonprofit community rehabilitation program (CRP).

### **Program Expenditures and Federal Awards Data**

According to the data reported in table 6.1, MCB fully matched its Federal formula award during FFYs 2014 through 2016; however, MCB did have a MOE penalty assessed each year as the Commonwealth of Massachusetts did not meet the non-Federal share requirements related to MOE in 34 C.F.R. §361.62(a). The MOE has fluctuated every year from a low of \$159,133 in FFY 2014 to a high of \$2,046,572 in FFY 2015. This fluctuation is due to the fact that the Commonwealth pays for fringe benefits with non-Federal share. Variables due to staff turnover can significantly impact the non-Federal share from year to year.

Additionally, MCB requested and received reallocation funds in each FFY, increasing every FFY from \$2,500,000 in FFY 2014 to \$4,500,525 in FFY 2016, thereby increasing its net Federal resources significantly in each FFY. MCB only deobligated Federal funds in the amount of \$18,080 at the end of the FFY 2014 grant awards, spending all available Federal funds allotted and received in reallocation the remaining FFYs.

### **Match and Maintenance of Effort**

The data reported in Table 6.2 indicate that, for all FFYs covered in this monitoring review, 100 percent of MCB's non-Federal share used for match was appropriated to the agency by the Commonwealth of Massachusetts. Due to the fact that a large portion of the agency's non-Federal share is from fringe and indirect expenditures for personnel staff, the amount of non-Federal funds has the potential to vary greatly from year to year due to variables such as staff turnover. Additionally, in all FFYs, the Commonwealth did not meet the MOE requirement between MCB and MRC; therefore, the Commonwealth did not meet the MOE levels and MCB was assessed MOE penalties each FFY.

### **Federal Program Income and Carryover Data**

As illustrated in Table 6.3, MCB's primary source of program income is through Social Security Administration (SSA) cost reimbursements. Program income has fluctuated over the FFYs, with \$0 received through SSA reimbursements in FFY 2015 to \$95,388 received in FFY 2014. Program income has primarily been used in the VR program; however, in FFY 2016, \$70,541 was transferred to the Independent Living Services for Older Individuals who are Blind (OIB) Program, leaving only \$714 from program income used in the VR program.

MCB's carryover funds decreased each FFY from 76 percent in FFY 2014 to a significant decrease in FFY 2016 at 36.7 percent. However, pursuant to Section 5-C, the agency was not tracking liquidation of all Federal expenditures appropriately to ensure payment from the FFY grant award to which the funds were obligated. Therefore the carryover of Federal funds is not a complete reflection of Federal funds that were available based upon the reported expenditures and obligations.

### **Agency Expenditure Data**

MCB reported a slight decrease in the amount of administrative expenditures during FFYs 2014 through 2016 (Table 6.4), from 33 percent of expenditures in FFY 2014 to 22 percent in FFY 2016. During this same time span, purchased services increased representing 33.5 percent of total FFY 2014 expenditures and 42.5 percent of total FFY 2016 expenditures. The agency reported a continual decrease in expenditures for services to groups every FFY from 12.6 percent in FFY 2014 to slightly more than 5 percent in FFY 2016.

## **C. Findings and Corrective Actions to Improve Performance**

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

C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

## 5.1 Internal Control Deficiencies

**Issue:** Does MCB maintain effective internal control over the Federal award to provide reasonable assurance that MCB is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. This area of review is included on pages 52 and 53 of the MTAG.

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

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

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

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

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

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

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

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

**Analysis:** RSA found several areas of concern that fall within the internal control focus area. These concerns are identified below.

#### Missing/Inaccurate Internal Control Policies

During on-site discussions with MCB management and review of the agency's policy manuals and internal control documentation, RSA found that the agency has not maintained numerous policies and procedures to ensure consistency with applicable Federal requirements. MCB is required per Massachusetts Internal Control Legislation - Chapter 647 of the Acts of 1989 to maintain an internal control plan. The agency is required to annually evaluate the effectiveness of its internal control system and establish and implement changes necessary to ensure the continued integrity of the system; this includes clearly documenting the objectives of each standard. MCB maintains an Internal Control Plan yearly that is a high-level agency-wide plan that references procedures and controls that exist for programmatic and financial operations. The agency maintains operational procedures that address the risks and controls, also referred to as MCB Internal Control Plans. RSA found that many of these Internal Control Plans either did not exist or were not updated to reflect changes in Federal requirements. Many Internal Control Plans reflected outdated Federal requirements no longer applicable or did not address required processes as a result of changes in Federal requirements. During on-site discussions, for some of the processes that should have been addressed in the guides, MCB was able to detail verbal processes, but such processes were not written down, thereby ensuring adequate safeguards and internal controls over Federal funds. For example, one MCB Internal Control Plan detailed match requirements for the VR program and listed one source of match, but did not include all the sources of non-Federal funds the agency uses for match. Additionally, many plans had not been updated to reflect the new requirements as a result of WIOA. The absence of WIOA requirements means that the agency's internal control processes would not identify or correct noncompliance with the requirements.

#### Contract Monitoring

- A. During the on-site discussions with MCB management and review of the agency's guidelines and procedures for contract monitoring, MCB provided RSA supporting documentation for the processes used to develop and amend contracts. However, there were no written processes for periodic monitoring of vendors or providers. MCB described the monitoring process for CRPs and other vendors, however, these processes were not written down. The lack of a written process resulted in a couple of contracts in which services had been provided before the purchase order for the services (the obligation) had been created. By not establishing internal control processes for monitoring all contractors and vendors periodically to ensure program accountability, MCB has not satisfied the requirements of 2 C.F.R. § 200.328.
- B. Additionally, MCB demonstrated insufficient internal controls with respect to its lease agreements. A review of MCB's lease agreements showed that the agency was paying for expenditures with Federal VR funds when the lease specified these costs were to be paid for by the lessee. MCB did not have sufficient monitoring processes in place to ensure compliance with its own contractual agreements. The unnecessary costs paid through the lease agreements represent questioned costs.
- C. MCB demonstrated insufficient internal controls because its pre-employment transition services contracts contained inaccuracies. For example, the final signed contracts state that transportation costs were included in the provision of pre-employment transition services and paid for with funds reserved for the provision of such services. However, MCB staff reported to RSA during the on-site visit that only the five required services were included in the pre-employment transition services contracts and specifically that transportation was not included as an allowable expenditure. It is essential for internal controls purposes that the contracts accurately describe services provided and the use of funds. Only in so doing can MCB assure it is administering the VR program properly and efficiently and ensuring fiscal accountability for VR funds, as required by 34 C.F.R. § 361.12.

#### Inadequate Financial Reporting Internal Controls

RSA reviewed agency internal control plans regarding Federal financial reporting and the supporting documentation of expenditures reported. For the SF-425, the agency had updated guides regarding reporting requirements, but the guides included outdated or incorrect information. Additionally, the policy for reporting VR expenditures on the SF-425 included incomplete requirements that resulted in inaccurate Federal reporting.

Non-Federal Share – A review of the FFY 2016 SF-425 reports showed MCB reported an increase in the Recipient Share of Expenditures on line 10j after the fourth quarter (September 30, 2016). Section 19(b) of the Rehabilitation Act specifies that the non-Federal share is required for the fiscal year in which the funds are appropriated. Non-Federal expenditures used to meet match requirements must be obligated within the year of appropriation. In FFY 2016, the year of appropriation ended on September 30, 2016. Any non-Federal expenditures obligated after

September 30, 2016 are considered match on the subsequent Federal award. MCB did not have written processes for tracking and reporting sources of match or accounting for maintenance of effort (MOE). The agency has processes for querying match for financial reporting purposes; however, the sources of match listed are incomplete. The written processes do not account for non-Federal expenditures used for match purposes from staff fringe or indirect expenditures. As a result, non-Federal sources of match, including fringe for staff working on programs other than VR, were counted as match for the VR program. Additional information regarding this issue is included in Finding 5.3.

Program Income – The FFYs 2015 and 2016 fourth quarter SF-425 reports showed program income expended in accordance with the addition alternative (line 10n) at the end of each quarter. MCB Internal Control Plan for program income (J-700) states that the program income must be spent first before requesting additional Federal expenditures, as is required in 34 C.F.R. § 361.63(c)(ii). However, a review of drawdown reports in G5 and MCB expenditures shows that MCB was not drawing down program income before requesting additional Federal expenditures. MCB did not have a process in place to ensure agency practices followed written processes. Additionally, a review of the SF-425 for FFY 2016 showed a decrease in program income between the fourth and sixth quarter that had been transferred to the OIB program. Discussions with MCB staff on-site indicated that the program income had been transferred to the OIB program, but remained unspent and was subsequently transferred back to the VR program. There is no authority in the OIB regulations that permits the transfer of program income from the OIB program to the VR program. 34 C.F.R. § 361.63(c)(i)(2) only allows for the transfer of VR program income from Social Security Administration (SSA) reimbursement to other allowable programs.

Indirect Expenditures – MCB Procedures for reporting VR expenditures on the SF-425 states that indirect expenditures are not charged to the Federal award. As a result, MCB has not reported any indirect cost expenditures on line 11 of the SF-425 report. RSA reviewed MCB's FFYs 2015 and 2016 SF-425 reports and supporting documentation of expenditures. The review found that MCB had not reported any indirect expenditures in line 11 for either of the FFYs reviewed. Instead, MCB included in the comments section of the report that due to the fact that the State paid for indirect expenditures with non-Federal funds used to meet the match requirement, no Federal expenditures are reported as indirect. Instead of reporting the type of rate, the period covered, the base of the rate, and \$0 for Federal share on line 11f, as required in PD-15-05 (Revisions to PD-12-06, instructions for completing the Federal Financial Report (SF-425) for the State Vocational Rehabilitation Services program), MCB left the entire section blank.

#### Missing Internal Controls for Allocation of Funds

The agency did not have written processes related to the review of obligations and expenditures to ensure only allowable costs are charged to each cost objective. The agency's lack of internal controls resulted in unallowable expenditures charged to the Federal awards. The Uniform Administrative Requirements in 2 C.F.R. § 200.405(a) require that allowable Federal costs under

the award must be allocable to a particular Federal award based upon the relative benefit received. Expenditures for items that benefit multiple cost objectives must be allocated to the separate objectives in which they benefit, unless those costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved (2 C.F.R. part 200, Appendix VII), in which case they can be assigned as an indirect expenditure.

MCB provides services throughout the Commonwealth of Massachusetts through central and regional offices. These offices provide all of the services administered through MCB. During the on-site visit, RSA reviewed agency expenditures and supporting documentation for the SF-425 and found expenditures for various office items that were charged directly to the VR award. Typically such costs, benefitting multiple programs, are charged as indirect expenditures. MCB was unaware these expenditures should be either charged to the indirect cost rate or charged directly to each Federal award based upon the relative benefit received.

**Conclusion:** As described above, MCB does not maintain effective internal controls over the Federal award that provide reasonable assurances that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303. Specific internal control areas of deficiency include updated policies and procedures, contract monitoring, reporting requirements, monitoring agency assignment of obligations, and review of expenditures. The corrective action steps listed below will support MCB in developing its ability to correct processes that have led to the non-compliance findings noted above.

### **Corrective Action Steps:**

RSA requires that MCB—

- 5.1.1 Update policies, procedures, and internal controls to reflect new Federal requirements, as required by 34 C.F.R. § 361.50 and 2 C.F.R. § 200.302(b)(7);
- 5.1.2 Develop and implement written internal controls governing oversight of grant-supported activities, particularly with respect to contract monitoring, as required by 2 C.F.R. § 200.328(a); and
- 5.1.3 Revise and resubmit the SF-425s for FFY 2016 to accurately report all Federal and non-Federal expenditures and obligations.

### **5.2 Incorrect Assignment of Obligations and Expenditures to the Federal Award**

**Issue:** Does MCB assign obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12; 2 C.F.R. §§ 200.77, 200.302, 200.303(a), 200.309; and 34 C.F.R. § 76.702. This area of review is included on pages 52 and 53 of the MTAG.

**Requirements:** As a recipient of Federal VR and Supported Employment funds, MCB must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and enable MCB to carry out all required functions, including financial reporting (34 C.F.R. § 361.12). In accordance with the Uniform Guidance in 2 C.F.R.

§ 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The Uniform Guidance, in 2 C.F.R. § 200.302(b), requires the financial management system of each non-Federal entity to provide for the following: identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds. Each grant award has a defined "period of performance," which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 C.F.R. § 200.309, see also 34 C.F.R. §§ 76.703 and 76.709). Grantees must implement internal controls to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 C.F.R. § 200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for MCB to correctly account for VR funds so RSA can be assured that the agency has satisfied requirements for, among other things, match (34 C.F.R. § 361.60), MOE (34 C.F.R. § 361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 C.F.R. § 361.65(a)(3)).

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

**Analysis:** RSA reviewed the agency's policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award. RSA also reviewed supporting documentation for obligations and expenditures to ensure MCB was correctly assigning and reporting obligations and expenditures to the proper period of performance in accordance with Federal requirements. Through the review of agency policies and discussions with agency staff, RSA found that, depending on the type of obligation or expenditure, MCB is not assigning obligations to a FFY award based upon the date the counselor authorized the service or when the obligation of the expenditure occurred.

For non-contractual expenditures, MCB obligated Federal funds to the FFY award based upon the date the invoice was paid. In instances when a service began in a previous FFY and the invoice is submitted for payment in the subsequent FFY, the expenditure is assigned to the FFY award based upon the date of payment, not the date of obligation.

For contractual expenditures, MCB was not consistent in the dates used to assign obligations to the correct FFY award. MCB was not assigning obligations to the FFY award based upon the date the contract was signed, which is the date of the binding written commitment (34 C.F.R. § 76.707(d)), to ensure the invoice was charged to the correct Federal award. Additionally, travel reimbursements are obligated to the Federal award open at the time the request for reimbursement is received, rather than liquidating the obligations from the Federal award to which the obligation should have been assigned (34 C.F.R. § 76.707(f)).

MCB demonstrated on-site it had the ability to assign obligations to the correct FFY award based upon the type of obligation; however, the agency was not using the correct process during the time of the on-site visit. Consequently, MCB could not demonstrate that current and prior year obligations were liquidated from the correct Federal award.

#### Federal Funds

RSA's review of the supporting documentation identified several instances where the agency paid vendors from an incorrect VR award because the date of obligation was incorrectly assigned based upon either the date of payment or the date of service, not the date of authorization. In some instances, the invoices paid were for authorizations written (obligations made) prior to the start of the award from which the services were paid. For Federal funds, the agency uses a program code to assign obligations to a FFY award based upon the date of the obligation. However, since the code was based upon an incorrect obligation date, the agency was not obligating Federal funds to the correct Federal award.

#### Non-Federal Funds

MCB accounts for and reports VR expenditures paid with non-Federal funds in a similar manner to the Federal funds process mentioned above, but the agency does not assign Federal program codes to non-Federal expenditures. Specifically, the agency does not account for the accurate date the obligation occurred with non-Federal funds to ensure the liquidation of those expenditures from the correct Federal award. Additionally, a large portion of non-Federal funds in the VR program are derived from staff fringe benefits and staff time paid with indirect expenditures. These non-Federal expenditures must be assigned to the correct period of performance based upon when the time is worked, not when the time is paid or when the State sets the non-Federal funds aside (34 C.F.R. § 76.707). Due to the fact that the agency does not appropriately assign non-Federal obligations to the correct period of performance, the agency cannot ensure that the liquidation of those obligations are charged to the proper Federal award. If the non-Federal expenditures are charged to an incorrect Federal award, those expenditures may not be an allowable source of match for the Federal award funds drawn down by the agency. As a result, RSA was unable to determine whether the agency satisfied VR program requirements

for match, MOE, and the reservation and expenditure of funds for the provision of pre-employment transition services.

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

**Corrective Actions:**

RSA requires that MCB—

- 5.2.1 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance; and
- 5.2.2 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal requirements for the areas mentioned in 5.2.1.

**5.3 Incorrect Assignment of Personnel Costs**

**Issue:** Did MCB satisfy personnel cost allocation requirements in 2 C.F.R. §§ 200.430 and 200.431. This area of review is included on page 53 of the MTAG.

**Requirements:** In accordance with Uniform Guidance in 2 C.F.R. § 200.430(i)(1)(vii), charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and must, among other things, support the distribution of the employee’s salaries or wages among specific activities or cost objectives if the employee works on more than one Federal award. In addition, 2 C.F.R. § 200.431(b)(2) states that the cost of fringe benefits is allowable if, among other things, the costs are equitably allocated to all related awards, including Federal awards. The Uniform Guidance in 2 C.F.R. § 200.62(a)(3) also defines “internal control over compliance requirements for Federal awards” as being a process that ensures, among other things, that transactions are accurately recorded and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

**Analysis:** RSA reviewed the agency’s written processes and a sample of timesheets to ensure the agency was assigning personnel costs, including fringe benefits, in accordance with the Uniform Guidance in 2 C.F.R. part 200. As a result of RSA’s review, including on-site interviews with MCB staff, RSA determined that not all MCB staff time is allocated to the correct cost objective.

In addition, personnel costs related to holiday, vacation, and sick leave are not allocated correctly.

MCB administers multiple programs, including the VR, State Independent Living Services, Independent Living Services for Older Individuals who are Blind (OIB), and Supported Employment programs. However, agency staff were not allocating time between the separate cost objectives appropriately. For example, staff that work on multiple programs (cost objectives) were charged only to the VR program even though their functions required them to work with all of the programs that MCB administers. Additionally, RSA also determined that holiday, vacation, and sick time were not allocated in proportion to the hours worked on each cost objective for agency staff. Staff who allocated direct time to multiple cost objectives still charged all holiday, vacation, and sick time to the VR program.

In addition, fringe benefits are paid with State funds and used to meet the VR program match requirement. However, MCB incorrectly used fringe benefits paid for staff working on multiple cost objectives, in addition to VR, as match for the VR program. The fringe benefits associated with time worked on other programs is not an allowable source of match in the VR program (34 C.F.R. §361.60(b)).

**Conclusion:** MCB did not satisfy the personnel cost allocation requirements in the Uniform Guidance (2 C.F.R. §§ 200.430 and 431), as the agency was improperly charging personnel costs for staff working on the non-VR programs solely to the VR award. Additionally, the agency did not have sufficient internal controls to ensure the proper assignment of holiday, vacation, and sick leave expenditures to the benefitting programs in accordance with the amount of time spent working on the cost objective. The improper allocation of personnel costs, including fringe benefits, resulted in unallowable costs being charged to and used as match for the VR program. The unallowable personnel costs and match represent questioned costs.

**Corrective Actions:**

RSA requires that MCB—

- 5.3.1 Cease using VR funds to pay for personnel costs that must be allocated to other cost objectives;
- 5.3.2 Revise and implement internal control policies or procedures to correctly assign personnel costs, including fringe benefits, to the correct cost objectives;
- 5.3.3 Revise FFY 2014, 2015 and 2016 SF-425 reports to remove unallowable and unallocable personnel costs; and
- 5.3.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with personnel cost allocation requirements and accurate SF-425 reporting.

## 5.4 Prior Approval Requirements Not Met

**Issue:** Did MCB meet the prior approval requirements in 2 C.F.R. § 200.407. This area of review is included on page 53 of the MTAG.

**Requirements:** The Uniform Guidance at 2 C.F.R. § 200.407, includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 C.F.R. § 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 C.F.R. § 200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 C.F.R. part 200 ([Federal Register notice 80 FR 67261](#)). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part:

...the prior approval requirements listed in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 C.F.R. part 200 subpart E).

In addition, information regarding the requirements in 2 C.F.R. part 200 was communicated to grantees via RSA's listserv on September 23, 2015.

**Analysis:** RSA requested the agency's written policies, procedures or processes that ensure the agency was meeting the prior approval requirements when applicable. While the agency provided policies and procedures for prior approval that identified authorizations and expenditures requiring approval, it did not have prior approval policies or procedures consistent with all of the expenditures requiring approval as identified in Uniform Guidance at 2 C.F.R. § 200.407 that require approval from RSA as the Federal awarding agency. Discussions with the agency prior to and during the on-site, as well as a review of its expenditures and contracts, indicated that the agency purchased items that met the definition of equipment in accordance with 2 C.F.R. §§ 200.33 and 200.439, exceeding the capitalization threshold of \$5,000. During the on-site review, RSA found a contract in which MCB purchased equipment for purposes of tracking and maintaining consumer case record information, where the total cost of

the equipment exceeded the threshold for classification of equipment at \$5,000, and was charged directly to the VR award without prior approval from RSA.

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

**Corrective Action:**

RSA requires that MCB—

- 5.4.1 Update and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

**D. Technical Assistance**

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

**Internal Controls**

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

**Assigning Obligations and Expenditures to the Correct Federal award**

RSA provided technical assistance to MCB regarding agency internal controls to ensure accurate Federal reporting and accounting of Federal and non-Federal expenditures. As required in 2 C.F.R. § 200.303(a) the 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 award. RSA provided technical assistance to the agency regarding its process of paying for expenditures. RSA and MCB reviewed the requirements in 34 C.F.R. § 76.707 that detail when an obligation is incurred for specific transactions. RSA and the agency reviewed this

requirement along with the FAQ document issued on March 22, 2017, regarding the period of performance ([RSA: Period of Performance for Formula Grant Awards FAQs](#)).

With these requirements in mind RSA and MCB discussed adjusting agency accounting practices to ensure obligations and liquidations are accounted for with the same Federal award. RSA and MCB discussed in detail the different transactions in order to determine when an obligation occurs based upon the type of transaction. Technical assistance was provided regarding tracing the funds at the time of encumbrance in the financial system.

### **Federal reporting**

RSA provided MCB with technical assistance related to accounting for expenditures on the SF-425 reports, specifically accounting for indirect expenditures, as required in 2 C.F.R. part 200 - Appendix VII. This included the requirements for reporting indirect expenditures on the SF-425 even if the indirect expenditures are not paid for with Federal funds. The agency charges a lot of expenditures directly to the Federal VR award. RSA and MCB reviewed the requirements in accounting for indirect expenditures in a cost pool (2 C.F.R. part 200 - Appendix VII). RSA and MCB also reviewed the definition of an indirect expenditure in 2 C.F.R. § 200.56 which states that indirect costs are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportional to the results achieved.

RSA also provided MCB with technical assistance regarding the certification of the SF-425 reports as is required in 2 C.F.R. § 200.415 which states, “By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties.” At the time of the on-site visit the Finance Director certified reports. RSA and MCB discussed having the Commissioner sign the reports as the individual currently responsible for signing the State Plan and receiving the Federal funds.

Lastly, RSA and MCB reviewed current procedures for compiling and submitting the SF-425 and discussed ways to strengthen the procedures in order to ensure strong internal controls. This included updating the applicable citations, updating language for reporting establishment expenditures to ensure if at any time the agency does use the establishment authority (34 C.F.R. § 361.5(c)(16) and (17)) that the expenditures are appropriately tracked and reported, and updating additional queries to ensure all appropriate expenditures are reported on the SF-425 and RSA-2.

### **Prohibition Against Subgranting**

RSA provided technical assistance to MCB regarding the prohibition against subgranting Federal awards made under the VR, Supported Employment, and Client Assistance programs. A State agency may not subgrant awards made under the Rehabilitation Act, for the VR, Supported Employment, and Client Assistance programs. EDGAR at 34 C.F.R. § 76.50(b) states that the authorizing statute determines the extent to which a State may: 1) use grant funds directly; and 2)

make subgrants to eligible applicants. This means that the authorizing statute must specifically permit subgranting in order for the subgranting of Federal funds to be permissible. Because neither the Rehabilitation Act nor its implementing program regulations specifically permit subgranting under either the VR, Supported Employment, or Client Assistance programs, such subgranting is not permitted.

### **Personnel Costs**

Per the request of MCB on-site, RSA provided extensive technical assistance regarding personnel cost allocation requirements in the Uniform Guidance (2 C.F.R. §§ 200.430 and 431). RSA and the agency reviewed current processes for accounting for personnel time. RSA and MCB reviewed in detail different mechanisms to track and account for personnel time, including the assignment of cost objectives and the ability to account for personnel time with different Federal or non-Federal funds. RSA and MCB reviewed the agency's organizational chart as it relates to potential changes in tracking and accounting for personnel time. Additionally, RSA and MCB discussed the importance of written internal controls related to personnel time keeping to ensure the agency implements its policies and procedures and develops a process to evaluate current effectiveness of implemented policy. RSA and MCB discussed updating current practices and implementing updated policies for personnel services to ensure accurate implementation as well as consistency among agency staff.

### **Prior Approval**

RSA provided technical assistance to MCB regarding prior approval requirements in the Uniform Guidance (2 C.F.R. § 200.407). RSA reviewed the list of activities outlined in 2 C.F.R. § 200.407 that may require prior approval and reviewed the requirements under each activity with MCB to determine if prior approval was applicable for its grant awards. Under each activity, RSA and the agency discussed possible costs, with specific examples, that may require prior approval. RSA and MCB reviewed the agency's policy related to prior approval to determine if it addressed key elements, including—

- The process the agency has for obtaining prior approval;
- The process fiscal staff and contract staff use to determine if a cost should have received prior approval;
- Who in the agency needs to be aware of prior approval and who determines when prior approval is required; and
- Who compiles the requests with applicable information and sends the approval request to RSA.

Lastly, RSA provided some guidance as to what information should be included with requests for prior approval, such as applicable regulations, what the agency is seeking prior approval for, the source of the funds from which the costs will be charged, the cost justification for the cost, if necessary, and the anticipated duration of useful life. This list is an example of information the agency should consider including in the request for prior approval, and is not exhaustive.

## **Fiscal Forecasting**

RSA and MCB discussed the importance of fiscal forecasting, specifically related to the agency's ability to track and account for Federal funds. All of these factors were discussed with RSA and the need for the agency to effectively determine a fiscal forecasting model to ensure available resources are used and provided to individuals in need of VR services. MCB discussed the potential increase in availability of Federal funds after implementation of some of the changes discussed during the on-site visit such as the potential to pay for certain expenditures with indirect costs instead of directly charging them to the VR award.

## **Technical Assistance Requested**

MCB requested additional technical assistance in its payroll allocation. The agency requested RSA to provide resources and examples of other State VR agencies who use payroll similar to MCB in that payroll is allocated on a SFY basis. The agency specifically asked for technical assistance assigning staff to payroll to ensure sufficient funding at the end of each State and Federal fiscal years.

## **SECTION 6: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION**

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### **A. Nature and Scope**

The U.S. Department of Education and the U.S. Department of Labor (collectively, the Departments) issued the WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) to implement jointly administered activities authorized by Title I of WIOA. These jointly-administered regulations apply to all core programs of the workforce development system established by Title I of WIOA and are incorporated into the VR program regulations through subparts D, E, and F of 34 C.F.R. part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs by compelling unified strategic planning requirements, common performance accountability measures, and requirements governing the One-Stop delivery system. In so doing, WIOA places heightened emphasis on coordination and collaboration at the Federal, State, local, and tribal levels to ensure a streamlined and coordinated service delivery system for job seekers, including those with disabilities, and employers.

Under WIOA, the workforce development system consists of the following six core programs:

- Adult, Dislocated Worker, and Youth programs, authorized under Title I;
- Adult Education and Family Literacy Act (AEFLA) program, authorized under Title II;
- Employment Service program authorized under the Wagner-Peyser Act, as amended by Title III; and
- VR program authorized under Title I of the Rehabilitation Act of 1973, as amended by Title IV.

Through this focus area, RSA—

- Assessed MCB's progress toward fulfilling its role as one of the core programs in the workforce development system;
- Identified areas where MCB's partnership and collaboration with other core programs should be strengthened; and
- Provided technical assistance to MCB to assist in implementing the Joint WIOA Final Rule.

This focus area consists of the following topical areas: Governance, Unified or Combined State Plans, One-Stop Operations, and Performance Accountability. To gather information pertinent to these topics, RSA reviewed the Program Year (PY) 2016 Unified State Plan (State Plan) and sample Memoranda of Understanding and Infrastructure Funding Agreements related to the One-Stop service delivery system, as available. The review team met with the VR agency director,

managers and staff.

## **B. Overview**

RSA reviewed MCB's progress and status in meeting its role as a WIOA core program and required partner under the Joint WIOA Final Rule at 20 C.F.R. part 678 (subpart F of 34 C.F.R. part 361). RSA found that MCB is meeting substantially the intent and spirit of the requirements outlined by WIOA in terms of ensuring that VR is participating and collaborating within the process. MCB also participates in deliberation and development of policies regarding workforce development activities for the State of Massachusetts through the State and local workforce development boards, as well as participation and involvement with State plan development and implementation. Through this participation, MCB ensures that the One-Stop delivery system is accessible physically and programmatically to individuals with disabilities and fulfills the requirement for direct linkage access to VR services within the One-Stop Centers.

## **Governance**

### **State Workforce Development Board (SWDB)**

The SWDB plays a key role in leading a State's implementation of WIOA, which requires aligning investments in job training, integrating service delivery across programs, and ensuring that workforce investments are job-driven and match employers with skilled workers. The Massachusetts SWDB is known as the Massachusetts State Workforce Development Board and MCB is represented by the commissioner of the Massachusetts Rehabilitation Commission, who was delegated this position by the secretary of the Executive Office of Health and Human Services, the DSA. MCB stated that collaboration between MCB and MRC has increased over the past two years and that senior staff of MCB and MRC meet monthly which HAS ensured that MCB is adequately represented on the SWDB.

### **Local Workforce Development Boards (LWDBs)**

Massachusetts has 16 LWDBs established to represent each region. MCB confirmed that the requirements of local workforce board representation as outlined by 20 C.F.R. § 679.320(d)(3)(iii) are being met. All 16 LWDBs have a VR representative from MCB as each of MCB's six regional directors sits on one or more LWDBs to ensure VR representation on all 16 boards. Among other duties, the LWDBs oversee certification of the 29 One-Stop Centers in the State and also assist in the review of Requests for Responses when agencies seek contracts with potential service providers.

### **State Plan Development and Implementation**

MCB indicated that there are no written policies related to development of the Combined State Plan. However, MCB described a process where the Governor's office drove compliance with WIOA in Massachusetts and convened statewide meetings and trainings for combined partners.

MCB provided input to the 2016 Combined State Plan through discussion of the State plan with the combined partners beginning in the summer of 2015. This involved almost weekly meetings with partners, culminating in the submission of the VR services portion of the State Plan on September 30, 2015, and the submission of the entire combined draft plan to the Governor's office on November 14, 2015. The Undersecretary of Labor then coordinated revision of the draft through weekly meetings with the combined partners during which partners exchanged ideas and educated each other on various program specific requirements.

The MCB director provided edits and feedback on the document and shared the draft plan internally with MCB staff as well as externally with key stake holders. As part of the State Plan development process MCB held four statewide hearings on the finalized plan in February 2016. MCB also used its website to seek additional comment on the draft plan, and then provided feedback on the comments received including a printed response on the reasons why changes were or were not incorporated in various areas. The MCB SRC was also involved in each step of the process.

The Undersecretary of Labor continues to have a key role in WIOA compliance and the Governor's staff attend committee meetings. MCB staff serve on key committees including the Youth, Technology, Policy and MOU committees which meet monthly or bi-weekly depending on need. The combined partners are held accountable for the goals developed in the State Plan and Massachusetts is currently developing a system to allow sharing of data across partner programs.

The WIOA Joint Policy Workgroup Meeting partners, which includes MCB, began developing the 2018 State plan modifications in November 2017 and submitted the initial draft for discussion in January 2018, which were reviewed by the WIOA Oversight Committee on January 29, 2018. At the time of the monitoring, the modifications to core program portions of the State Plan were anticipated to be completed and submitted on February 15, 2018; with a second review by the WIOA Oversight Committee on February 20, 2018, followed by the plan modifications going out for public comment; approval by the State Workforce Board by March 6, 2018; and submission to the State Plan portal on March 15, 2018.

### **One-Stop Delivery System**

#### **Access to VR Services in One-Stop Centers**

In accordance with 34 C.F.R. § 361.420, and 34 C.F.R. § 463.420, each required One-Stop partner program must provide access to its programs or activities. Ideally, the One-Stop delivery system should bring together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals with disabilities.

MCB does not have staff in the 29 One-Stop Centers in the State on a full time basis, but has agreements with each of the 16 local areas to dedicate staff when needed in the One-Stop Centers

and provides VR services directly. MCB does not provide any specific direct linkage connections for VR services within the One-Stop Centers.

MCB is currently providing training to One-Stop staff to improve the ability of One-Stop staff to work more effectively with MCB customers and with blind and visually impaired individuals in general. At the time of the review, MCB was working with One-Stop partners to develop various MOUs, including a One-Stop MOU and a separate MOU for infrastructure funding.

MCB noted that accessibility has improved in the One-Stop Centers who are now much more receptive than was the case under the Workforce Investment Act. MCB stated that technology, including speech to text programs, and magnification devices are much more prevalent and that IT staff evaluate One-Stop Centers for accessibility.

### **Memoranda of Understanding**

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

MCB indicated that the Executive Office of Labor and Workforce Development facilitated an umbrella MOU for all the WIOA partners with each of the 29 One-Stops statewide. The MOUs were completed on June 30, 2017, and operationalized as of July 1, 2017. MCB stated that its regional offices are working effectively with the One-Stops located in their regions.

### **Infrastructure Costs**

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

At the time of the on-site review, infrastructure costs and shared costs were combined and were administered by the Department of Career Services (DCS). MCB stated it did not participate in local funding mechanism negotiations. Rather, MCB determined its funding amount under the State funding mechanism even though the State funding mechanism had not been triggered. The One-Stop partners, including MCB entered into an interagency agreement to transfer funds to DCS. The DCS pools the funds received from all partners and then allocates the funds to the various One-Stops to cover infrastructure costs. MCB indicated that this was being done under a one-year agreement, with any remaining funds rolled over to the following year. In addition, MCB is not satisfying the non-delegable functions as the DSU for the VR program, found at 34 C.F.R. § 361.13, as MCB is substantially giving up administrative control of the funds once they are transferred to DCS. This is covered in greater detail in the finding located in sub section D.

MCB indicated that in the past One-Stops in Massachusetts provided very little service to individuals who were blind and consequently there is very little data upon which to base projected numbers of individuals who might be served by One-Stops under WIOA. MCB stated it was tracking the services currently being used by MCB customers in the One-Stop Centers through contacts between VR counselors and the individuals being served. MCB plans to use these data to determine usage of One-Stop services as well as identify trends in services from year to year. At the time of the on-site review this was the only method available to determine whether MCB is receiving proportionate benefit for the funds paid toward operation of the One-Stop system. MCB indicated that reconciliation of costs can only be done through the statewide accounting system as MCB cannot check the invoices through its own system.

The RSA team is concerned with the combining of shared and infrastructure costs into a single agreement when these should be accomplished through separate MOUs. RSA is also concerned that no methodology, other than one percent of the grant as specified in the State funding mechanism, was used to estimate MCBs share of these costs. RSA was also concerned that no methodology exists to properly reconcile costs on a monthly or quarterly basis to ensure all partners are receiving proportionate benefit for the shared and infrastructure costs, and to further ensure that all assigned costs are reconciled based on actual proportional use and benefit.

## **Performance Accountability**

### **Performance Data Collection and Reporting**

The State performance report required by Section 116(d)(2) of WIOA and 34 C.F.R. § 361.160 must be submitted annually using the template developed by DOL and the Department of Education. For VR-specific standards, RSA recently updated the RSA-911 to include the primary indicators of performance identified in 34 C.F.R. § 361.155, to include effectiveness in serving employers. In accordance with RSA Technical Assistance Circular (TAC) 17-01, Performance Accountability Guidance for Workforce Innovation and Opportunity Act Title I, Title II, Title III and Title IV Core Programs, States must select two of three approaches while participating in a pilot program to measure the effectiveness in serving employers. At the time of the on-site visit, Massachusetts had not identified its measures for effectiveness in serving employers but was considering the amount of outreach to employers, repeat business based on amount of hiring by employers, and employment in career path positions as the potential measures.

Additionally, in accordance with WIOA Section 116(b)(3)(A)(ii) and 34 C.F.R. § 361.160(a)(1)(ii), annual reporting should include the total number of participants who are co-enrolled in any of the programs in WIOA. In accordance with RSA Policy Directive (PD) 16-04, Revision of PD 14-01 instructions for the completion of the Case Service Report (RSA-911) for the State Vocational Rehabilitation Services Program and the State Supported Employment Services Program, MCB submitted RSA-911 data for the first three quarters of FFY 2017 on or about August 31, 2017. Additionally, MCB began collecting data on July 1, 2017, on open cases, with the first quarterly report using PD-16-04, due on November 15, 2017.

MCB transitioned to a new case management system in early December 2017, and experienced technical difficulties in submitting the RSA-911 report for first quarter of PY 2017, but completed this submission in January 2018.

Massachusetts faces two challenges in reporting WIOA performance data. First, a technology group within the Department of Career Services is tasked with developing the statewide WIOA performance reporting system. At the time of the on-site review, MCB indicated that Massachusetts had identified approximately \$16 million in costs, but had only identified about \$2 million in available funding. Second, MCB indicates that an MOU will be needed for the MCB to obtain intrastate UI wage data, but an agreement has not yet been completed that identifies the compensation for time and costs to collect and provide the wage data to MCB. Discussions regarding the collection of interstate UI wage data had not yet been initiated at the time of the on-site review.

### **Performance Data Sharing**

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

Workforce partners in Massachusetts cannot currently create an unduplicated count of individuals served, as they are unable to identify shared cases across all programs. Massachusetts One-Stop partners are discussing development of a common database that could be accessed through a virtual gateway by all partner programs. Discussion is also underway regarding the potential use of common forms using similar data and required elements in order to facilitate information exchange and speed up the application and eligibility processes for partner programs. In support of this, MCB presented information on the agency’s case management system to DCS including information collected at registration, information required to determine eligibility, how VR staff record services and other programs, and data used for management information and recording.

In 2016, DCS facilitated a Workforce Systems Integration Workgroup to provide input into an interface with information systems used by the WIOA Partner agencies to—

- Institute a single sign-on and common intake/registration for individuals seeking services under WIOA programs;
- Allow tracking of shared customers across WIOA partner agencies;
- Create an on-line dashboard for individuals with information on resources and services relevant to their needs; and

- Create a dashboard for staff with information on the status, services and options for individuals they serve.

As of February 06, 2018, DCS has chosen a software suite that helps states implement WIOA by connecting partners and providing a seamless experience for job seekers. This system will act as a common “front door” for the workforce agencies’ programs and systems, including UI, employment services and workforce/training, Massachusetts will be able to transform how services are delivered under WIOA. A contract has been signed and Massachusetts is finalizing the business requirements for the system.

### **C. Analysis of Performance and Observations**

RSA’s review of the performance of MCB in this focus area did not result in the identification of observations and recommendations.

### **D. Findings and Corrective Actions to Improve Performance**

RSA’s review of the performance of the VR program in this focus area resulted in the identification of the following findings and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

#### **6.1 Funding One-Stop Infrastructure Costs under the VR Program**

**Issue:** Does MCB’s process for funding the VR program’s proportionate amount of the One-Stop system’s infrastructure costs satisfy 34 C.F.R. § 361.13 and 34 C.F.R. § 361.715.

**Requirement:** Pursuant to 34 C.F.R. § 361.13(b)(1)(ii), the designated State unit (DSU) for the VR program must have a full-time director who is responsible for the day-to-day operations of the VR program. As such, the DSU has the sole responsibility to allocate and expend VR funds (34 C.F.R. §§ 361.13(b)(1)(v), 361.13(c)(1)(iv), and 361.13(c)(2)). Moreover, the DSU has sole responsibility for the VR program’s participation as a partner in the One-Stop service delivery system (34 C.F.R. §§ 361.13(c)(1)(v) and 361.13(c)(2)).

As a required One-Stop partner, pursuant to joint One-Stop regulations at 34 C.F.R. § 361.400(b)(4), a VR agency must contribute toward the One-Stop system’s infrastructure costs in a manner that is based on—

- A reasonable cost allocation methodology by which infrastructure costs are charged to each partner based on proportionate use and relative benefit received;
- Federal cost principles; and
- Any local administrative cost requirements in the Federal law authorizing the partner's program. (This is further described in 34 C.F.R. § 361.700) (34 C.F.R. § 361.420(b)(2)).

Infrastructure costs are non-personnel costs necessary for the general operations of the One-Stop Centers (34 C.F.R. § 361.700(a)). These costs may be funded under either the local funding mechanism or the State funding mechanism (34 C.F.R. § 361.710). Under the local funding mechanism, the Local Workforce Development Board (LWDB), chief elected officials, and One-Stop partners negotiate in an effort to determine the method(s) of calculating amounts each partner will contribute toward One-Stop infrastructure funding, consistent with 34 C.F.R. § 361.715. Pursuant to 34 C.F.R. § 361.705, the Governor of each State develops and issues guidance for use by local areas in their efforts to determine partner contributions to fund One-Stop infrastructure costs, including timelines for local areas to notify the Governor when the local partners are not able to reach consensus, thereby triggering the State funding mechanism described in 34 C.F.R. § 361.730. Only under the State funding mechanism will the Governor calculate and implement the statutory statewide program caps for determining infrastructure cost contributions from One-Stop partner programs in local areas operating under the State funding mechanism. For purposes of the VR program, when the State funding mechanism is triggered, the statutory cap on infrastructure cost contributions is set forth in 34 C.F.R. § 361.738(c)(3)(i). Conversely, there are no caps for the VR program's contributions for infrastructure costs under the local funding mechanism, so long as the costs are allowable and proportionate to the VR program's use of the One-Stop center and relative benefit received by the program (34 C.F.R. § 361.720(b)).

Pursuant to 34 C.F.R. § 361.755, each local area's Memorandum of Understanding (MOU) (described in 34 C.F.R. § 361.500) must include an infrastructure funding agreement (IFA), regardless of whether the One-Stop Centers' infrastructure costs are funded under the local funding mechanism or the State funding mechanism. The U.S. Departments of Education and Labor provided extensive guidance regarding the funding of the One-Stop system's infrastructure costs in both the joint One-Stop regulations ([Federal Register notice 81 FR 55791](#)), published August 19, 2016, and in technical assistance circular (RSA-TAC-17-03), published January 18, 2017.

**Analysis:** During its on-site monitoring process, RSA requested sample MOUs from Massachusetts' local workforce areas to assess MCB's progress in implementing the joint One-Stop requirements for purposes of the VR program, including those regarding funding the One-Stop system's infrastructure costs. While the agency provided RSA a few sample MOUs that satisfied some of the One-Stop MOU requirements identified in 34 C.F.R. §§ 361.500 and 361.755, the MOUs did not contain an infrastructure or shared services budget, or final IFA identifying the infrastructure costs of local area One-Stop partners, including MCB, as required by 34 C.F.R. § 361.755. Rather, for purposes of the VR program, the local MOUs included a section on shared and infrastructure costs that stated: "the MA Department of Career Services (DCS) is negotiating agreements on the specific infrastructure and shared program costs at the State level, including the method by which revenue and costs will be supported by each partner. Infrastructure, shared services, and operating costs, will be fully transparent and made available to Partners throughout the year." The umbrella MOU indicates "once contributions are identified locally via successful MOU negotiations, or at the State level if local consensus fails, the method of transferring negotiated partner funds to the One-Stop system may be via direct contract from the partner to the local area, or to the area via funds transferred from the partner to EOWLD, as

appropriate.” While the umbrella language indicates the partners are negotiating the agreements on the State level, DCS determined the applicable contributions from each partner at the local level agreements and administering the funding accordingly. Additionally, MCB entered into an interagency agreement to transfer the Federal funds to DCS for administration.

During on-site discussions, MCB executive staff members informed RSA that, because of the MOU language just cited, MCB did not participate in local area negotiations, as it is required to do under the local funding mechanism, but rather contributed the amount of the statutory VR program cap amount for infrastructure costs under the State funding mechanism (specifically, one percent of the FFY 2017 VR allotment for program year 2018).

The local funding mechanism for determining infrastructure cost contributions from each of the partners required negotiations about what each partner – including MCB – would contribute and the costs that would be included in the total infrastructure costs (34 C.F.R. § 361.715). According to the information RSA gathered as part of its on-site monitoring process, the local workforce areas did not reach consensus on the infrastructure costs as those costs were being determined at the State level by DCS. Therefore, the statutory cap the VR program could contribute to the funding of infrastructure costs under the State funding mechanism (34 C.F.R. § 361.738(c)(3)(i)) was not applicable and should not have been used by MCB for determining its contribution under the VR program for the funding of infrastructure costs. Additionally, if local consensus is not reached and the State funding mechanism is triggered, the Governor’s office and State board must administer the funding through the State funding mechanism (34 C.F.R. § 361.725). However, in Massachusetts, the funding was being administered through DCS. Since MCB did not negotiate the terms of the IFA for purposes of the VR program’s contributions for funding the One-Stop system’s infrastructure costs, MCB did not satisfy its role as a One-Stop partner to negotiate the IFA, as required by 34 C.F.R. § 361.715. As such, there is not sufficient information to determine whether MCB paid its proportionate share of the costs.

With respect to MCB’s transfer of funds to DCS, it is important to note that there is no prohibition against MCB using DCS as a centralized office for the payment of bills stemming from MCB’s proportionate share of the infrastructure costs. Such streamlining of administrative functions at the State level is permissible. However, at all times, MCB must remain responsible for determining how much it will contribute toward the infrastructure costs and negotiating what costs will be included in the total infrastructure costs. Only then can MCB ensure it is retaining sole responsibility for the allocation and expenditure of VR funds and for its role as a One-Stop partner, as required by 34 C.F.R. §§ 361.13(b)(1)(v) and 361.13(c)(1)(iv) and (v). Given the transfer of funds made in accordance with the MOU, it is unclear whether MCB maintained responsibility for its non-delegable functions as a DSU.

**Conclusion:** As a result of this analysis, MCB did not meet the joint One-Stop requirements in 34 C.F.R. part 361, subpart F, related to MOU and infrastructure cost requirements, because it did not participate in local funding mechanism negotiations. Rather, it used its funding amount under the State funding mechanism even though the State funding mechanism had not been triggered, and was being administered by DCS, and local negotiations in each local area in the

State had not been reached. In addition, MCB did not satisfy the non-delegable functions as the DSU for the VR program, as set forth in 34 C.F.R. § 361.13.

### **Corrective Action Steps:**

RSA requires that MCB—

- 6.1.1 Retain sole responsibility for its non-delegable functions as a DSU, as required by 34 C.F.R. § 361.13;
- 6.1.2 Develop and implement procedures to participate in local area negotiations with the Local WDB, chief elected officials, and One-Stop partners to develop a local MOU, and in an effort to determine the cost allocation methodology(ies) of calculating amounts each partner will contribute toward One-Stop infrastructure costs.

### **E. Technical Assistance**

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

#### **Inadequate Cost Allocation and Administrative Control of Infrastructure and Shared Costs**

RSA provided technical assistance to MCB regarding the requirements of the MOU for the One-Stop delivery system, specifically related to funding the costs of the services and the operating costs of the system as defined in 34 C.F.R. § 361.500(b)(2). The MOU is the product of local discussion and negotiation, and is an agreement developed and executed between the LWDB and the One-Stop partners, with the agreement of the chief elected official and the One-Stop partners, relating to the operation of the One-Stop delivery system in the local area. The MOU must include a description of services to be provided through the One-Stop delivery system, including the manner in which the services will be coordinated and delivered through the system; and agreement on funding the costs of the services and the operating costs of the system, including funding of infrastructure costs of One-Stop Centers in accordance with 34 C.F.R. §§ 361.700 through 361.755, and funding of the shared services and operating costs of the One-Stop delivery system described in 34 C.F.R. § 361.760.

RSA and MCB discussed the differences and requirements for shared costs defined at 34 C.F.R. § 361.760 and infrastructure costs defined in 34 C.F.R. § 361.700. Infrastructure costs are non-personnel costs that are necessary for the general operation of the One-Stop facility. Shared costs are “additional costs relating to the operation of the One-Stop delivery system. These other costs must include applicable career services and may include other costs, including shared services.

Shared services' costs may include the costs of shared services that are authorized for and may be commonly provided through the One-Stop partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other One-Stop partners, and business services. Shared operating costs may also include shared costs of the LWDB's functions. Contributions to the additional

costs related to operation of the One-Stop delivery system may be cash, non-cash, or third-party in-kind contributions, consistent with how these are described in 34 C.F.R. § 361.720(c).

Technical assistance was also provided on the need for a range of cost allocation methodologies to ensure that the agency receives proportional benefit for the expenditures as well as various methods that might be effective. RSA also discussed the need for reconciliation of projected costs based on actual costs on a monthly or quarterly basis to ensure that proportionate shares of costs can be tracked and adjusted by the end of the year. Shared costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles in 2 C.F.R. part 200 requiring that costs are allowable, reasonable, necessary, and allocable. Any shared costs agreed upon by the One-Stop partners must be included in the MOU.

## APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES

This appendix contains the program and fiscal performance data tables used throughout the review. Data were drawn from the RSA-113, the RSA-911, and SF-425. The RSA-113 report is a quarterly submission that provides cumulative information at the end of the Federal fiscal year. The data from the RSA-113 cover both open and closed cases as reported to RSA at the end of the Federal fiscal year. The RSA-911 contains only information on cases closed during the Federal fiscal year covered by the report and does not include information related to those cases remaining open in the next Federal fiscal year.

**Table 3.1 MA-B Case Status Information, Exit Status, and Employment Outcomes for All Individuals - FFYs 2014-2016**

Performance category	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total applicants	444		331		380		13,720	
Total eligible individuals	419		334		373		12,357	
Agency implementing order of selection	No		No		No		-	
Individuals on order of selection waiting list at year-end	0		0		0		60	
Individuals in plan receiving services	1,344		1,215		1,153		35,064	
Percent accepted for services who received no services		3.6%		3.9%		0.8%		10.40%
Exited as applicants	40	8.2%	15	3.5%	6	1.8%	2,209	17.4%
Exited trial experience/extended evaluation			2	.5%	1	.3%	62	.5%
Exited with employment	262	53.7%	265	62.1%	266	80.6%	5,994	47.3%
Exited without employment	171	35.0%	132	30.9%	54	16.4%	3,117	24.6%
Exited from OOS waiting list							12	0.1%
Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	15	3.1%	13	3.0%	3	0.9%	1,275	10.1%

<b>Performance category</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Total received services	433	88.7%	397	93.0%	320	97.0%	9,111	71.9%
Employment rate		60.5%%		66.8%		83.1%		65.8%
Competitive employment outcomes	173	66.0%	152	57.4%	177	66.5%	5,177	86.4%
Supported employment outcomes	7	2.7%	4	1.5%	6	2.3%	152	2.5%
Average hourly earnings for competitive employment outcomes	\$24.41		\$22.86		\$24.16		\$15.61	
Average hours worked for competitive employment outcomes	33.13		33.16		30.83		31.2	
Median hourly earnings for competitive employment outcomes	\$19.77		\$18.01		\$17.00		\$11.73	
Median hours worked for competitive employment outcomes	38.00		40.00		35.00		35.0	
Quarterly median earnings	\$8,320.00		\$7,709.00		\$7,501.00		\$4,927.00	

Data sources: RSA-911, RSA-113

**Table 3.2.a MA-B VR Training Services Provided for Individuals Served - FFYs 2014-2016**

<b>Training Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Total number of individuals served	433		397		320		9,111	
College or university training	10	2.3%	10	2.5%	23	7.2%	127	1.4%
Four-year or university training	4	0.9%	19	4.8%	22	6.9%	918	10.1%
Junior or community college training	0	0.0%	3	0.8%	1	0.3%	293	3.2%
Occupational or vocational training	2	0.5%	25	6.3%	20	6.3%	1,137	12.5%
On-the-job training	0	0.0%	3	0.8%	1	0.3%	265	2.9%
Apprenticeship training	0	0.0%	0	0.0%	0	0.0%	12	0.1%

<b>Training Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Basic academic remedial or literacy training	0	0.0%	1	0.3%	0	0.0%	148	1.6%
Job readiness training	7	1.6%	66	16.6%	62	19.4%	1,082	11.9%
Disability-related skills training	26	6.0%	52	13.1%	194	60.6%	4,075	44.7%
Miscellaneous training	10	2.3%	6	1.5%	122	38.1%	1,070	11.7%

Data source: RSA-911

**Table 3.2.b MA-B VR Career Services Provided for Individuals Served - FFYs 2014-2016**

<b>Career Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Total number of individuals served	433		397		320		9,111	
Assessment	11	2.5%	41	10.3%	37	11.6%	6,028	66.2%
Diagnosis and treatment of impairment	55	12.7%	204	51.4%	174	54.4%	5,970	65.5%
Vocational rehab counseling and guidance	9	2.1%	8	2.0%	283	88.4%	7,735	84.9%
Job search assistance	8	1.8%	10	2.5%	64	20.0%	955	10.5%
Job placement assistance	5	1.2%	8	2.0%	11	3.4%	1,412	15.5%
On-the-job supports-short term	0	0.0%	0	0.0%	0	0.0%	915	10.0%
On-the-job supports-SE	0	0.0%	6	1.5%	29	9.1%	288	3.2%
Information and referral services	3	0.7%	0	0.0%	18	5.6%	1,582	17.4%
Benefits counseling	0	0.0%	0	0.0%	0	0.0%	257	2.8%
Customized employment services	0	0.0%	0	0.0%	0	0.0%	43	0.5%

Data source: RSA-911

**Table 3.2.c MA-B VR Other Services Provided for Individuals Served - FFYs 2014-2016**

<b>Other Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Total number of individuals served	433		397		320		9,111	

<b>Other Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Transportation	0	0.0%	1	0.3%	6	1.9%	3,676	40.3%
Maintenance	0	0.0%	35	8.8%	21	6.6%	2,309	25.3%
Rehabilitation technology	110	25.4%	183	46.1%	271	84.7%	5,976	65.6%
Reader services	1	0.2%	5	1.3%	4	1.3%	231	2.5%
Interpreter services	0	0.0%	0	0.0%	1	0.3%	140	1.5%
Personal attendant services	0	0.0%	11	2.8%	10	3.1%	81	0.9%
Technical assistance services	1	0.2%	2	0.5%	2	0.6%	194	2.1%
Other services	3	0.7%	87	21.9%	52	16.3%	3,526	38.7%

Data source: RSA-911

**Table 3.3.a MA-B Outcomes by Type of Impairment - FFYs 2014-2016**

<b>Type of Impairment</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Visual - Employment outcomes	262	100.0%	265	100.0%	266	100.0%	5,795	99.8%
Visual - Without employment outcomes	171	100.0%	132	100.0%	54	100.0%	3,093	99.8%
Auditory and Communicative - Employment outcomes							1	0.0%
Auditory and Communicative - Without employment outcomes							1	0.0%
Physical - Employment outcomes							6	0.1%
Physical - Without employment outcomes							4	0.1%
Intellectual and Learning disability - Employment outcomes							3	0.1%
Intellectual and Learning disability - Without employment outcomes							1	0.0%

<b>Type of Impairment</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Psychosocial and psychological - Employment outcomes								
Psychosocial and psychological - Without employment outcomes							1	0.0
Total served - Employment outcomes	262	100.0%	265	100.0%	266	100.0%	5,805	100.0%
Total served - Without employment outcomes	171	100.0%	132	100.0%	54	100.0%	3,100	100.0%

Data source: RSA-911

**Table 3.3.b MA-B All Individuals Served by Type of Impairment FFYs 2014-2016**

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Individuals served	433	100.0%	397	100.0%	320	100.0%	8,888	99.8%
Auditory and Communicative - Individuals served	0		0		0		2	0.0
Physical - Individuals served	0		0		0		10	0.1%
Intellectual and Learning disability - Individuals served	0		0		0		4	0.0
Psychosocial and psychological	0		0		0		1	0.0
<b>Total individuals served</b>	<b>433</b>	<b>100.0%</b>	<b>397</b>	<b>100.0%</b>	<b>320</b>	<b>100.0%</b>	<b>8,905</b>	<b>100.0%</b>

Data source: RSA-911

**Table 3.3.c MA-B Employment Rate by Type of Impairment - FFYs 2014-2016**

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment rate		60.5%		66.8%		83.1%		65.2%
Auditory and Communicative - Employment rate								50.0%
Physical - Employment rate								60.0%
Intellectual and Learning disability - Employment rate								75.0%
Psychosocial and psychological – Employment rate								0%
<b>Total served - Employment rate</b>		<b>60.5%</b>		<b>66.8%</b>		<b>83.1%</b>		<b>65.2%</b>

Data source: RSA-911

**Table 3.4.a MA-B Elapsed Time from Application to Eligibility for All Individuals Served - FFYs 2014-2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	436	97.3%	399	97.3%	311	96.3%	9,319	89.6%
61 – 90 days	5	1.1%	3	0.7%	4	1.2%	535	5.1%
91 – 120 days	1	0.2%	3	0.7%			209	2.0%
121 – 180 days	1	0.2%	2	0.5%	4	1.2%	156	1.5%
181 – 365 days	1	0.2%	2	0.5%	3	0.9%	108	1.0%
More than 1 year	4	0.9%	1	0.2%	1	0.3%	71	0.7%
<b>Total eligible</b>	<b>448</b>	<b>100.0%</b>	<b>410</b>	<b>100.0%</b>	<b>323</b>	<b>100.0%</b>	<b>10,398</b>	<b>100.0%</b>

Data source: RSA-911

**Table 3.4.b MA-B Elapsed Time from Eligibility to IPE for All Individuals Served - FFYs 2014-2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 90 days	409	94.5%	383	96.5%	306	95.6%	7,467	82.0%
More than 90 days	24	5.5%	14	3.5%	14	4.4%	1,644	18.0%
<b>Total served</b>	<b>433</b>	<b>100.0%</b>	<b>397</b>	<b>100.0%</b>	<b>320</b>	<b>100.0%</b>	<b>9,111</b>	<b>100.0%</b>

Data source: RSA-911

**Table 3.4.c MA-B Elapsed Time from IPE to Closure for All Individuals Served - FFYs 2014-2016**

<b>Elapsed Time</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
0 – 3 months	7	1.6%	6	1.5%	2	0.6%	170	1.9%
4 – 6 months	35	8.1%	33	8.3%	43	13.4%	1,034	11.3%
7 – 9 months	68	15.7%	62	15.6%	61	19.1%	1,122	12.3%
10 – 12 months	57	13.2%	33	8.3%	26	8.1%	967	10.6%
13 - 24 months	95	21.9%	127	32.0%	79	24.7%	2,162	23.7%
25 – 36 months	53	12.2%	48	12.1%	25	7.8%	1,147	12.6%
37 – 60 months	51	11.8%	41	10.3%	40	12.5%	1,092	12.0%
More than 5 years	67	15.5%	47	11.8%	44	13.8%	1,417	15.6%
<b>Total served</b>	<b>433</b>	<b>100.0%</b>	<b>397</b>	<b>100.0%</b>	<b>320</b>	<b>100.0%</b>	<b>9,111</b>	<b>100.0%</b>

Data source: RSA-911

**Table 3.5.a MA-B Standard Occupational Classification (SOC) Codes for All Individuals Served with Employment Outcomes - FFYs 2014-2016**

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)	2	0.8%	4	1.5%	3	1.1%	44	0.7%
Arts, Design, Entertainment, Sports, and Media (27-0000)	10	3.8%	8	3.0%	3	1.1%	167	2.8%
Building and Grounds Cleaning and Maintenance (37-0000)	2	0.8%	5	1.9%	6	2.3%	281	4.7%
Business and Financial Operations Occupations (13-0000)	13	5.0%	9	3.4%	9	3.4%	171	2.9%
Community and Social Services Occupations (21-0000)	17	6.5%	10	3.8%	19	7.1%	245	4.1%
Computer and Mathematical Occupations (15-0000)	9	3.4%	7	2.6%	8	3.0%	114	1.9%
Constructive and Extraction Occupations (47-0000)	1	0.4%	2	0.8%	1	0.4%	150	2.5%
Education, Training, and Library Occupations (25-0000)	21	8.0%	17	6.4%	24	9.0%	407	6.8%
Farming, Fishing, and Forestry Occupations(45-0000)							35	0.6%
Food Preparation and Serving Related Occupations (35-0000)	5	1.9%	6	2.3%	7	2.6%	334	5.6%
Healthcare Practitioners and Technical Occupations (29-0000)	2	0.8%	9	3.4%	6	2.3%	153	2.6%
Healthcare Support Occupations (31-0000)	6	2.3%	5	1.9%	7	2.6%	206	3.4%
Homemaker*	84	32.1%	112	42.3%	85	32.0%	703	11.7%
Installation, Maintenance, and Repair Occupations (49-0000)	3	1.1%	3	1.1%	3	1.1%	199	3.3%
Legal Occupations (23-0000)	5	1.9%	3	1.1%	7	2.6%	52	0.9%
Life, Physical, and Social Science Occupations (19-0000)	7	2.7%	3	1.1%	6	2.3%	41	0.7%

<b>SOC</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Management Occupations (11-0000)	29	11.1%	16	6.0%	13	4.9%	326	5.4%
Military Specific Occupations (55-0000)								
Office and Administrative Support Occupations (19-0000)	26	9.9%	24	9.1%	25	9.4%	956	15.9%
Personal Care and Service Occupations (39-0000)	3	1.1%	5	1.9%	7	2.6%	234	3.9%
Production Occupations (51-0000)	4	1.5%	3	1.1%	5	1.9%	399	6.7%
Protective Service Occupations (33-0000)	2	0.8%			1	0.4%	58	1.0%
Randolph-Sheppard vending facility clerk*					1	0.4%	1	0.0%
Randolph-Sheppard vending facility operator*	2	0.8%	2	0.8%			60	1.0%
Sales and Related Occupations (41-0000)	9	3.4%	8	3.0%	17	6.4%	407	6.8%
Transportation and Material Moving Occupations (53-0000)			4	1.5%	3	1.1%	245	4.1%
Unpaid Family Worker*							5	0.1%
<b>Total employment outcomes</b>	<b>262</b>	<b>100.0%</b>	<b>265</b>	<b>100.0%</b>	<b>266</b>	<b>100.0%</b>	<b>5,993</b>	<b>100.0%</b>

Data source: RSA-911

**Table 3.5.b MA-B Standard Occupational Classification (SOC) Codes Median Hourly Earnings for All Individuals Served with Employment Outcomes - FFYs 2014-2016**

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)	\$52.40		\$38.39		\$40.00		\$21.81	
Arts, Design, Entertainment, Sports, and Media (27-0000)	\$9.61		\$15.00		\$24.53		\$14.32	
Building and Grounds Cleaning and Maintenance (37-0000)	\$15.44		\$10.00		\$13.75		\$9.50	
Business and Financial Operations Occupations (13-0000)	\$23.50		\$26.32		\$19.40		\$17.00	
Community and Social Services Occupations (21-0000)	\$20.20		\$22.58		\$20.75		\$16.96	
Computer and Mathematical Occupations (15-0000)	\$28.85		\$33.65		\$37.26		\$20.00	
Constructive and Extraction Occupations (47-0000)	\$16.88		\$14.50		\$28.85		\$13.00	
Education, Training, and Library Occupations (25-0000)	\$20.00		\$22.00		\$15.00		\$16.13	
Farming, Fishing, and Forestry Occupations(45-0000)							\$10.20	
Food Preparation and Serving Related Occupations (35-0000)	\$11.00		\$9.50		\$13.50		\$9.00	
Healthcare Practitioners and Technical Occupations (29-0000)	\$51.20		\$30.00		\$29.58		\$19.70	
Healthcare Support Occupations (31-0000)	\$15.50		\$15.00		\$14.00		\$10.31	
Homemaker*								
Installation, Maintenance, and Repair Occupations (49-0000)	\$15.83		\$16.67		\$15.83		\$10.50	
Legal Occupations (23-0000)	\$38.45		\$15.59		\$33.65		\$27.40	
Life, Physical, and Social Science Occupations (19-0000)	\$30.00		\$40.95		\$20.43		\$21.35	

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Management Occupations (11-0000)	\$26.45		\$23.56		\$42.50		\$16.93	
Military Specific Occupations (55-0000)								
Office and Administrative Support Occupations (19-0000)	\$12.00		\$12.75		\$14.43		\$11.00	
Personal Care and Service Occupations (39-0000)	\$13.00		\$10.00		\$9.60		\$9.45	
Production Occupations (51-0000)	\$10.25		\$9.00		\$18.00		\$9.53	
Protective Service Occupations (33-0000)	\$15.09				\$11.00		\$11.00	
Randolph-Sheppard vending facility clerk*					\$8.00		\$8.00	
Randolph-Sheppard vending facility operator*	\$13.02		\$21.92				\$15.00	
Sales and Related Occupations (41-0000)	\$14.00		\$11.50		\$12.00		\$10.00	
Transportation and Material Moving Occupations (53-0000)			\$8.75		\$12.24		\$11.00	
Unpaid Family Worker*								
Total employment outcomes	\$19.23		\$18.00		\$17.00		\$11.55	

Data source: RSA-911

**Table 4.1 (MA-B) Case Status Information, Outcomes, and Quality Employment Measures for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016**

Individuals with Disabilities under Age 25 at Exit	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total cases closed	44		45		33		1,711	
Exited as an applicant	7	15.91%	3	6.67%		0.00%	374	21.86%
Exited during or after trial work experience/extended evaluation		0.00%		0.00%		0.00%	10	0.58%

<b>Individuals with Disabilities under Age 25 at Exit</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Exited without employment after IPE, before services		0.00%	1	2.22%		0.00%	25	1.46%
Exited from order of selection waiting list		0.00%		0.00%		0.00%	1	0.06%
Exited without employment after eligibility, before IPE	4	9.09%	3	6.67%		0.00%	233	13.62%
Exited with employment	15	34.09%	15	33.33%	25	75.76%	518	30.27%
Exited without employment	18	40.91%	23	51.11%	8	24.24%	550	32.14%
Employment rate	45.45%		39.47%		75.76%		48.50%	
Supported employment outcomes	0	0.00%	0	0.00%	0	0.00%	23	4.44%
Competitive employment outcomes	14	93.33%	15	100.00%	24	96.00%	501	96.72%
Average hourly earnings for competitive employment outcomes	\$20.40		\$20.21		\$16.13		\$13.05	
Average hours worked per week for competitive employment outcomes	35.85		35.00		35.62		31.42	
Competitive employment outcomes at 35 or more hours per week	9	60.00%	11	73.33%	15	60.00%	240	46.33%
Competitive employment outcomes meeting SGA	13	86.67%	12	80.00%	17	68.00%	185	35.71%
Competitive employment outcomes with employer- provided medical insurance	8	53.33%	10	66.67%	13	52.00%	132	25.48%

Data source: RSA-911

**Table 4.2. (MA-B) Select VR Services Provided for Individuals with Disabilities under Age 25 at Exit- FFYs 2014-2016**

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	33		38		33		1,066	
College or university training	3	9.10%	3	7.90%	9	27.30%	27	2.50%
Four-year or university training	1	3.00%	11	28.90%	12	36.40%	330	31.00%
Junior or community college training			2	5.30%	1	3.00%	94	8.80%
Occupational or vocational training			8	21.10%	6	18.20%	273	25.60%
On-the-job training			1	2.60%	1	3.00%	56	5.30%
Apprenticeship training							3	0.30%
Basic academic remedial or literacy training							55	5.20%
Job readiness training			12	31.60%	14	42.40%	276	25.90%
Disability-related skills training	1	3.00%	4	10.50%	14	42.40%	576	54.00%
Miscellaneous training					9	27.30%	260	24.40%
Assessment			8	21.10%	2	6.10%	777	72.90%
Diagnosis and treatment of impairment	1	3.00%	9	23.70%	12	36.40%	563	52.80%
Vocational rehab counseling and guidance					27	81.80%	898	84.20%
Job search assistance			1	2.60%	15	45.50%	165	15.50%
Job placement assistance			5	13.20%	5	15.20%	183	17.20%
On-the-job supports-short term							178	16.70%
On-the-job supports-SE			2	5.30%	2	6.10%	49	4.60%

<b>Training Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Information and referral services					3	9.10%	188	17.60%
Benefits counseling							30	2.80%
Customized employment services							7	0.70%
Transportation							565	53.00%
Maintenance			13	34.20%	13	39.40%	518	48.60%
Rehabilitation technology	5	15.20%	19	50.00%	26	78.80%	765	71.80%
Reader services							38	3.60%
Interpreter services							33	3.10%
Personal attendant services			5	13.20%	4	12.10%	30	2.80%
Technical assistance services							12	1.10%
Other services	1	3.00%	18	47.40%	18	54.50%	571	53.60%

Data source: RSA-911

**Table 4.3.a (MA-B) Outcomes by Type of Impairment for Individuals with Disabilities under Age 25 at Exit- FFYs 2014-2016**

<b>Type of Impairment</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Visual - Employment outcomes	15	100.00%	15	100.00%	25	100.00%	509	99.41%
Visual - Without employment outcomes	18	100.00%	23	100.00%	8	100.00%	547	99.82%
Auditory and Communicative - Employment outcomes								
Auditory and Communicative - Without employment outcomes								
Physical - Employment outcomes							2	0.39%
Physical - Without employment outcomes							1	0.18%
Intellectual and Learning disability - Employment outcomes							1	0.20%

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Intellectual and Learning disability - Without employment outcomes								
Psychosocial and psychological - Employment outcomes								
Psychosocial and psychological - Without employment outcomes								
Total served - Employment outcomes	15	100.00%	15	100.00%	25	100.00%	512	100.00%
Total served - Without employment outcomes	18	100.00%	23	100.00%	8	100.00%	548	100.00%

Data source: RSA-911

**Table 4.3.b (MA-B) All Individuals Served by Type of Impairment for Individuals with Disabilities under Age 25 at Exit- FFYs 2014-2016**

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Individuals served	33	100.00%	38	100.00%	33	100.00%	1056	99.06%
Auditory and Communicative - Individuals served								
Physical - Individuals served							3	0.28%
Intellectual and Learning disability - Individuals served							1	0.09%
Psychosocial and psychological								
Total individuals served	33	100.00%	38	100.00%	33	100.00%	1,066	100.00%

Data source: RSA-911

**Table 4.3.c (MA-B) Employment Rate by Type of Impairment for Individuals with Disabilities under Age 25 at Exit- FFYs 2014-2016**

Type of Impairment	2014 Percent	2015 Percent	2016 Percent	2016 National Agency Type Percent
Visual - Employment rate	45.00%	39.00%	75.80%	48.20%
Auditory and Communicative - Employment rate				
Physical - Employment rate				66.67%
Intellectual and Learning disability - Employment rate				100.00%
Psychosocial and psychological – Employment rate				
Total served - Employment rate	45.00%	39.00%	75.80%	48.30%

Data source: RSA-911

**Table 4.4.a (MA-B) Elapsed Time from Application to Eligibility for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	35	94.59%	42	100.00%	32	96.97%	1,136	86.45%
61 – 90 days	1	2.70%		0.00%		0.00%	75	5.71%
91 – 120 days	1	2.70%		0.00%		0.00%	37	2.82%
121 – 180 days		0.00%		0.00%		0.00%	32	2.44%
181 – 365 days		0.00%		0.00%	1	3.03%	17	1.29%
More than 1 year		0.00%		0.00%		0.00%	17	1.29%
Total eligible	37		42		33		1,314	1

Data source: RSA-911

**Table 4.4.b (MA-B) Elapsed Time from Eligibility to IPE for Individuals with Disabilities under Age 25 at Exit Served—FFYs 2014–2016**

<b>Elapsed Time</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
0 – 3 months	32	96.97%	35	92.11%	28	84.85%	724	67.79%
4 – 6 months			1	2.63%	1	3.03%	107	10.02%
7 – 9 months			1	2.63%	3	9.09%	45	4.21%
10 – 12 months					1	3.03%	26	2.43%
More than 12 months	1	3.03%	1	2.63%			166	15.54%
Total served	33		38		33		1,068	

Data source: RSA-911

**Table 4.4.c (MA-B) Elapsed Time from IPE to Closure for Individuals with Disabilities under Age 25 at Exit Served—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	1	3.03%		0.00%	1	3.03%	16	1.51%
4 – 6 months	3	9.09%		0.00%	2	6.06%	56	5.29%
7 – 9 months	3	9.09%	1	2.63%	2	6.06%	67	6.33%
10 – 12 months	2	6.06%	1	2.63%	1	3.03%	46	4.34%
13 - 24 months	2	6.06%	3	7.89%	3	9.09%	158	14.92%
25 – 36 months		0.00%	4	10.53%	2	6.06%	128	12.09%
37 – 60 months	6	18.18%	9	23.68%	5	15.15%	179	16.90%
More than 5 years	16	48.48%	20	52.63%	17	51.52%	409	38.62%
Total served	33		38		33		1,059	

Data source: RSA-911

**Table 4.5.a (MA-B) Standard Occupational Classification (SOC) Codes for Individuals with Disabilities under Age 25 at Exit Served with Employment Outcomes—FFYs 2014–2016**

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)		0.00%		0.00%		0.00%	7	1.35%
Arts, Design, Entertainment, Sports, and Media (27-0000)		0.00%	1	6.67%	1	4.00%	32	6.19%
Building and Grounds Cleaning and Maintenance (37-0000)		0.00%		0.00%		0.00%	19	3.68%
Business and Financial Operations Occupations (13-0000)	1	6.67%	2	13.33%	1	4.00%	18	3.48%
Community and Social Services Occupations (21-0000)		0.00%	1	6.67%	1	4.00%	12	2.32%

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Computer and Mathematical Occupations (15-0000)	2	13.33%	1	6.67%	4	16.00%	19	3.68%
Constructive and Extraction Occupations (47-0000)		0.00%		0.00%		0.00%	7	1.35%
Education, Training, and Library Occupations (25-0000)	3	20.00%	2	13.33%	4	16.00%	42	8.12%
Farming, Fishing, and Forestry Occupations (45-0000)		0.00%		0.00%		0.00%	3	0.58%
Food Preparation and Serving Related Occupations (35-0000)	2	13.33%		0.00%	1	4.00%	37	7.16%
Healthcare Practitioners and Technical Occupations (29-0000)		0.00%	1	6.67%		0.00%	16	3.09%
Healthcare Support Occupations (31-0000)	2	13.33%		0.00%		0.00%	13	2.51%
Homemaker*		0.00%		0.00%	1	4.00%	15	2.90%
Installation, Maintenance, and Repair Occupations (49-0000)		0.00%		0.00%		0.00%	18	3.48%
Legal Occupations (23-0000)		0.00%	1	6.67%		0.00%	3	0.58%
Life, Physical, and Social Science Occupations (19-0000)		0.00%	1	6.67%		0.00%	6	1.16%
Management Occupations (11-0000)	1	6.67%	1	6.67%	2	8.00%	17	3.29%
Military Specific Occupations (55-0000)		0.00%		0.00%		0.00%		0.00%
Office and Administrative Support Occupations (43-0000)	3	20.00%	4	26.67%	5	20.00%	99	19.15%
Personal Care and Service Occupations (39-0000)		0.00%		0.00%	2	8.00%	33	6.38%
Production Occupations (51-0000)		0.00%		0.00%	1	4.00%	31	6.00%
Protective Service Occupations (33-0000)		0.00%		0.00%		0.00%	3	0.58%
Randolph-Sheppard Vending Facility Clerk*		0.00%		0.00%		0.00%		0.00%
Randolph-Sheppard Vending Facility Operator*		0.00%		0.00%		0.00%	2	0.39%
Sales and Related Occupations (41-0000)	1	6.67%		0.00%	2	8.00%	48	9.28%
Transportation and Material Moving Occupations (53-0000)		0.00%		0.00%		0.00%	17	3.29%
Unpaid Family Worker*		0.00%		0.00%		0.00%		0.00%
Total employment outcomes	15		15		25		517	



**Table 4.5.b (MA-B) Standard Occupational Classification (SOC) Codes Median Hourly Earnings for Individuals with Disabilities under Age 25 at Exit Served with Employment Outcomes—FFYs 2014–2016**

SOC	2014	2015	2016	2016 National Agency Type
Architecture and Engineering Occupations (17-0000)				\$16.00
Arts, Design, Entertainment, Sports, and Media (27-0000)		\$12.00	\$15.38	\$14.37
Building and Grounds Cleaning and Maintenance (37-0000)				\$9.55
Business and Financial Operations Occupations (13-0000)	\$17.80	\$17.78	\$26.45	\$16.59
Community and Social Services Occupations (21-0000)		\$23.90	\$17.80	\$16.02
Computer and Mathematical Occupations (15-0000)	\$34.61	\$33.65	\$26.33	\$21.15
Constructive and Extraction Occupations (47-0000)				\$9.00
Education, Training, and Library Occupations (25-0000)	\$26.93	\$16.11	\$12.00	\$11.56
Farming, Fishing, and Forestry Occupations (45-0000)				\$9.00
Food Preparation and Serving Related Occupations (35-0000)	\$8.42		\$13.50	\$8.53
Healthcare Practitioners and Technical Occupations (29-0000)		\$31.19		\$13.33
Healthcare Support Occupations (31-0000)	\$15.50			\$10.25
Homemaker*				
Installation, Maintenance, and Repair Occupations (49-0000)				\$10.00
Legal Occupations (23-0000)		\$15.59		\$12.38
Life, Physical, and Social Science Occupations (19-0000)		\$31.25		\$13.71
Management Occupations (11-0000)	\$16.54	\$23.08	\$17.10	\$17.50
Military Specific Occupations (55-0000)				
Office and Administrative Support Occupations (43-0000)	\$13.00	\$16.25	\$15.00	\$10.00
Personal Care and Service Occupations (39-0000)			\$9.00	\$9.00
Production Occupations (51-0000)			\$11.00	\$8.75
Protective Service Occupations (33-0000)				\$13.00
Randolph-Sheppard Vending Facility Clerk*				
Randolph-Sheppard Vending Facility Operator*				13.82
Sales and Related Occupations (41-0000)	\$11.00		\$11.00	\$9.50
Transportation and Material Moving Occupations (53-0000)				\$9.00
Unpaid Family Worker*				
Total employment outcomes	\$15.63	\$19.30	\$14.21	\$10.00

Data source: RSA-911

**Table 4.6 (MA-B) Source of Referral Codes for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016**

Referral Sources	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	National Agency Type Number	National Agency Type Percent
American Indian VR Services Program		0.00%		0.00%		0.00%	1	0.06%
Centers for Independent Living		0.00%		0.00%		0.00%	2	0.12%
Child Protective Services		0.00%		0.00%		0.00%		0.00%
Community Rehabilitation Programs		0.00%		0.00%		0.00%	31	1.83%
Consumer Organizations or Advocacy Groups		0.00%		0.00%		0.00%	3	0.18%
Educational Institutions (elementary/secondary)	1	2.27%	5	11.36%	4	12.12%	440	25.97%
Educational Institutions (post-secondary)		0.00%		0.00%		0.00%	53	3.13%
Employers		0.00%		0.00%		0.00%	3	0.18%
Faith Based Organizations		0.00%		0.00%		0.00%		0.00%
Family/Friends		0.00%		0.00%		0.00%	128	7.56%
Intellectual and Developmental Disabilities Providers		0.00%		0.00%		0.00%	1	0.06%
Medical Health Provider (Public or Private)	21	47.73%	19	43.18%	14	42.42%	158	9.33%
Mental Health Provider (Public or Private)		0.00%		0.00%		0.00%	24	1.42%
One-Stop Employment/Training Centers		0.00%		0.00%		0.00%	3	0.18%
Other Sources	5	11.36%	5	11.36%	2	6.06%	229	13.52%
Other State Agencies		0.00%		0.00%		0.00%	25	1.48%
Other VR State Agencies		0.00%		0.00%		0.00%	127	7.50%
Public Housing Authority		0.00%		0.00%		0.00%		0.00%
Self-referral	14	31.82%	13	29.55%	11	33.33%	452	26.68%
Social Security Administration (Disability Determination Service or District office)		0.00%		0.00%		0.00%	5	0.30%
State Department of Correction/Juvenile Justice		0.00%		0.00%		0.00%		0.00%
State Employment Service Agency		0.00%		0.00%		0.00%	1	0.06%
Veteran's Administration		0.00%		0.00%		0.00%		0.00%
Welfare Agency (State or local government)	3	6.82%	2	4.55%	2	6.06%	8	0.47%
Worker's Compensation		0.00%		0.00%		0.00%		0.00%

Data source: RSA-911

**Table 4.7(MA-B) Reason for Closure Codes for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016**

Reason for Closure	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Achieved employment outcome	15	35.71%	15	34.09%	25	75.76%	518	33.94%
Unable to locate or contact	13	30.95%	12	27.27%	3	9.09%	421	27.59%
Transportation not feasible or available		0.00%		0.00%		0.00%	2	0.13%
Does not require VR services		0.00%		0.00%		0.00%	30	1.97%
Extended services not available		0.00%	1	2.27%		0.00%		0.00%
All other reasons	5	11.90%	4	9.09%	4	12.12%	150	9.83%
Extended employment		0.00%		0.00%		0.00%	1	0.07%
Individual in institution, other than a prison or jail		0.00%		0.00%		0.00%	3	0.20%
Individual is incarcerated in a prison or jail		0.00%	1	2.27%		0.00%	4	0.26%
Disability too significant to benefit from VR services		0.00%		0.00%		0.00%	25	1.64%
No longer interested in receiving services or further services	9	21.43%	11	25.00%	1	3.03%	361	23.66%
Death		0.00%		0.00%		0.00%	11	0.72%

Data source: RSA-911

**Table 5.1.a (MA-B) Supported Employment Outcomes for All Individuals with Disabilities—FFYs 2014–2016**

All Individuals with Disabilities with Supported Employment Outcomes	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Supported employment outcomes	7	2.67%	4	1.51%	6	2.26%	152	2.54%
Average hourly wage for supported employment outcomes	\$21.84		17.09		\$27.91		\$13.89	
Average hours worked per week for supported employment outcomes	39.28		35		18.5		21.8	

<b>All Individuals with Disabilities with Supported Employment Outcomes</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Competitive supported employment outcomes	7	100.00%	4	100.00%	6	100.00%	150	98.68%
Average hourly earnings for competitive supported employment outcomes	\$21.84		17.09		\$27.91		\$14.05	
Average hours worked per week for competitive supported employment outcomes	39.28		35		18.5		21.89	
Competitive supported employment outcomes at 35 or more hours per week	6	85.71%	2	50.00%	1	16.67%	32	21.05%
Competitive supported employment outcomes meeting SGA	5	71.43%	3	75.00%	3	50.00%	33	21.71%
Competitive supported employment outcomes with employer-provided medical insurance	3	42.86%	1	25.00%	2	33.33%	26	17.11%

Data source: RSA-911

**Table 5.1.b (MA-B) Supported Employment Outcomes for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016**

<b>Individuals under Age 25 with Disabilities with Supported Employment Outcomes</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Supported employment outcomes	0		0		0		23	4.44%
Average hourly wage for supported employment outcomes							\$8.74	
Average hours worked per week for supported employment outcomes							16.17	
Competitive supported employment outcomes							23	100%
Average hourly earnings for competitive supported employment outcomes							\$8.74	
Average hours worked per week for competitive supported employment outcomes							16.17	
Competitive supported employment outcomes at 35 or more hours per week								

<b>Individuals under Age 25 with Disabilities with Supported Employment Outcomes</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Competitive supported employment outcomes meeting SGA								
Competitive supported employment outcomes with employer-provided medical insurance								

Data source: RSA-911

**Table 5.2.a (MA-B) Select VR and Supported Employment Services Provided for Individuals with Disabilities with Supported Employment Outcomes- FFYs 2014-2016**

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of Supported Employment	7		4		6		152	
College or university training							5	3.30%
Four-year or university training							13	8.60%
Junior or community college training							2	1.30%
Occupational or vocational training							19	12.50%
On-the-job training							11	7.20%
Apprenticeship training							0	0.00%
Basic academic remedial or literacy training							7	4.60%
Job readiness training			1	25.00%	2	33.30%	31	20.40%
Disability-related skills training			1	25.00%	3	50.00%	87	57.20%
Miscellaneous training					3	50.00%	12	7.90%
Assessment					1	16.70%	103	67.80%
Diagnosis and treatment of impairment			3	75.00%	3	50.00%	72	47.40%
Vocational rehab counseling and guidance					5	83.30%	112	73.70%
Job search assistance					3	50.00%	34	22.40%
Job placement assistance	1	14.30%			1	16.70%	56	36.80%
On-the-job supports-short term							39	25.70%
On-the-job supports-SE					2	33.30%	47	30.90%
Information and referral services					2	33.30%	21	13.80%
Benefits counseling							14	9.20%
Customized employment services							4	2.60%
Transportation							60	39.50%
Maintenance							40	26.30%
Rehabilitation technology			2	50.00%	5	83.30%	114	75.00%
Reader services							5	3.30%

<b>Training Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Interpreter services							6	3.90%
Personal attendant services							2	1.30%
Technical assistance services							5	3.30%
Other services			2	50.00%			50	32.90%

Data source: RSA-911

**Table 5.2.b (MA-B) Select VR and Supported Employment Services Provided for Individuals with Disabilities under Age 25 at Exit with Supported Employment Outcomes- FFYs 2014-2016**

<b>Training Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Total number of Supported Employment	0		0		0		23	
College or university training							0	0.00%
Four-year or university training							2	8.70%
Junior or community college training							0	0.00%
Occupational or vocational training							5	21.70%
On-the-job training							4	17.40%
Apprenticeship training							0	0.00%
Basic academic remedial or literacy training							0	0.00%
Job readiness training							5	21.70%
Disability-related skills training							16	69.60%
Miscellaneous training							4	17.40%
Assessment							20	87.00%
Diagnosis and treatment of impairment							9	39.10%
Vocational rehab counseling and guidance							18	78.30%
Job search assistance							5	21.70%
Job placement assistance							10	43.50%
On-the-job supports-short term							12	52.20%
On-the-job supports-SE							11	47.80%

<b>Training Services</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
Information and referral services							2	8.70%
Benefits counseling							3	13.00%
Customized employment services							1	4.30%
Transportation							11	47.80%
Maintenance							9	39.10%
Rehabilitation technology							15	65.20%
Reader services							1	4.30%
Interpreter services							1	4.30%
Personal attendant services							0	0.00%
Technical assistance services							0	0.00%
Other services							10	43.50%

Data source: RSA-911

**Table 5.3.a (MA-B) Elapsed Time from Application to Eligibility for All Individuals with Disabilities Who Achieved Supported Employment Outcomes—FFYs 2014–2016**

<b>Elapsed Time</b>	<b>2014 Number</b>	<b>2014 Percent</b>	<b>2015 Number</b>	<b>2015 Percent</b>	<b>2016 Number</b>	<b>2016 Percent</b>	<b>2016 National Agency Type Number</b>	<b>2016 National Agency Type Percent</b>
0 – 60 days							22	95.65%
61 – 90 days							1	4.35%
91 – 120 days								0.00%
121 – 180 days								0.00%
181 – 365 days								0.00%
More than 1 year								0.00%
Total Supported Employment							23	

Data source: RSA-911



**Table 5.4.a(MA-B) Elapsed Time from Eligibility to IPE for All Individuals with Disabilities Who Achieved Supported Employment Outcomes—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	6	85.71%	4	100.00%	6	100.00%	102	67.11%
4-6 months	1	14.29%		0.00%		0.00%	21	13.82%
7-9 months		0.00%		0.00%		0.00%	9	5.92%
10-12 months		0.00%		0.00%		0.00%	3	1.97%
More than 12 months		0.00%		0.00%		0.00%	17	11.18%
Total Supported Employment	7		4		6		152	

Data source: RSA-911

**Table 5.4.b (MA-B) Elapsed Time from Eligibility to IPE for Individuals with Disabilities under Age 25 at Exit Who Achieved Supported Employment Outcome—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months							6	26.09%
4-6 months							5	21.74%
More than 12 months							9	39.13%
Total Supported Employment							23	

Data source: RSA-911

**Table 5.5.a (MA-B) Elapsed Time from IPE to Closure for All Individuals with Disabilities Who Achieved Supported Employment Outcomes—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months		0.00%	1	25.00%		0.00%	4	2.63%
4 – 6 months		0.00%		0.00%		0.00%	9	5.92%
7 – 9 months	3	42.86%		0.00%	1	16.67%	23	15.13%
10 – 12 months		0.00%	1	25.00%	2	33.33%	18	11.84%
13 - 24 months	1	14.29%	1	25.00%	1	16.67%	39	25.66%
25 – 36 months	2	28.57%	1	25.00%	1	16.67%	20	13.16%
37 – 60 months		0.00%		0.00%		0.00%	13	8.55%
More than 5 years	1	14.29%		0.00%	1	16.67%	26	17.11%
Total Supported Employment	7		4		6		152	

Data source: RSA-911

**Table 5.5.b (MA-B) Elapsed Time from IPE to Closure for Individuals with Disabilities under Age 25 at Exit Who Achieved Supported Employment Outcomes—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months							1	4.35%
4 – 6 months								0.00%
7 – 9 months							2	8.70%
10 – 12 months							1	4.35%
13 - 24 months							4	17.39%
25 – 36 months							4	17.39%
37 – 60 months							3	13.04%
More than 5 years							8	34.78%
Total Supported Employment							23	

Data source: RSA-911

**Table 6.1 Massachusetts-Blind (MA-B) VR Resources and Expenditures—FFYs 2014–2016**

<b>VR Resources and Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>
Total program expenditures	\$13,462,779	\$13,277,734	\$12,622,021
Federal expenditures	\$9,274,604	\$9,325,343	\$8,567,947
State agency expenditures (4 <sup>th</sup> quarter)	\$4,640,197	\$4,634,514	\$4,054,074
State agency expenditures (latest/final)	\$4,188,175	\$3,952,391	\$4,054,074
Federal formula award amount	\$6,951,817	\$7,000,745	\$7,179,234
MOE penalty from prior year	\$159,133	\$2,046,572	\$1,658,480
Federal award amount relinquished during reallocation	\$0	\$0	\$0
Federal award amount received during reallocation	\$2,500,000	\$4,000,000	\$4,500,525
Federal funds transferred from State VR agency	\$0	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$9,292,684	\$8,954,173	\$10,021,279
Federal award funds deobligated	\$18,080	\$0	\$0
Federal award funds used	\$9,274,604	\$8,954,173	\$10,021,279
Percent of formula award amount used	133.41%	127.90%	139.59%
Federal award funds matched but not used	\$18,080	\$0	\$0

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

**Table 6.1 MCB VR Resources and Expenditures—Descriptions, Sources and Formulas**

VR Resources and Expenditures	Source/Formula
Total program expenditures	The sum of the Federal and non-Federal expenditures. <b>Source/Formula:</b> Table 6.1: Federal expenditures plus State expenditures (latest/final)
Federal expenditures	The cumulative amount of disbursements from Federal funds. <b>Source/Formula:</b> SF-425 line 10e from latest/final report
State expenditures (4 <sup>th</sup> quarter)	The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 <sup>th</sup> of the award period. <b>Source/Formula:</b> SF-425 line 10j from 4 <sup>th</sup> quarter report
State expenditures (latest/final)	The cumulative amount of disbursements and unliquidated obligations from State funds as reported on the agency’s latest or final SF-425 report. Final reports do not include unliquidated obligations. <b>Source/Formula:</b> SF-425 line 10j from latest/final report
Federal formula award amount	The amount of the Federal funds available to the agency based on the formula mandated in the Rehabilitation Act. <b>Formula/Source:</b> Federal formula award calculation
MOE penalty from prior year	The amount of the Maintenance of Effort (MOE) deficit from the previous FFY which resulted in a MOE penalty against the current FFY. <b>Source/Formula:</b> Table 6.2: MOE difference from prior year
Federal award amount relinquished during reallocation	Amount of Federal award voluntarily relinquished through the reallocation process. <b>Formula/Source:</b> RSA-692
Federal award received during reallocation	Amount of funds received through the reallocation process. <b>Source/Formula:</b> RSA-692
Federal funds transferred from State VR agency	Amount of award funds transferred from State VR agencies (Blind to General or General to Blind). <b>Formula/Source:</b> Agency transfer request documentation
Federal funds transferred to State VR agency	Amount of award funds transferred to State VR agencies (Blind to General or General to Blind). <b>Formula/Source:</b> Agency transfer request documentation
Federal award amount (net)	Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallocation and transfers).

<b>VR Resources and Expenditures</b>	<b>Source/Formula</b>
	<b>Formula/Source:</b> Federal formula award calculation, RSA-692, agency documentation, SF-425 : Federal formula calculation minus MOE penalty minus funds relinquished in reallocation plus funds received in reallocation plus funds transferred from agency minus funds transferred to agency
Federal award funds deobligated	Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched Federal funds. <b>Source/Formula:</b> Agency deobligation request documentation, G5 closeout reports
Federal award funds used	Amount of Federal award funds expended. <b>Source/Formula:</b> Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 <sup>th</sup> quarter or latest/final: Federal award amount (net) (calculation above) minus Federal award funds deobligated
Percent Federal formula award used	Percent of Federal formula award funds used. <b>Source/Formula:</b> Federal award funds used (calculation above) divided by Federal formula award amount
Federal award funds matched but not used	This represents unused Federal award funds for which the agency provided match. <b>Source/Formula:</b> Table 6.2 Federal award funds matched (actual) minus Table 6.1 Federal award funds used

**Table 6.2 Massachusetts-Blind (MA-B) Non-Federal Share and Maintenance of Effort—FFYs 2014–2016**

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>
Match required per net award amount	\$2,515,047	\$2,545,768	\$2,712,239
Match provided (actual)	\$4,188,175	\$3,952,391	\$4,054,074
Match difference**	-\$1,673,128	-\$1,406,623	-\$1,341,835
Federal funds matched (actual)	\$9,292,684	\$8,954,173	\$10,021,279
Percent Federal funds matched	100.00%	100.00%	100.00%
Match from State appropriation	\$4,188,175	\$3,952,391	\$4,054,074
Percent match from State appropriation	100.00%	100.00%	100.00%
Match from Third-Party Cooperative Arrangements (TPCA)	\$0	\$0	\$0
Percent match from TPCAs	0.00%	0.00%	0.00%
Match from Randolph-Sheppard program	\$0	\$0	\$0
Percent match from Randolph-Sheppard Program	0.00%	0.00%	0.00%
Match from interagency transfers	\$0	\$0	\$0
Percent match from interagency transfers	0.00%	0.00%	0.00%
Match from other sources	\$0	\$0	\$0
Percent match from other sources	0.00%	0.00%	0.00%
MOE required	\$6,234,747	\$5,610,871	\$4,188,175
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$4,188,175	\$3,952,391	\$4,054,074
MOE difference**	\$2,046,572	\$1,658,480	\$134,101

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

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

**Table 6.2 MCB Non-Federal Share and Maintenance of Effort—Descriptions, Sources and Formulas**

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>Source/Formula</b>
Match required per net award amount	Non-Federal funds required based upon the net amount of the Federal award. <b>Source/Formula:</b> (Table 6.1 Federal award amount net divided by 0.787 ) multiplied by 0.213
Match provided (actual)	Amount of match (non-Federal share) provided, by the agency. <b>Source/Formula:</b> SF-425 line 10j lesser of the 4 <sup>th</sup> quarter or latest/final
Match difference**	The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. <b>Source/Formula:</b> SF-425 lesser of the 4 <sup>th</sup> quarter or latest/final: ((Federal formula award amount divided by 0.787 ) multiplied by 0.213) minus SF-425 line 10j
Federal funds matched (actual)	Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. <b>Source/Formula:</b> (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. <b>Source/Formula:</b> Federal funds matched divided by Federal award amount net
Match from State appropriation	Match amount from State appropriation. <b>Source/Formula:</b> Data provided by State
Percent match from State appropriation	Match amount from State appropriation expressed as a percentage of total match provided. <b>Source/Formula:</b> Match from State appropriation divided by SF-425 line 10j
Match from TPCAs	Match amount from Third-Party Cooperative Arrangements (TPCAs). <b>Source/Formula:</b> Data provided by State
Percent match from TPCAs	Match amount from Third-Party Cooperative Arrangements (TPCAs) expressed as a percentage of total match provided. <b>Source/Formula:</b> Match from TPCAs divided by SF-425 line 10j
Match from Randolph-Sheppard program	Match amount from Randolph-Sheppard program. <b>Source/Formula:</b> Data provided by State

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>Source/Formula</b>
Percent match from Randolph-Sheppard Program	Match amount from Randolph-Sheppard program expressed as a percentage of total match provided. <b>Source/Formula:</b> Match from Randolph-Sheppard Program divided by SF-425 line 10j
Match from interagency transfers	Match amount from interagency transfers. <b>Source/Formula:</b> Data provided by State
Percent match from interagency transfers	Match amount from interagency transfers expressed as a percentage of total match provided. <b>Source/Formula:</b> Match from interagency transfers divided by SF-425 line 10j
Match from other sources	Match amount from all sources of match not previously listed. <b>Source/Formula:</b> Data provided by State
Percent match from other sources	Match amount from all other sources expressed as a percentage of total match provided. <b>Source/Formula:</b> Match from other sources divided by SF-425 line 10j
Maintenance of Effort (MOE) required	Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State's non-Federal expenditures two years prior, i.e. Recipient Share of Expenditures. <b>Source/Formula:</b> (For FFY two year prior) SF-425 4 <sup>th</sup> quarter or latest/final report: line 10j minus line 12a. If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE required. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.
MOE: Establishment / construction expenditures	Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes. <b>Source/Formula:</b> SF-425 latest/final report: line 12a

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>Source/Formula</b>
MOE actual	Non-Federal share provided by agency minus establishment/construction expenditures for CRPs. <b>Source/Formula:</b> SF-425: Match provided actual minus establishment/construction expenditures. NOTE: If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE actual. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.
MOE difference**	The difference between MOE required and the actual MOE provided. <b>Source/Formula:</b> MOE required minus MOE actual

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

**Table 6.3 Massachusetts-Blind (MA-B) Program Income and Carryover—FFYs 2014–2016**

<b>Program Income and Carryover</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>
Program income received	\$95,388	\$0	\$71,255
Program income disbursed	\$95,388	\$0	\$71,255
Program income transferred	\$0	\$0	\$70,541
Program income used for VR program	\$95,388	\$0	\$714
Federal grant amount matched	\$9,292,684	\$8,954,173	\$10,021,279
Federal expenditures and unobligated funds 9/30	\$1,336,267	\$1,635,373	\$3,566,596
Carryover amount	\$7,065,240	\$6,481,718	\$3,672,781
Carryover as percent of award	76.03%	72.39%	36.65%

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

**Table 6.3 MCB Program Income and Carryover—Descriptions, Sources and Formulas**

<b>Program Income and Carryover</b>	<b>Source/Formula</b>
Program income received	Total amount of Federal program income received by the grantee. <b>Source/Formula:</b> SF-425 latest/final line 10l
Program income disbursed	Amount of Federal program income disbursed, including transfers. <b>Source/Formula:</b> SF-425 latest/final: line 10m plus line 10n
Program income transferred	Amount of Federal program income transferred to other allowable programs. <b>Source/Formula:</b> SF-425 latest/final: line 12e plus line 12f plus line 12g plus line 12h
Program income used for VR program	Amount of Federal program income utilized for the VR program. <b>Source/Formula:</b> SF-425 latest/final: Program income expended minus program income transferred
Federal grant amount matched	Federal funds an agency is able to draw down based upon on reported non-Federal share not to exceed net award amount. <b>Source/Formula:</b> Table 6.2 Federal funds matched actual
Federal expenditures and unobligated funds 9/30	Federal funds expended by 9/30 of the FFY of appropriation. This does not include unliquidated obligations. <b>Source/Formula:</b> SF-425 4 <sup>th</sup> quarter: line 10e
Carryover amount	The amount of Federal funds matched that the grantee did not liquidate, by 9/30 of the FFY of appropriation. This includes any unliquidated Federal obligations as of 9/30. <b>Source/Formula:</b> G5 Reports run as of 9/30 of the FFY of appropriation.
Carryover as percent of award	Amount of carryover expressed as a percentage of total Federal funds available. <b>Source//Formula:</b> G5, SF-425 latest/final: Carryover amount divided by Federal net award amount.

**Table 6.4 Massachusetts-Blind (MA-B) RSA-2 Expenditures—FFYs 2014–2016\***

<b>RSA-2 Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total expenditures	\$10,875,196	\$10,366,334	\$11,146,977
Administrative costs	\$3,544,976	\$2,747,922	\$2,434,114
Administration as Percent expenditures	32.60%	26.51%	21.84%
Purchased services expenditures	\$3,646,931	\$3,596,547	\$4,737,764
Purchased services as a Percent expenditures	33.53%	34.69%	42.50%
Services to groups	\$1,371,770	\$948,459	\$574,310
Services to groups percentage	12.61%	9.15%	5.15%

\*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports.

**Table 6.4 MCB RSA-2 Expenditures—Descriptions, Sources and Formulas\***

<b>RSA-2 Expenditures</b>	<b>Sources/Formula</b>
Total expenditures	All expenditures from Federal, State and other rehabilitation funds (including VR, supported employment, program income, and carryover from previous FFY). This includes unliquidated obligations. <b>Source:</b> RSA-2: Schedule 1.4
Administrative costs	Total amount expended on administrative costs under the VR program. <b>Source/Formula:</b> RSA-2: Schedule 1.1
Administration as percent of expenditures	Administrative costs expressed as a percentage of all expenditures. <b>Source/Formula:</b> Administrative costs divided by total expenditures
Purchased services expenditures	Expenditures made for services purchased by the agency. <b>Source/Formula:</b> RSA-2: Schedule 1.2.B
Purchased services as a percent of expenditures	Purchased services expressed as a percentage of total expenditures. <b>Source/Formula:</b> Purchased services expenditures divided by total expenditures
Services to groups	Expenditures made by the agency for the provision of VR services for the benefit of groups of individuals with disabilities. <b>Source/Formula:</b> RSA-2: Schedule 1.3
Services to groups percentage	Services to groups expressed as a percentage of total expenditures. <b>Source/Formula:</b> Services to groups divided by total expenditures

\*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports.

## APPENDIX B: DOCUMENTATION REVIEW RESULTS

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Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	24	6	80.0%	20.0%
Date of Eligibility Determination	28	2	93.3%	6.7%
Date of IPE	30	0	100%	0.0%
Start Date of Employment in Primary Occupation at Exit or Closure	29	1	96.7%	3.3%
Weekly Earnings at Exit or Closure	30	0	100%	0.0%
Employment Status at Exit or Closure	30	0	100%	0.0%
Type of Exit or Closure	30	0	100%	0.0%
Date of Exit or Closure	30	0	100%	0.0%

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	23	76.7%
Files with documentation missing for two or more data elements	2	6.7%
Files with no required documentation	0	0.0%

## APPENDIX C: AGENCY RESPONSE

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### **A. Overview**

This appendix contains MCB's responses to recommendations and corrective actions identified in the monitoring, along with MCB's requests for technical assistance to address them, and RSA's responses, as appropriate.

For corrective actions to improve program and fiscal performance, as well as to improve administration of the VR program, MCB must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete each corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the corrective action has been resolved. RSA anticipates that the corrective action plan can be developed and submitted online using the RSA website at [rsa.ed.gov](http://rsa.ed.gov) within 45 days from the issuance of this report. RSA is available to provide technical assistance to enable MCB to develop the plan and undertake the corrective actions.

For recommendations to improve program and fiscal performance as well as to improve administration of the VR program, MCB will report to the review team, on a quarterly basis, progress on the implementation of recommendations.

### **B. Agency Responses**

#### **Corrective Actions to Improve Performance**

##### **3.1 Minimum Age Requirements for Pre-Employment Transition Services Unmet**

###### **Corrective Action Steps: RSA requires that MCB and MRC—**

- 3.1.1 Jointly adopt a minimum age for the provision of pre-employment transition services to students with disabilities that is not greater than Massachusetts' IDEA age for transition, which is currently age 14; and
- 3.1.2 Develop, implement, and provide instruction to staff on new policies to reflect the new agreed upon age.

###### **Agency Response:**

MCB reinstated the minimum age for Pre-employment Transition Services to age 14 in October 2017, after the RSA on-site monitoring team provided clarification that age 14 aligns with Massachusetts IDEA minimum age. The policy and complementary training was provided to all VR staff (Chapter 30 – Pre-employment Transition Services) at that time.

###### **RSA Response:**

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

**Technical Assistance:** MCB does not request technical assistance.

## **5.1 Internal Control Deficiencies**

**Corrective Action Steps:** RSA requires that MCB—

- 5.1.1 Update policies, procedures, and internal controls to reflect new Federal requirements, as required by 34 C.F.R. § 361.50 and 2 C.F.R. § 200.302(b)(7);
- 5.1.2 Develop and implement written internal controls governing oversight of grant-supported activities, particularly with respect to contract monitoring, as required by 2 C.F.R. § 200.328(a); and
- 5.1.3 Revise and resubmit the SF-425s for FFY 2016 to accurately report all Federal and non-Federal expenditures and obligations.

### **Agency Response:**

MCB recognizes the importance of updated policies and procedures and thanks RSA for the on-site technical assistance which resulted in updates to current policies, procedures and internal controls and specifically to those related to contract monitoring, which were submitted to RSA in October 2017. Accordingly, reporting mechanisms that the agency uses for the reports have also been updated to accurately reflect this change. The SF-425s for the final FFY 2016 were revised and submitted to RSA in December 2017. While waiting approval for the submitted documents, MCB has implemented the recommended changes and has also provided training to staff (held in May 2018) to explicitly address the importance of contract monitoring and the accompanying internal control document. MCB believes that these changes will result in meeting federal requirements and ongoing compliance.

### **RSA Response:**

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

**Technical Assistance:** MCB does not request technical assistance.

## **5.2 Incorrect Assignment of Obligations and Expenditures to the Federal Award**

**Corrective Action Steps:** RSA requires that MCB—

- 5.2.1 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance; and
- 5.2.2 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal requirements for the areas mentioned in 5.2.1.

**Agency Response:**

MCB agrees that improvements were necessary to its process for assignment of obligation and expenditures to the correct Federal award and period of performance. As a result of technical assistance from the RSA on-site monitoring team in September 2017, MCB has successfully updated agency procedures for submitting and reporting state match expenditures as well as reporting expenditures based on obligation dates instead of service dates and submitted this to RSA for approval in October 2017.

**RSA Response:**

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

**Technical Assistance:** MCB does not request technical assistance.

### **5.3 Incorrect Assignment of Personnel Costs**

**Corrective Action Steps:** RSA requires that MCB—

- 5.3.1 Cease using VR funds to pay for personnel costs that must be allocated to other cost objectives;
- 5.3.2 Revise and implement internal control policies or procedures to correctly assign personnel costs, including fringe benefits, to the correct cost objectives;
- 5.3.3 Revise FFY 2014, 2015 and 2016 SF-425 reports to remove unallowable and unallocable personnel costs; and
- 5.3.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with personnel cost allocation requirements and accurate SF-425 reporting.

**Agency Response:**

As a result of the technical assistance provided by RSA during the on-site monitoring in September 2017, MCB submitted to RSA on October 23, 2017 internal control policies that have been approved. Staff training is scheduled and implementation of time-based personnel allocation on the Commonwealth's Self-Service Time and Attendance system is scheduled effective July 2, 2018.

MCB believes there is no accurate or practical way to revise previous SF-425 reports. The data required by RSA is not available in the time and attendance system. While the agency does have certifications for staff working exclusively on the Federal VR grant for FFYs 2014, 2015, and 2016, there are no time-based allocation records for those working on multiple cost objectives. It would be impossible to provide RSA with a reasonable or accurate retroactive allocation plan that we could confidently represent on an SF-425 report.

MCB believes that the new system for allocation of personnel costs, including fringe benefits, being implemented July 2, 2018, along with the approved policies submitted previously to RSA have addressed deficiencies and will result in meeting federal requirements.

**RSA Response:**

RSA appreciates the agency's efforts in working toward addressing the corrective action items. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. Additionally, RSA recognizes the time and effort necessary to make the required adjustments and will work with the agency during the course of the corrective action plan, including providing technical assistance as necessary, to ensure all steps required in the corrective action items are addressed.

**Technical Assistance:** MCB does not request technical assistance.

**5.4 Prior Approval Requirements Not Met**

**Corrective Action Steps:** RSA requires that MCB—

- 5.4.1 Update and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

**Agency Response:**

MCB has continued to update its prior approval policy as RSA guidance has become available. On October 23, 2017, MCB submitted to RSA a revised prior approval policy (L-200: Prior Approval for VR Expenses). This policy was further revised in the attached to include changes provided in RSA-TAC-18-02 - Submission Procedures for Prior Written Approval Requests under the State Vocational Rehabilitation (VR) Services Program, issued on April 11, 2018. To date, MCB has submitted 2 prior approval requests to RSA and is appreciative that these were timely approved.

**RSA Response:**

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

**Technical Assistance:** MCB does not request technical assistance.

## **6.1 Funding One-Stop Infrastructure Costs Under the VR Program**

**Corrective Action Steps: RSA requires that MCB—**

- 6.1.1 Retain sole responsibility for its non-delegable functions as a DSU, as required by 34 C.F.R. § 361.13;
- 6.1.2 Develop and implement procedures to participate in local area negotiations with the Local WDB, chief elected officials, and One-Stop partners to develop a local MOU, and in an effort to determine the cost allocation methodology(ies) of calculating amounts each partner will contribute toward One-Stop infrastructure costs.

### **Agency Response:**

MCB agrees with RSA that by allowing the Massachusetts Department of Career Services to negotiate the infrastructure costs, it did not remain solely responsible for its role as a One-Stop partner. MCB has used the inaugural year to gather data to inform future negotiations. Going forward, MCB will participate in local funding mechanism negotiations using the utilization data gathered to determine how much it will contribute towards infrastructure costs and to negotiate the costs to be included as well as the language to be added to the MOU. MCB's Regional Directors are currently involved in negotiations around the costs to be included in the MOUs in regional One-Stops in their catchment areas; these negotiations include protocols for monitoring the use of funds. These activities will result in a "refreshed" Joint Partner Local Umbrella MOU for Fiscal Year 2019.

**Technical Assistance:** MCB does not request technical assistance.