

**FEDERAL FISCAL YEAR 2016**

**Technical Assistance Report  
of the On-Site Visit to the  
Oklahoma Department of Rehabilitation  
Services**



**U.S. DEPARTMENT OF EDUCATION**

**OFFICE OF SPECIAL EDUCATION AND  
REHABILITATIVE SERVICES**

**REHABILITATION SERVICES ADMINISTRATION**

**Date Issued: January 18, 2017**

## **I. Introduction**

### **A. The Federal Mandate**

Section 107(b) of the Rehabilitation Act of 1973 (Act), as amended by title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to provide technical assistance to State vocational rehabilitation (VR agencies to improve the quality of VR services provided to, and promote the achievement of high quality employment outcomes by, individuals with disabilities. To fulfill, in part, this requirement, RSA conducted five technical assistance (TA) visits to five different VR agencies across the country in the final quarter of Federal fiscal year (FFY) 2016. These visits allowed RSA to review the progress of VR agencies toward compliance with new requirements under the Act, as amended by WIOA, and to assist States in complying with those requirements.

This report summarizes the activities and outcomes of the TA visit to the Oklahoma Department of Rehabilitation Services (OKDRS). The report includes a summary of pre on-site activities, TA provided by the RSA TA team during the on-site visit, and the identification of the VR agency's on-going TA needs and possible resources to meet those needs.

### **B. Description of the Technical Assistance Visit**

#### **1. General**

Section 506(d) of WIOA makes clear that the amendments to the Act took effect on the date of enactment (July 22, 2014) unless WIOA specified otherwise. As such, VR agencies must ensure that their policies and procedures incorporate and implement all new requirements under the Act, as amended by WIOA. To facilitate this process, and to support this undertaking by its grantees, a TA team from the State Monitoring and Program Improvement Division (SMPID) conducted a TA visit to OKDRS from September 20 through 22, 2016.

The specific programs covered during this TA visit included:

- The VR program, authorized under title I of the Act; and
- The Supported Employment program, authorized under title VI of the Act.

#### **2. Focus Areas of the TA Visit**

Prior to the conduct of the TA visits, RSA issued a Technical Assistance Guide that described the three focus areas that would constitute the primary work of the TA teams while on-site. The three focus areas included:

- Competitive integrated employment;
- Pre-employment transition services for students with disabilities, including the requirement for a State to reserve and expend at least 15 percent of the VR allotment to provide, or arrange for the provision of, pre-employment transition services; and

- Supported employment for individuals with the most significant disabilities, including the requirement for a State to reserve and expend 50 percent of its Supported Employment program allotment to provide supported employment services, including extended services, to youth with the most significant disabilities.

A summary of the TA provided under each focus area is discussed in greater detail in the sections that follow in this report. As a result of the TA visit, the RSA TA team, in collaboration with OKDRS, identified:

- Policies and procedures that OKDRS must revise to comply with requirements of the Act, as amended by WIOA, and its implementing regulations; and
- The need and the resources for further technical assistance.

Section VI of this report summarizes the identified policies and procedures in need of further revision and any outstanding TA needs, along with possible resources to meet those needs.

## **II. Overview of the Technical Assistance Visit Process**

### **A. Pre On-Site Activities**

Prior to the on-site visit, the RSA TA team conducted a variety of preparatory activities, including:

- An initial teleconference on August 23, 2016, that included an overview and intended outcomes of the visit;
- A review of data describing the outcomes for the VR program during FFY 2015;
- A review of data describing the outcomes for the Supported Employment program during FFY 2003 through FFY 2015;
- A review of the OKDRS organizational chart;
- A review of OKDRS written policies and procedures used to generate Federal Financial Reports (SF-425) and supporting documentation for the expenditures listed on these reports;
- A review of the program year (PY) 2016 Oklahoma Unified State Plan; and
- The development of the on-site agenda.

### **B. Participants**

The RSA TA team consisted of: April Trice, TA team lead, Sandy DeRobertis, and Edward West (VR Program Unit); and Arseni Popov (Fiscal Unit).

During the on-site TA visit, the RSA TA team met with the following individuals and organizations:

- The Deputy Secretary for Workforce Development;
- The Interim OKDRS Director;
- The Division Administrator for Visual Services;

- The Division Administrator for Vocational Rehabilitation;
- The OKDRS Chief of Staff;
- The OKDRS Chief Financial Officer;
- The Administrator of Policy Development and Program Standards;
- The Project Coordinator;
- The Transition Coordinator;
- Accounting staff;
- Legislative staff;
- Program Managers;
- Field Service Coordinators;
- VR Counselors; and
- Community Rehabilitation Program staff.

### **III. Competitive Integrated Employment**

#### **A. General**

The Act, as amended by WIOA, emphasizes the achievement of competitive integrated employment. The foundation of the VR program is the principle that individuals with disabilities, including those with the most significant disabilities, are capable of achieving high-quality, competitive integrated employment when provided the necessary services and supports. To increase the employment of individuals with disabilities in the competitive integrated labor market, the workforce system must provide individuals with disabilities opportunities to participate in job-driven training and to pursue high quality employment outcomes. To reinforce this principle, the Act, as amended by WIOA, contains several critical changes that form the basis for this focus area. In addition, the VR program regulations, which were published at 81 FR 55629 on August 19, 2016, and which became effective on September 19, 2016, contain further critical changes that affect this focus area. The changes related to competitive integrated employment covered by the TA teams included:

- The new definition of “competitive integrated employment” in section 7(5) of the Act and §361.5(c)(9) of the implementing regulations that combines, clarifies, and enhances the two separate definitions of “competitive employment” and “integrated setting” for the purpose of employment under the VR program in prior §361.5(b)(11) and (b)(33)(ii), respectively;
- The revision of the definition of “employment outcome” in §361.5(c)(15) that specifically identifies customized employment as an employment outcome under the VR program and requires that all employment outcomes achieved through the VR program be in competitive integrated employment or supported employment, thereby eliminating uncompensated outcomes, such as homemakers and unpaid family workers, from the scope of the definition for purposes of the VR program; and
- The requirement in section 102(b)(4)(A) of the Act and §361.46(a) of the implementing regulations that the individualized plan for employment (IPE) include a specific employment goal consistent with the general goal of competitive integrated employment.

## B. Technical Assistance Topics

During the course of the on-site visit, the TA team identified and discussed the following topics related to competitive integrated employment.

### 1. Competitive Integrated Employment- General:

Competitive Integrated Employment as defined at 34 CFR 361.5(c)(9) means work that—

- (i) Is performed on a full-time or part time basis (including self-employment) and for which an individual is compensated at a rate that—(A) Is not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate required under the applicable State or local minimum wage law for the place of employment; (B) Is not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills; and (C) In the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills; and (D) Is eligible for the level of benefits provided to other employees; and
- (ii) Is at a location—
  - (A) Typically found in the community; and
  - (B) Where the employee with a disability interacts for the purpose of performing the duties of the position with other employees within the particular work unit and the entire work site, and, as appropriate to the work performed, other persons (*e.g.*, customers and vendors), who are not individuals with disabilities (not including supervisory personnel or individuals who are providing services to such employee) to the same extent that employees who are not individuals with disabilities and who are in comparable positions interact with these persons; and
  - (iii) Presents, as appropriate, opportunities for advancement that are similar to those for other employees who are not individuals with disabilities and who have similar positions.

Based on data reported by OKDRS through the VR program Case Service Report (RSA-911) for FFY 2015:

- Of the 4,643 individuals served and whose cases were closed, 2,299 achieved employment outcomes (49.52 percent), while 2,344 did not. Of these 4,643 individuals, 1,947 individuals 14 through 24 years old at the time of application were served and their cases were closed that year. Of these individuals, 959 achieved employment outcomes, while 988 did not.
- Of the 2,299 individuals who achieved employment outcomes in FFY 2015, 2,201 achieved competitive employment, or 95.74 percent.
- Of the 2,299 individuals who achieved employment outcomes, 2,180 obtained employment without supports in an integrated setting. Of these 2,180 individuals, 2,152 individuals achieved competitive employment outcomes, attained average

weekly earnings of \$398.62 and worked an average of 34.11 hours per week, for a mean hourly wage of \$11.36.

#### TA Provided:

Prior to and during the onsite visit, the TA team reviewed with OKDRS the above FFY 2015 performance data and the agency's approaches to achieving employment outcomes, particularly those that satisfy the definition of "competitive integrated employment." OKDRS employs a manager assigned as a business services specialist for both of its divisions; however, this is one of many assigned duties. OKDRS employs five business development specialists who work solely with VR consumers in five supervisory units within separate regions of Oklahoma. Among OKDRS personnel, its VR counselors undertake primary responsibility for engagement with employers and job placement.

The TA team discussed with OKDRS management methods to enhance the ability of the agency to assist individuals to achieve competitive integrated employment, such as an employment team to support field staff in the development of employment relations at the state, regional or local level. VR counselors expressed a need for a systemic approach for identifying local opportunities to partner with national employers. VR counselors also indicated that there is an ongoing need to establish community rehabilitation providers in rural areas of the State.

At the time of the TA visit, OKDRS had yet to develop a process or tool that could be used by VR counselors when assessing if employment opportunities for individuals with disabilities satisfy the criteria for competitive integrated employment contained in 34 CFR 361.5(c)(9). The TA team explained that a systematic process or tool would enable VR counselors to better evaluate case by case the facts pertaining to the wages, integrated location, and advancement opportunities for each job placement to ensure determinations are consistently made.

During the TA visit, OKDRS management and workforce partners in attendance spoke highly of their partnership. OKDRS actively engages with its workforce partners through both agency management and the State Rehabilitation Council. The agency participates in regular meetings of the Governor's Council for Workforce and Economic Development, the Workforce System Review Team, State Youth Council and State and local workforce development boards and youth committees. OKDRS supports the Oklahoma Works Initiative, which focuses on improving accessibility in the Oklahoma Workforce System, as well as the Access for All Initiative, which promotes the recruitment, hiring and promotion of individuals with disabilities in the State's workforce. However, OKDRS management described difficulties in working with the One-Stop system and the need for greater responsiveness from the One-Stop management team in collaborative planning.

#### 2. Uncompensated Outcomes:

The revised definition of "employment outcome" in 34 CFR 361.5(c)(15) specifically identifies customized employment as an employment outcome under the VR program,

and requires that all employment outcomes achieved through the VR program be in competitive integrated employment or supported employment, thereby eliminating uncompensated outcomes, such as homemakers and unpaid family workers, from the scope of the definition for purposes of the VR program. To assist VR agencies to implement the change in the definition and to ensure that individuals with disabilities do not experience a disruption in services, VR agencies may continue to provide services to individuals with uncompensated employment goals on their initial or amended IPEs, approved prior to September 19, 2016 (the effective date of the final regulations), until June 30, 2017, unless a longer period of time is required based on the needs of the individual with the disability as determined by the VR counselor and the individual with a disability, as documented in the individual's service record.

Based on data reported by OKDRS through the RSA-911 for FFY 2015:

- Sixty-eight individuals whose cases were closed attained homemaker outcomes.
- One individual obtained an unpaid family worker outcome.

TA Provided:

The TA team discussed with OKDRS the definition of "employment outcomes" pertaining to homemaker and unpaid family worker outcomes and reviewed the above data. At the time of the on-site visit, OKDRS had identified 18 active consumers who were pursuing a homemaker goal and one individual who was pursuing an unpaid family worker goal through IPEs approved prior to August, 2016. OKDRS management stated that it will complete VR services and close the cases for these individuals, or refer individuals still in need of services to independent living programs upon case closure at the conclusion of the transition period.

### 3. Customized and Self-Employment:

Regulations in 34 CFR 361.5(c) (15) define "customized employment" as competitive integrated employment, for an individual with a significant disability, that is—

(i) Based on an individualized determination of the unique strengths, needs, and interests of the individual with a significant disability; (ii) Designed to meet the specific abilities of the individual with a significant disability and the business needs of the employer; and (iii) Carried out through flexible strategies, such as— (A) Job exploration by the individual;

And (B) Working with an employer to facilitate placement, including— (1) Customizing a job description based on current employer needs or on previously unidentified and unmet employer needs; (2) Developing a set of job duties, a work schedule and job arrangement, and specifics of supervision (including performance evaluation and review), and determining a job location;

(3) Using a professional representative chosen by the individual, or if elected self-representation, to work with an employer to facilitate placement; and (4) Providing services and supports at the job location.

Based on data reported by OKDRS through the RSA-911 for FFY 2015:

- Of the 2,201 individuals who achieved competitive employment outcomes, six received customized employment services, or 0.27 percent.
- Of these six individuals, five achieved employment without supports in an integrated setting, earned an average of \$409.20 per week and worked an average of 40 hours per week, for a mean hourly wage of \$10.18.
- One individual achieved self-employment and received customized employment services at some point during the life of the case. This individual earned an average of \$480.00 per week and worked an average of 40 hours per week, for an average hourly wage of \$12.00.

Self-employment is included as a specific example of competitive integrated employment in the definition of “employment outcome” at 34 CFR 361.5(c)(15) and may be performed on a full-time or part-time basis. In addition, as indicated earlier in this section, the definition of “competitive integrated employment” in 34 CFR 361.5(c)(9) includes an exception from the competitive earnings criteria for individuals in self-employment whose income does not equal or exceed the applicable minimum wage rate so long as the income is comparable to that earned by individuals without disabilities in similar occupations. This exception recognizes that some individuals in self-employment may experience difficulty earning competitive wages, especially in the early stages of the business.

Based on data reported by OKDRS through the RSA-911 for FFY 2015:

- Forty-eight individuals whose cases were closed achieved self-employment outcomes, or 2.1 percent of all individuals who achieved employment outcomes.
- The 47 individuals whose cases were closed after achieving competitive employment outcomes in self-employment earned average weekly wages of \$626.55 and worked an average of 34 hours per week, for a mean hourly wage of \$18.43.

TA Provided:

During the on-site visit, the TA team reviewed the above data with OKDRS management and discussed the agency’s approaches for providing customized and self-employment services. OKDRS had described in the PY 2016 Oklahoma Unified State Plan its plans for continued participation in a Technical Assistance Project Plan through the Job Driven Vocational Rehabilitation Technical Assistance Center (JDVRTAC) focused on business engagement, employer supports, and customized training. However, OKDRS informed the TA team during the on-site discussion that it withdrew from the project on May 1, 2016, due to changes in executive leadership and budget restrictions resulting from a reduction in State revenue. Nonetheless, OKDRS management and VR counselors expressed a need for customized employment training for agency personnel and community rehabilitation providers.

OKDRS described in the PY 2016 Oklahoma Unified State Plan the development of a self-employment protocol for VR counselors and consumers. While OKDRS management stated during the on-site visit that it was not pursuing the development of this protocol at that time, the agency requested technical assistance on the supplementary wage documentation necessary for the reporting of wages in the second and fourth quarters following the exit of individuals in self-employment and their use in the calculation of the performance accountability measures under WIOA.

## IV. Pre-Employment Transition Services

### A. General

The 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. The Act and its final regulations in 34 CFR part 361 contain several new terms and requirements related to pre-employment transition services.

Pre-employment transition services, defined in section 7(30) of the Act, as amended by WIOA, and §361.5(c)(42) of the final regulations, include both required activities and authorized activities specified in section 113 of the Act and the final regulations in §361.48(a). There are **five required activities** (most beneficial to a student in the early stages of employment exploration) that are provided directly to eligible or potentially eligible students with disabilities. There are **nine authorized activities** described in §361.48(a)(3) that VR agencies may implement to improve the transition of students with disabilities from school to postsecondary education or an employment outcome.

Pre-employment transition services also include pre-employment transition coordination activities. Pre-employment transition **coordination activities**, described in §361.48(a)(4), include activities that each local VR agency office must engage in to coordinate and facilitate the provision of pre-employment transition services to students with disabilities.

### B. Technical Assistance Topics

During the course of the on-site visit, the TA team identified and discussed the following topics related to the provision of pre-employment transition services.

#### 1. Project Search High School Transition Program:

Project SEARCH is an international trademarked and copyrighted program model that provides real-life work experiences to assist youth with significant disabilities to transition from school to work. At the time of the TA visit, OKDRS had implemented six projects, three in Oklahoma City, one in Yukon, one in Enid, and one in Norman, through partnerships with area stakeholders, such as the Francis Tuttle Technology Center and the Integris Medical Center, to provide education and employment opportunities for youth with significant disabilities. OKDRS provides individualized vocational guidance and

funding for job coaches, training, technical assistance, and project management through a contract with the University of Oklahoma's National Center for Disability Education.

During the on-site TA visit, OKDRS inquired if it could expend the funds reserved for the provision or arrangement of pre-employment transition services on costs associated with Project SEARCH. Specifically, the agency asked if these funds could be used for job coaching services provided through the projects.

TA Provided:

Funds reserved for the provision of pre-employment transition services pursuant to section 110(d) of the Act, as amended by WIOA, and 34 CFR 361.65(a)(3) must be used solely for the required, authorized, and pre-employment coordination activities outlined in section 113(b) through (d) of the Act and 34 CFR 361.48(a)(2) through (4). As explained during the on-site visit, the costs of services provided to students with disabilities through Project SEARCH may be charged to the 15 percent of VR funds reserved for expenditures on pre-employment transition services if those services are within the scope of the five required activities listed in section 113(b) of the Act, as amended by WIOA, and 34 CFR 361.48(a)(2). The five required activities include: (i) Job exploration counseling; (ii) Work-based learning experiences, which may include in-school or after-school opportunities, or experience outside the traditional school setting (including internships), that are provided in an integrated environment in the community to the maximum extent possible; (iii) Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education; (iv) Workplace readiness training to develop social skills and independent living; and (v) Instruction in self-advocacy (including instruction in person-centered planning), which may include peer mentoring from individuals with disabilities working in competitive integrated employment).

Whether the costs of Project SEARCH can be charged to the reserve depends on how the projects are structured in Oklahoma as the program can differ from State to State. Project SEARCH typically includes the provision of "job coaching," which generally includes activities such as work readiness training or instruction in self-determination and mentoring. These services are within the scope of the five required activities. However, these services should not be confused with supported employment job coaching, which cannot be charged to the reserved funds and can be provided only through an approved IPE.

## 2. Training Centers for Individuals Who Are Blind:

OKDRS' Division of Visual Services (DVS) assists individuals who are blind or visually impaired by offering counseling and guidance and job placement services and other customized services, including physical and mental restoration and assistive technology evaluations. DVS also provides free on-site classes and at-home training in activities of daily living (i.e., cooking and cleaning), recreation activities, and mobility and orientation instruction.

OKDRS asked if it could use funds reserved for the provision of pre-employment transition services to pay for costs incurred by DVS when serving students with disabilities who attend training centers for individuals who are blind and visually impaired, particularly if those students are not applicants or consumers of the VR Program.

TA Provided:

Funds reserved for the provision of pre-employment transition services pursuant to section 110(d) of the Act, as amended by WIOA, and 34 CFR 361.65(a)(3) must be used solely for the required, authorized, and pre-employment coordination activities outlined in section 113(b) through (d) of the Act and 34 CFR 361.48(a)(2) through (4). Therefore, it is possible that some, but not all, costs incurred in serving students with disabilities at training Centers for individuals who are blind and visually impaired could be paid with the funds reserved for the provision of pre-employment transition services.

Under 34 CFR 361.48(a)(1), OKDRS also must provide pre-employment transition services to all students with disabilities, regardless of whether they have applied or been determined eligible for VR services. A “student with a disability” is defined in section 7(37) of the Act and 34 CFR 361.5(c)(51) as an individual with a disability in a secondary, postsecondary, or other recognized education program who: (1) is not younger than the earliest age for the provision of transition services under section 614(d)(1)(A)(i)(VIII) of the Individuals with Disabilities Education Act (IDEA), or, if the State elects to use a lower minimum age for receipt of pre-employment transition services under the Act, is not younger than that minimum age; and (2) is not older than 21 years of age, or, if the State law provides for a higher maximum age for receipt of services under IDEA, is not older than that maximum age; and (3) is eligible for, and receiving, special education or related services under part B of IDEA, or is a student who is an individual with a disability for purposes of section 504 of the Act.

OKDRS may provide pre-employment transition services directly or arrange for the provision of these services by other entities, such as training centers for individuals who are blind and visually impaired, to all students with disabilities who satisfy the definition’s criteria, regardless of whether they have applied and been determined eligible for VR services. So long as the service constitutes a pre-employment transition service, as described in section 113(b) through (d) of the Act or 34 CFR 361.48(a)(2) through (4), OKDRS may use funds reserved pursuant to section 110(d) of the Rehabilitation Act and 34 CFR 361.65(a)(3) to pay for those costs. It is essential that OKDRS maintain sufficient internal controls pursuant to 34 CFR 361.12 and 2 CFR 200.302(a) to ensure that only allowable pre-employment transition services are charged against the reserved funds, thereby ensuring proper fiscal and data accountability. For example, costs incurred for the provision of work-based learning opportunities or work-readiness training may be paid with the reserved funds, but costs incurred for the provision of support services, such as transportation to, and room and board at, the training centers, may not be paid with these funds. Support services, such as these, are only available to individuals who have

applied or been determined eligible for VR services and have an approved IPE. OKDRS must use non-reserved VR funds to pay for these services.

### 3. Providing Pre-Employment Transition Services in Group Settings:

During the TA on-site visit, OKDRS requested clarification regarding the provision of the pre-employment transition required activities in group settings.

TA Provided:

OKDRS may provide, or arrange for the provision of, “required” pre-employment transition services activities on an individual basis or in classroom, employment, or community settings. These services may be offered on a “general” basis in group settings to students with disabilities who have not applied and been determined eligible for VR services. As a student progresses through the VR process by applying and being determined eligible for services, OKDRS will have the information necessary to conduct assessments and provide more individualized and customized services to address the student’s particular needs. But in some instances OKDRS may nonetheless have sufficient information to provide individualized pre-employment transition services to students with disabilities who have not applied and been determined eligible for VR services. Examples of the five “required” activities and how they can be provided in either group or individualized settings include, but are not limited to, the following.

(a) General job exploration counseling may be provided in a classroom or community setting and include information regarding in-demand industry sectors and occupations, as well as non-traditional employment, labor market composition, administration of vocational interest inventories, and identification of career pathways of interest to the students. Job exploration counseling provided on an individual basis might be provided in school or the community and include discussion of the student's vocational interest inventory results, in-demand occupations, career pathways, and local labor market information that applies to those particular interests.

(b) Work-based learning experiences in a group setting may include coordinating a school-based program of job training and informational interviews to research employers, work-site tours to learn about necessary job skills, job shadowing, or mentoring opportunities in the community. Work-based learning experiences on an individual basis could include work experiences to explore the student's area of interest through paid and unpaid internships, apprenticeships (not including pre-apprenticeships and Registered Apprenticeships), short-term employment, fellowships, or on-the-job trainings located in the community.

(c) Counseling on opportunities for enrollment in comprehensive transition and postsecondary educational programs at institutions of higher education in a group setting may include information on course offerings, career options, the types of academic and occupational training needed to succeed in the workplace, and postsecondary opportunities associated with career fields or pathways. This information may also be

provided on an individual basis and may include advising students and parents or representatives on academic curricula, college application and admissions processes, completing the Free Application for Federal Student Aid (FAFSA), and resources that may be used to support individual student success in education and training, which could include disability support services.

(d) Workplace readiness training may include programming to develop social skills and independent living, such as communication and interpersonal skills, financial literacy, orientation and mobility skills, job-seeking skills, understanding employer expectations for punctuality and performance, as well as other “soft” skills necessary for employment. These services may include instruction, as well as opportunities to acquire and apply knowledge. These services may be provided in a generalized manner in a classroom setting or be tailored to an individual's needs in a training program provided in an educational or community setting.

(e) Instruction in self-advocacy in a group setting may include generalized lessons in which students learn about their rights, responsibilities, and how to request accommodations or services and supports needed during the transition from secondary to postsecondary education and employment. Individual opportunities may be arranged for students to conduct informational interviews or mentor with educational staff such as principals, nurses, teachers, or office staff; or they may mentor with individuals employed by or volunteering for employers, boards, associations, or organizations in integrated community settings. Students may also participate in youth leadership activities offered in educational or community settings.

#### 4. Authorized Activities:

The nine authorized activities described in section 113(c) of the Act, as amended by WIOA, and 34 CFR 361.48(a)(3) of the final regulations, include activities that each local VR agency office must engage in to coordinate and facilitate the provision of pre-employment transition services to students with disabilities. Examples of the nine authorized activities include training for providers or vendors specific to maintaining high expectations for achievement of students with disabilities participating in pre-employment transition services, and understanding how to effectively partner with families of students with disabilities; and outreach to and training materials (i.e., podcasts, videos, and handouts) for families of students with disabilities, including accessible and family friendly resources, addressing topics such as building self-advocacy, working with vendors, and developing high expectations for students with disabilities in receipt of pre-employment transition services.

A VR agency may provide “authorized” pre-employment transition services only to the extent that reserved funds remain after providing the five required activities listed in section 113(b) of the Act, as amended by WIOA, and §361.48(a)(2) of the final regulations. OKDRS requested clarification on what threshold should be met before expending funds on the nine authorized activities. In addition, OKDRS asked what aides and tools can be used to help facilitate the process.

TA Provided:

As part of the Comprehensive Statewide Needs Assessment (CSNA) required under section 101(a)(15) of the Act, as amended by WIOA, and 34 CFR 361.29(a), OKDRS should determine the number of potential individuals eligible for pre-employment transition services. These data will enable OKDRS to target the amount of the reserved funds necessary for ensuring the five required pre-employment transition services are provided to students with disabilities. To the extent that OKDRS demonstrates that it has a sufficient amount of the reserved funds to make the required pre-employment transition services available to the population identified in the CSNA, it has met the requirement to provide the five required pre-employment transition services prior to the nine authorized activities. The agency may use fiscal forecasting and or census information to aid it in this process.

5. Fiscal Requirements for the Provision of Pre-Employment Transition Services:

Section 110(d)(1) of the Act, as amended by WIOA, and §361.65(a)(3) of the VR regulations require States to reserve and expend not less than 15 percent of their Federal VR award funds for the provision of pre-employment transition services authorized in section 113 of the Act, as amended by WIOA, and §361.48(a) of the VR regulations. Federal VR expenditures that are reportable and can be incurred with funds reserved under section 110(d)(1) of the Act, as amended by WIOA, for the provision of pre-employment transition services include:

- The five required activities, described in section 113(b) of the Act, as amended by WIOA, and §361.48(a)(2) of the VR regulations;
- Authorized activities described in section 113(c) of the Act, as amended by WIOA, and §361.48(a)(3) of the VR regulations; and
- Pre-employment transition coordination activities described in section 113(d) of the Act, as amended by WIOA, and §361.48(a)(4) of the VR regulations.

States must ensure that methods of administration are established to ensure accurate data collection and fiscal accountability as required in §361.12 so that Federal VR funds reserved for the provision of pre-employment transition services are only spent on the allowable services identified in section 113 of the Act, as amended by WIOA, and §361.48(a) of the VR regulations. The Uniform Guidance at 2 CFR 200.402(a) (formerly 34 CFR 80.20(a) of the Education Department General Administrative Regulations) requires States to develop financial management systems that permit the preparation of reports and the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. As part of the VR allotment, funds reserved for the provision of pre-employment transition services have the same match requirement as all Federal VR funds, per §361.60 of the VR regulations. States are permitted to carry over any unobligated Federal VR funds reserved for the provision of pre-employment transition services so long as they have met the requisite matching requirement for those

funds by the end of the year of appropriation, in accordance with section 19 of the Act, as amended by WIOA, and §361.64 of the VR regulations. In addition, States are not permitted to use funds reserved under section 110(d)(1) of the Act, as amended by WIOA, to pay agency administrative costs associated with the provision of pre-employment transition services or for providing any other VR services (see section 110(d)(2) of the Act, as amended by WIOA, and §361.65(a)(3)(ii)(B) of the implementing regulations). Note that RSA will not require grantees to extract administrative costs that exist within pre-employment transition services contracts from contract costs when reporting the cost of the contract as pre-employment transition services expenditures.

Since the funds reserved for the provision of pre-employment transition services are part of the VR allotment, the non-Federal share (matching) requirements are the same as those for all VR grant funds.

An analysis of the fourth quarter SF-425 Federal Financial Report (FFR) for the agency's most recently completed Federal VR award (FFY 2015) shows that the agency reported having expended \$7,303,546 of its Federal VR allotment on pre-employment transition services. This exceeds the 15 percent of the State's Federal allotment for FFY 2015 (\$6,597,650 based on its Grant Award Notification for FFY 2015) that Oklahoma must have reserved and expended on pre-employment transition services. Oklahoma has met the reserve requirement for FFY 2015 to the extent that funds were expended on allowable costs associated with the provision and or arrangement of pre-employment transition services.

TA Provided:

While on-site, the TA team discussed with OKDRS the fiscal requirements related to pre-employment transition services and the above data reported by the agency on its SF-425s for FFY 2015. The TA focused on the requirement that OKDRS must base the percentage of its Federal VR funds reserved and expended for pre-employment transition services on the total amount allotted in the fiscal year as shown on the final grant award notification. This will help to ensure that OKDRS has reserved and expended at least 15 percent of that amount for the provision of pre-employment transition services. Also, the TA team provided TA related to the ability of OKDRS to track the funds reserved under section 110(d)(1) of the Act, as amended by WIOA, and ensure that it expends these funds only on the allowable required, authorized, and pre-employment transition activities identified in section 113 of the Act, as amended by WIOA, and 34 CFR 361.48(a). As stated above, these expenditures cannot be used to pay for administrative costs associated with the provision of pre-employment transition services or for providing any other VR services.

During the on-site visit, the TA team reviewed with OKDRS the agency SF-425 reports and OKDRS demonstrated its financial report preparation process. TA focused on the ability of OKDRS to consistently submit accurate, complete, and timely SF-425 reports demonstrating full use of the 15 percent of funds reserved for pre-employment transition services.

Finally, the TA team discussed with OKDRS the FAQs covering fiscal requirements for pre-employment transition services and other fiscal overview training materials. OKDRS should review this guidance and request additional follow-up if needed.

## **V. The State Supported Employment Services Program**

### **A. General**

The State Supported Employment Services program (Supported Employment program), authorized under title VI of the Act, as amended by WIOA, 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.

WIOA made several significant changes to title VI of the Act, which governs the State Supported Employment Services program. All of the amendments to title VI are consistent with those made throughout the Act, namely 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.

Through the implementation of this focus area, the RSA TA team provided technical assistance to OKDRS in both programmatic and fiscal accountability areas related to the Supported Employment program.

### **B. Technical Assistance Topics**

During the course of the on-site visit, the TA team identified and discussed the following topics related to the Supported Employment program.

#### **1. Supported Employment Case Management and Employment Outcome Reporting:**

Under 34 CFR 363.54, to achieve a supported employment outcome, the individual must have completed supported employment services under part 363 and part 361, meaning the individual has received supported employment services for up to 24 months, or longer if the counselor and the individual have determined that such services are needed to support and maintain the individual in supported employment. Any other VR services listed on the IPE provided to individuals who are working on a short-term basis toward the achievement of competitive integrated employment in supported employment need not be completed prior to satisfying the criteria for the achievement of a supported employment outcome.

The individual also must have transitioned to extended services provided either by the VR agency for youth with the most significant disabilities, or another provider, consistent with 34 CFR 363.4(a)(2) and 363.22.

Finally, the individual must have maintained employment and achieved stability in the work setting for a minimum of 90 days after transitioning to extended services, and the employment must be individualized and customized consistent with the strengths, abilities, interests, and informed choice of the individual.

Based on data reported by OKDRS through the RSA-911 for FFY 2015 demonstrating the number of individuals who achieved employment with supports in integrated settings, OKDRS assisted no individuals to achieve supported employment outcomes that year. OKDRS utilizes Alliance Enterprises' AWARE Case Management System to collect data and monitor the agency's VR and Supported Employment program performance.

TA Provided:

During the course of the TA visit, OKDRS assured the TA team that the supported employment outcome data it had reported through the FFY 2015 RSA-911 was inconsistent with the agency's internal records. For example, OKDRS' AWARE manager stated that 303 individuals achieved supported employment outcomes in FFY 2015, and that 685 consumers had active IPEs with the goal of supported employment that year.

The TA team acknowledged that the FFY 2015 supported employment data reported on the RSA-911 was atypical for OKDRS and reviewed with the agency supported employment outcome data for FFYs 2003 through 2015. These data demonstrated a downward trend in the number of supported employment outcomes since FFY 2012. In FFY 2012, 193 individuals achieved supported employment outcomes. This number decreased to 64 in FFY 2013, to 36 in FFY 2014, and finally to zero in FFY 2015. In summary, the number of supported employment outcomes reported by OKDRS ranged from a low of zero in FFY 2015, to a high of 272 in FFY 2008. The average number of supported employment outcomes per year during the thirteen-year period (FFYs 2003 through 2015) was 135. Both the median number (193) and median percentage (6.21 percent) were achieved in FFY 2012. For comparison purposes, the average percentage of supported employment outcomes achieved by all combined agency was 12.06 percent in FFY 2013, compared to 2.86 percent for OKDRS.

During its monitoring of OKDRS in FFY 2013, RSA had identified similar fluctuations and trends in the performance data reported by OKDRS in FFYs 2007 through 2011. At that time, OKDRS suggested that these fluctuations were attributable, in part, to extensive organizational management changes, large scale service-delivery efforts, implementation of a new case management system, and the effects of additional funding available through the American Recovery and Reinvestment Act of 2009.

It remains undetermined whether the downward trend in supported employment outcomes reported through the RSA-911 is indicative of a supported employment service delivery problem or a data reporting issue.

To address this issue, the TA team and the Data Collection and Analysis Unit provided guidance on-site and subsequent to the visit. Using the instructional manuals for the current and revised RSA-911 (PD 16-04), this TA covered the proper reporting of supported employment data through the current form and revised form to be used for reporting of VR case service data beginning with the first quarter of PY 2017 (July 1 through September 30, 2017) and distinguished between the reporting of individuals who have a supported employment goal on their IPEs and those who have achieved a supported employment outcome. The OKDRS AWARE Manager submitted an excel file to support the agency's contention that 303 individuals achieved supported employment outcomes in FFY 2015. However, this figure was derived from element 50 on the current RSA-911, which captures individuals with a supported employment goal on an IPE, not those with supported employment outcomes. Individuals may have supported employment goals in their IPEs, though they may not have obtained a supported employment outcome. In the current RSA-911, Element 196 identifies employment status at closure and includes Code Number 7 for a supported employment outcome (employment with supports in integrated setting). PD 16-04 makes clear that VR agencies are to use Element 348 when reporting supported employment outcomes in competitive integrated employment and supported employment outcomes for individuals working competitive integrated employment on a short-term basis.

Subsequent to agreement by both RSA's Data Collection and Analysis Unit and OKDRS' AWARE Manager that no supported employment closures with an employment outcome had been recorded on the RSA-911 for FFYs 2015 and 2016, Alliance Enterprises identified a missing code value in a data table that resulted in the underreporting of the number of supported employment outcomes for FFYs 2016 and 2015, as well as FFY 2014. The RSA-911 reports were rerun after entering the missing code into the data table, resulting in an increase in supported employment outcomes from 0 to 188 in FFY 2016, from 0 to 215 in FFY 2015, and from 36 to 171 in FFY 2014.

## 2. Supported Employment Policies:

At the time of the on-site visit, OKDRS was developing policies implementing the changes to the Supported Employment program made by WIOA.

TA Provided:

While on-site, The TA team reviewed OKDRS draft policies and provided guidance to assist OKDRS in aligning its supported employment policies in the agency's policy manual at 612:10-1-2 with the final regulations in 34 CFR part 361 and part 363 by:

- Removing transitional employment, from its proposed "Supported Employment" definition in accordance with 34 CFR 361.5(c)(53).
- Revising the proposed definition for the "Clubhouse model" by referencing "Transitional employment" as a workplace learning activity – as opposed to an employment outcome in supported employment comprised of a series of temporary job placements.

- Revising the definition for “Extended services” to mirror the definition in 34 CFR 361.5(c)(19).
- Adding payment with Title I funds to the definition “extended services” in accordance with 34 CFR 361.5(c)(19).

1. Fiscal Requirements:

Section 603(d) of the Act, as amended by WIOA, requires the State to reserve 50 percent of its Federal Supported Employment program allotment for the provision of supported employment services, including extended services, to youth with the most significant disabilities. The reserve will be affected by adjustments to a State’s Federal allotment made throughout the year of appropriation, including continuing resolutions, reallocation, and any relinquishments or additions made to the supported employment program Federal allotment. As with all VR and supported employment program funds, States must implement processes necessary to ensure the proper accounting and reporting of expenditures, including those incurred with reserved funds, to ensure the funds spent were only for allowable and allocable purposes.

Section 606(b)(7)(I) of the Act, as amended by WIOA, and §363.23 of the supported employment program regulations require that States must provide non-Federal expenditures in an amount that is not less than 10 percent of total expenditures for youth with the most significant disabilities. Total expenditures means both the Federal reserve funds and the non-Federal share incurred for the provision of supported employment services, including extended services, to youth with the most significant disabilities. Since the required non-Federal share is only applicable to the 50 percent reserved funds for youth with the most significant disabilities, the non-Federal expenditures are required to be spent on supported employment services, including extended services, to youth with the most significant disabilities. However, the 10 percent non-Federal share cannot count toward meeting the reserve requirements, which apply only to Federal Supported Employment program award funds.

An analysis of the OKDRS FFY 2015 end-of-year SF-425 report for supported employment (September 30, 2015) shows that OKDRS expended \$150,000 of its Federal supported employment funds and \$16,667 in non-Federal funds on supported employment services for Youth with the Most Significant Disabilities. Based on these data, Oklahoma met the requirement to reserve 50 percent of its Federal Supported Employment program allotment for the provision of supported employment services, including extended services, to youth with the most significant disabilities and the match requirement in FFY 2015 for supported employment.

Under section 606(b)(7)(H) of the Act, as amended by WIOA, and §363.51 of the supported employment program regulation, a State may not use more than 2.5 percent of its supported employment program allotment to pay for administrative costs. RSA noted that nothing prevents a State from using VR funds to pay for supported employment program administrative costs, and should administrative costs exceed the administrative

cap of 2.5 percent, it will use funds from the VR program for supported employment administrative costs as it determines necessary and reasonable.

VR agencies must ensure that supported employment program funds received under title VI of the Act, as amended by WIOA, and the implementing regulations in 34 CFR part 363 are expended solely on supported employment services provided after the individual is placed in employment. Supported employment services, defined in section 7(39) of the Act, as amended by WIOA, are those ongoing support services “needed to support and maintain an individual with a most significant disability in supported employment.” Expenditures for pre-placement services such as work adjustment training, job search, development, and placement, as well as all pre-placement VR services, including pre-employment transition services, cannot be allocated to the supported employment program. Rather, these, and all pre-placement VR services, including pre-employment transition services, must be paid for with VR funds until the individual obtains supported employment.

TA Provided:

The TA team reviewed the fiscal requirements for the Supported Employment program, instructions for completing the SF-425 report for supported employment in PD 15-06, and the above data with OKDRS. In addition, the team informed OKDRS that, beginning in FFY 2017, it is required to submit SF-425 financial reports for supported employment on a semi-annual basis, or the periods ending March 31 and September 30 each Federal fiscal year. Semi-annual reports must be submitted no later than 45 days after the end of the reporting period. Final reports must be submitted no later than 90 days after the period of performance.

The TA team reviewed with OKDRS the FAQs covering the fiscal requirements for the Supported Employment program, as well as other fiscal overview training materials. OKDRS should review this guidance and request additional follow-up if needed.

## **VI. Next Steps**

### **A. General**

As part of RSA’s follow-up activities to the TA visit to OKDRS, RSA will continue to assist OKDRS to implement new policies and procedures required by the Act, as well as its implementing regulations, through further TA and monitoring in accordance with section 107 of the Act.

### **B. Technical Assistance Needs**

Additionally, the RSA TA team has, in consultation with OKDRS, identified the following technical assistance needs that were either not met during the on-site visit or are on-going TA needs of the agency. RSA will continue to provide TA to OKDRS directly or by connecting the agency with TA resources.

1. Business engagement, employer relations, and customized employment to improve the number of competitive integrated employment outcomes.
2. Development of a tool that VR counselors and business development specialists can use consistently to assess employment opportunities and closures for competitive integrated employment.
3. Use of supplementary wage documentation that will enable the agency to report data for self-employment closures in the second and fourth quarters following exit necessary for calculation of the performance accountability measures under WIOA.
4. Correct reporting of supported employment data through the RSA-911.
5. Delivery of pre-employment transition services under section 511 of the Act, as amended by WIOA, specifically those expenditures that may count towards the 15% pre-employment transition services reserve requirement.
6. Implementation of pre-employment transition services under an order of selection.
7. Submission of section 511 documentation to youth with disabilities.
8. Provision of VR services to family members.
9. Documentation and other requirements related to the short-term basis for individuals working toward competitive integrated employment on a short-term basis.
10. Development of Supported Employment program policies.

## C. Next Steps

### 1. Agency Next Steps

OKDRS will continue to request TA after reviewing all training materials on new WIOA federal regulations, including, but not limited to:

- pre-amble language incorporated into all WIOA regulations as published in the Federal Register located at <http://www2.ed.gov/about/offices/list/osers/rsa/index.html>;
- RSA regional training materials located at <http://www2.ed.gov/about/offices/list/osers/rsa/wioa-meetings-on-final-regs.html>;
- RSA Council of State Administrators of Vocational Rehabilitation fall conference training materials located at <http://www2.ed.gov/about/offices/list/osers/rsa/webinars.html>;
- archived TA webinars located on the [Innovation and Opportunity Network website](#) and the [RSA website](#); and
- WIOA frequently asked questions located at <https://rsa.ed.gov/display.cfm?pageid=449>.

OKDRS should seek assistance from RSA, the [Workforce Innovation Technical Assistance Center \(WINTAC\)](#) or other relevant [RSA technical assistance centers](#) as it develops new or revised policies and procedures.

OKDRS will reconsider resuming involvement with the [JDVRTAC](#) to receive intensive technical assistance in the areas of business engagement, customized employment and employer relations.

OKDRS will consider developing local access to national employers through expansion of activities of the OKDRS business employment coordinator and collaboration with the [CSAVR National Employment Team \(NET\)](#).

OKDRS will finalize all goals and priorities derived from its most recently completed CSNA. The goals and priorities should be vetted with all Oklahoma workforce partners and included in the next scheduled VR services portion of the Oklahoma Unified State Plan.

OKDRS' Aware Manager should work with the RSA Data Collection and Analysis unit to rectify discrepancies in supported employment data to ensure the correct data are submitted to RSA in a timely manner.

## **2. RSA Next Steps**

RSA will continue to provide ongoing support and TA to OKDRS by responding to requests for guidance and TA sent to the OK state liaison, April Trice, at [April.Trice@ed.gov](mailto:April.Trice@ed.gov).