

**FISCAL YEAR 2008
MONITORING REPORT ON THE
VOCATIONAL REHABILITATION AND
INDEPENDENT LIVING PROGRAMS
IN THE STATE OF
CONNECTICUT**



**U.S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND
REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION**

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EXECUTIVE SUMMARY

The Rehabilitation Services Administration (RSA) reviewed the performance of the following programs authorized by the *Rehabilitation Act of 1973*, as amended (the Act) in the state of Connecticut (CT):

- the vocational rehabilitation (VR) program, established under Title I;
- the supported employment (SE) program, established under Title VI, part B;
- the independent living (IL) program, authorized under Title VII, part B; and
- the IL services program for older individuals who are blind (OIB), established under Title VII, Chapter 2.

In CT, the Bureau of Rehabilitation Services (BRS) and the Board of Education Services for the Blind (BESB) are jointly responsible for the administration of the VR, SE, and IL programs, while BESB is solely responsible for the OIB program.

RSA's review began in the fall of 2007 and ended in the summer of 2008. During this time, RSA's CT state team:

- gathered and reviewed information regarding each program's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted on-site visits, and held multiple discussions with state agency staff, State Rehabilitation Council (SRC) members, Statewide Independent Living Council (SILC) members, and stakeholders to share information, identify promising practices and areas for improvement;
- provided technical assistance (TA) during the review process;
- recommended that BRS and BESB undertake specific actions to improve their performance;
- required BRS and BESB to take corrective action in response to compliance findings;
- in collaboration with BRS and BESB, identified TA that would be helpful to improve their performance or correct compliance findings; and
- identified issues for further review.

RSA identified the strengths and challenges of the VR, SE, IL, and OIB programs.

BRS

Strengths:

- BRS collaborates with a large number of other public and private entities toward the goal of increasing employment opportunities for individuals with disabilities, including the Connect to Work Center, one-stop centers, Department of Mental Health Services, and the developmental disability system (DDS);
- BRS effectively uses the results from the agency's comprehensive statewide needs assessment to inform its strategic planning process;
- BRS employs dedicated staff who possess knowledge of VR program requirements attained through regular and consistent training opportunities;
- BRS has recently revamped its performance evaluation system to directly link performance to agency goals and individual staff plans are geared toward succession planning with performance goals that are centered on federal standards and indicators;
- Connect to Work Center integrates key resource systems that collaborate to enhance the delivery of services, including VR services, to individuals with disabilities;
- BRS engages in strong fiscal forecasting techniques; and
- BRS generates a significant amount of program income through reimbursements from the Social Security Administration.

Challenges:

- Serving and achieving more employment outcomes for persons with disabilities who are not employed at application;
- Serving and achieving more employment outcomes for persons with mental illness;
- Developing more of referrals in areas of state lacking VR field offices;
- Implementing a web-based electronic data and case management system to enhance the ability of the agency to manage its programs in an efficient and effective manner; and
- Generating supported employment outcomes in light of the lack of funding for extended services in the state.

BESB

Strengths:

- BESB provides assistive technology (AT), training, and other services directly to individuals;
- BESB's SRC and its board have a good working relationship;
- The financial support that the state has provided to the VR program in excess of the required level of match;
- BESB provides comprehensive educational and rehabilitation services to consumers of all ages, from birth through senior years, enhancing the coordination and transition of services; and
- Connecticut's mandatory reporting requirements enable BESB to have evidence of legal blindness at the time of referral, enabling the expediting of eligibility determinations.

Challenges:

- Increasing the number of applicants, persons served, and employment outcomes;
- BESB's fiscal management of its carryover and reallocation funds;
- The lack of availability of low vision doctors and other community resources for the provision of services to individuals with visual impairments;
- Providing comprehensive IL-related services, particularly residential adjustment to blindness;
- Providing VR and IL services in rural areas of the state lacking public transportation; and
- Managing the discontinuation of the state waiver for repayment of indirect costs incurred for the benefit of the VR program.

INTRODUCTION

Section 107 of the Act requires the commissioner of the RSA to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Act to determine whether a state VR agency is complying substantially with the provisions of its State Plan under section 101 of the Act and with the evaluation standards and performance indicators established under section 106. 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 under Title VI Part B of the Act and programs offered under Title VII of the Act are substantially complying with their respective State Plan assurances and program requirements.

In order to fulfill its monitoring responsibilities, RSA:

- reviews the state agency's performance in assisting eligible individuals with disabilities to achieve high-quality employment and IL outcomes;
- recommends that the state agency undertake specific actions to improve program performance; and
- provides TA to the state agency in order to improve its performance, meet its goals, and fulfill its State Plan assurances.

Scope of the Review

RSA reviewed the performance of the following programs of the Act:

- The VR program, established under Title I;
- The SE program, established under Title VI, part B;
- The IL programs authorized under Title VII, part B; and
- The OIB program, established under Title VII, Chapter 2.

In addition, RSA also reviewed BRS and BESB's progress on:

- the agencies' corrective action plans that were established as a result of findings from RSA's FY 2004 Section 107 monitoring review; and
- the assurances that BRS and BESB made to RSA in conjunction with each agency's FY 2007 State Plans.

Connecticut Administration of the VR, SE, IL, and OIB Programs

In CT, BRS is one of the two designated state units (DSUs) responsible for administering the VR, SE, and IL programs. The agency provides services to individuals with all disabilities, except individuals who are blind. BRS is located within the CT Department of Social Services (DSS), the designated state agency (DSA).

BRS has 13 field offices and three regional offices located throughout CT. BRS VR counselors are co-located in two of the eight One Stop Centers in the state. Five counselors are co-located in the Norwich center and two counselors are located in the New London center. One VR counselor is co-located in each of six urban high schools in the state and three counselors are housed in mental health centers.

BESB, a separate state agency for the blind that provides vocational and other rehabilitation, is the DSA responsible for the VR, SE, and IL programs serving individuals who are blind, as well as for the OIB program. BESB has one office in Windsor, and operates no other field offices in the state. BESB staff collaborate with all of the one-stop centers and with the school systems, but counselors are not housed in these or any other locations.

For the four programs listed above, this report describes RSA's review of BRS and BESB, provides information on each of the agency's performance, identifies performance issues, and identifies the related recommendations for program improvement. The report also identifies TA that RSA will provide to BRS and BESB to address each of the issues identified during the review.

Appreciation

RSA wishes to express appreciation to the representatives of BRS, DSS, BESB, the BESB Board, the SRCs for both agencies, the SILC, the Client Assistance Program, and the stakeholders who assisted the RSA monitoring team in the review of BRS and BESB.

CHAPTER 1: RSA'S REVIEW PROCESS

Data Used During the Review

RSA's review of BRS and BESB began in the fall of 2007 and ended in the summer of 2008. RSA's data collections are finalized and available at different times throughout the year. During this review, RSA and the state agency used the most recent data that was available from the FY 2006 and FY 2007 collections. As a result, this report cites data from FY 2006 and FY 2007.

Review Process Activities

RSA's review began in the fall of 2007 and ended in the summer of 2008. During this time, RSA's CT state team:

- gathered and reviewed information regarding each program's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted on-site visits, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, and identify promising practices and areas for improvement;
- provided TA during the review process;
- recommended that BRS and BESB undertake specific actions to improve program performance;
- required BESB to take corrective action in response to compliance findings; and
- in collaboration with BRS and BESB, identified TA that would be helpful to improve performance or correct compliance findings.

RSA CT State Team Review Participants

Members of RSA's CT state team included representatives from each of the five functional units within RSA's State Monitoring and Program Improvement Division. The RSA CT state team was led by RSA's state liaison to CT, Jeffrey Clopein (VR Unit) and the following RSA CT team members: Joseph Doney (TA Unit), Joan Ward and Steven Zwillinger (Data Unit), Pamela Hodge (IL Unit), and Jacqueline Stuckey and Regina Luster (Fiscal Unit).

Information Gathering

During FY 2008, RSA began its review of BRS and BESB by analyzing information including, but not limited to, RSA's various data collections, BRS and BESB's VR and IL State Plans, and BRS and BESB's SRC's Annual Report. After completing its internal review, the RSA team carried out the following information gathering activities with BRS, BESB, and stakeholders in order to gain a greater understanding of each agency's strengths and challenges:

- conducted initial teleconferences with VR and IL stakeholders beginning in December 2007;
- conducted initial teleconferences with the BRS and BESB management beginning in October 2007;
- conducted initial teleconferences with BRS IL program staff, SILC members and administrative staff, and BESB's OIB staff;
- conducted an on-site monitoring visit from March 17 through March 20, 2008, and met with field staff, supervisors, and managers of BESB, the Client Assistance Program, the Protection and Advocacy system, and members of the SRC;
- conducted an on-site monitoring visit from May 5 through May 9, 2008, and met with field staff, supervisors, and district managers of BRS, the Client Assistance Program, the Protection and Advocacy system, and members of the SRC; and
- conducted an on-site monitoring visit from June 9 through June 12, 2008, and met with members of the SILC, directors of centers for independent living (CILs), IL counselors and a supervisor from BRS, and OIB counselors and supervisors from BESB.

CHAPTER 2: BUREAU OF REHABILITATION SERVICES VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

Agency Information and Performance

In FY 2007, BRS served 5,249 individuals and successfully rehabilitated 1319 individuals. Of those who were successfully rehabilitated, 30 achieved a supported employment outcome. Over the past five years, the number of BRS's employment outcomes has decreased by 403 (23 percent). The number of new applicants has remained relatively constant and the number individuals whose cases were closed after receiving services has decreased by 914 (30 percent).

Table 2.1 VR and SE Program Highlights for BRS for FY 2003 through FY 2007

Data Elements	2003	2004	2005	2006	2007
Total funds expended on VR and SE	\$24,281,978	\$22,302,784	\$23,108,424	\$24,699,787	\$26,827,774
Individuals whose cases were closed with employment outcomes	1,722	1,364	1,218	1,258	1,319
Individuals whose cases were closed without employment outcomes	1,348	839	774	791	837
Total number of individuals whose cases were closed after receiving services	3,070	2,203	1,992	2,049	2,156
Employment rate	56.09%	61.92%	61.14%	61.40%	61.18%
Individuals whose cases were closed with SE outcomes	81	34	22	26	30
New applicants per million state population	1,114	974	948	981	1,051
Average cost per employment outcome	\$4,574.85	\$4,330.89	\$4,650.75	\$4,598.35	\$5,144.69
Average cost per unsuccessful employment outcome	\$3,133.17	\$2,828.33	\$3,240.52	\$3,039.70	\$2,757.26
Average hourly earnings for competitive employment outcomes	\$13.11	\$13.97	\$14.98	\$16.06	\$16.26
Average state hourly earnings	\$23.23	\$24.13	\$25.32	\$26.23	\$27.59
Percent average hourly earnings for competitive employment outcomes to state average hourly earnings	56.44%	57.89%	59.16%	61.23%	58.93%
Average hours worked per week for competitive employment outcomes	30.16	30.14	30.67	31.35	30.91
Percent of transition age served to total served	21.17%	21.11%	18.88%	18.16%	17.90%
Employment rate for transition population served	51.23%	53.12%	51.06%	47.04%	47.41%
Average time between application and closure (in months) for individuals with competitive employment outcomes	17.1	17.3	18.5	18.8	18.9

VR and SE Service Delivery

BRS VR counselors provide counseling and guidance, information and referral, and job-related services to individuals with disabilities. BRS provides a majority of services through fee-for-service contracts with 65 community rehabilitation programs (CRPs). The services available through these contracts include job development, job placement, and SE services such as on-the-job supports and job coaching.

To effectively coordinate transition policies, practices, and service delivery, BRS co-funds a statewide transition coordinator with the Connecticut State Department of Education. BRS counselors begin to provide services to transition-age youths as early as age 14, conducting outreach and educating school personnel and families about available services and participating in meetings related to the development of Individualized Education Programs (IEPs). The agency co-locates VR counselors in six urban high schools. Agency staff draws upon the clinical and programmatic expertise of members of the agency's Autism Spectrum Committee when providing services to transition-age youths with autism disorders.

BRS provides SE services to individuals with the most significant disabilities who have been unable to maintain competitive employment because of the severity of their disabilities. The SE services are provided through fee-for-service contracts with the CRPs. The goal is to assist these individuals to achieve employment in the most integrated setting possible. Examples of resources for extended services include, but are not limited to, the Departments of Mental Retardation or Mental Health and Addiction Services, BRS Employment Opportunities Program, natural supports, provider in-kind services, family resources, and Social Security impairment-related work expenses. The type of services provided includes: job coaching, individualized situational assessment, job placement, and job retention services. In FY 2006, BRS assisted 26 individuals to achieve SE outcomes, a figure that increased to 30 individuals in FY 2007.

BRS has established specific service initiatives that further support VR and SE service delivery and promote the agency's overall goal to increase the numbers of quality employment outcomes for persons with disabilities. The Connect-Ability Initiative provides a linkage for eligible individuals to career and employment resources, as well as transportation information. Through this initiative, BRS also provides employers with TA information and resources to recruit, hire, and maintain individuals with disabilities in employment. In addition, BRS coordinates with the CT Tech Act Project to obtain demonstrations of AT devices, the loan of equipment, and low-interest financing of AT for BRS participants.

Personnel

BRS employs 121 staff to administer and operate the VR and SE programs, a decrease from 148 employees in FY 2002. Of these 121 employees, 65 are employed as VR counselors, 44 as counselor assistants, and 12 as administrative staff. BRS lost 33 percent of its staff due to early retirements between FY 2002 and FY 2004. The agency has developed a succession plan in response to the anticipated retirement of an additional 53 employees within the next several years.

BRS is committed to the hiring of Master's degree level rehabilitation counselors. Under the agency's comprehensive system of personnel development (CSPD), BRS develops an Individual Staff Development Plan with each staff person for professional growth and future advancement. The CSPD includes a national recruitment strategy for counselors. At approximately \$48,000 per year, BRS provides its new counselors with one of the highest starting salaries among public VR agencies.

Data Management

BRS has been actively working to purchase a new management information and case management system for the past several years. The systems used by BRS and DSS are out-dated and have led to delays in the purchase of VR services. In addition, the current systems cannot support the latest technologies that would enable agency staff to complete documentation and carry out other activities in an efficient manner.

Quality Assurance

The agency's quality assurance (QA) processes include reviews of VR counselor skill development through Individual Staff Development Profiles and casework documentation, clinical supervision, and the analysis of SRC consumer satisfaction surveys. To assess the performance of new CRPs, BRS developed a process for provisional provider evaluation that is overseen by its internal CRP Committee. This process includes a qualitative and objective data review one year after service provision has begun and again six months later.

Planning

BRS engages in a strategic planning process every three to five years, based on the SWOT model, to assess the agency's strengths, weaknesses, opportunities to exceed plan goals, and threats to achieving the plan. The agency uses the results of its statewide needs assessment and an analysis of its performance on the VR State Plan goals and priorities during the strategic planning process.

VR and SE Program Technical Assistance Provided to BRS During the Review Process

RSA provided VR and SE program TA to BRS during the review process regarding:

- the agency's case management system; and
- the use of RSA's Management Information System (MIS), including how to locate RSA monitoring tables, standards and indicator data, and agency report cards, as well as how to conduct ad hoc queries to compare and contrast the agency's performance against that of similarly situated agencies.

Observations of BRS and Its Stakeholders about the Performance of the VR and SE Programs

RSA's review process solicited input from BRS and stakeholders about VR and SE performance and compliance issues. The following issues were identified:

- the extended length of time experienced by consumers prior to receiving services;
- the decrease in applicants;
- the lack of accessible transportation in rural areas of the state, limiting access to VR offices and services;
- VR counselors' lack the time to develop referrals;
- the antiquated MIS system that forces counselors to expend more time and effort to perform simple tasks, reducing the efficient delivery of VR services to consumers; and
- the lack of funding for extended services that limits the ability of the agency to assist individuals to achieve SE.

RSA discussed the observations of its stakeholders with BRS and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

VR and SE Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to BRS about those observations. BRS responded to each of the recommendations and in those instances when RSA and BRS agreed upon a recommendation, RSA and BRS identified the TA that RSA would provide to BRS to successfully implement the recommendation.

1. Observation: BRS serves a high percentage of individuals who are employed with earnings at application which results in a higher employment rate for the agency overall.

- Overall, 43 percent of the individuals (928 out of 2,156) who were served by BRS in FY 2007 were employed with earnings at application. This compares to an average for all other general agencies of 21.9 percent (37,900 out of 173,342).

- In FY 2007, 1,319 individuals achieved an employment outcome, while 837 did not obtain employment after receiving services resulting in an employment rate of 61 percent for BRS. The employment rate for individuals who were employed with earnings at application is 85 percent (787 individuals achieved an employment outcome, while 928 did not obtain employment after receiving services). The employment rate for individuals who were not employed at application is 43 percent (532 individuals achieved an employment outcome, while 1,228 did not obtain employment after receiving services).

Table 2.2 Employment Rate of Individuals Employed and Not Employed at Application for BRS and All General Agencies during FY 2007

FY 2007	BRS			All General Agencies		
	Employed with earnings at application	Not employed at application	Total	Employed with earnings at application	Not employed at application	Total
Successful Employment Outcome	787	532	1,319	29,483	73,099	102,582
Unsuccessful Employment Outcomes	141	696	837	8,417	62,343	70,760
Total Served	928	1,228	2,156	37,900	135,442	173,342
Employment Rate	0.85	0.43	0.61	0.78	0.54	0.59

Recommendation 1: RSA recommends that BRS:

- 1.1 conduct a needs assessment to determine the extent to which individuals who are not employed at application are underserved by the agency and their VR service needs; and
- 1.2 based on this analysis, develop goals and strategies to increase the number of individuals who are not employed at application served by the agency and the employment outcomes they achieve.

Agency Response:

- BRS understands that its performance is outside of the typical range for other agencies, but does not believe the Rehabilitation Act places any greater emphasis on individuals entering employment than it does on individuals maintaining or advancing in employment.
- To be sure that it is meeting the needs of individuals with disabilities in the state, BRS will include this area in its triennial assessment, and will develop goals and strategies if necessary, based on the results of the assessment.

TA: BRS does not request TA.

2. Services for Individuals with Communicative Impairments

Observation: A significant percentage of individuals with communicative impairments are employed at the time they seek services from BRS and are provided primarily physical restoration services. These individuals may be seeking access to VR services in order to finance the purchase of physical restoration services, such as hearing aids, when medical insurance or other sources of assistance are not sought or available.

- Of the 2,156 individuals whose cases were closed in FY 2007 after receiving services, 729 individuals or 34 percent had a communicative impairment. This is more than 3.5 times the average for all general agencies. Additionally, this percentage has increased by more than five percent from FY 2005 to FY 2007.
- Of the 2,156 individuals whose cases were closed in FY 2007 after receiving services, 980 individuals or 45 percent had a mental impairment. This percentage is nearly 15 percent less than the percentage for all general agencies.

Table 2.3 Services to Individuals by Disability Type for BRS and All General Agencies from FY 2005 – FY 2007

	2007				2006				2005			
	BRS		All General Agencies		BRS		All General Agencies		BRS		All General Agencies	
Impairment	Num	%	Num	%	Num	%	Num	%	Num	%	Num	%
Visual	6	0.28%	1,798	0.93%	7	0.34%	1,777	0.90%	9	0.45%	1,715	0.87%
Communicative	729	33.81%	18,377	9.54%	677	33.04%	17,239	8.72%	573	28.77%	16,027	8.11%
Physical	441	20.45%	57,161	29.68%	405	19.77%	61,699	31.21%	423	21.23%	63,152	31.94%
Mental	980	45.45%	115,250	59.84%	960	46.85%	116,959	59.17%	987	49.55%	116,801	59.08%
Total	2,156	100%	192,586	100%	2,049	100%	197,674	100%	1,992	100%	197,695	100%

- Overall, 43 percent of the individuals (928 out of 2,156) who were served by BRS in FY 2007 were employed with earnings at application. Additionally, of the 729 individuals who had a communicative impairment, 598 individuals or 82 percent were employed with earnings at application.
- Of the 928 individuals who received services from BRS who were employed with earnings at application, nearly 65 percent had a communicative impairment. This compares with approximately 26 percent for all general agencies.

Table 2.4 Individuals Whose Cases Were Closed In FY 2007 Who Received Services And Were Employed With Earnings At Application

Impairment	BRS		All General Agencies	
	Num	%	Num	%
Visual	1	0.11%	325	0.86%
Communicative	598	64.44%	9,789	25.83%
Physical	146	15.73%	12,103	31.93%
Mental	183	19.72%	15,683	41.38%
Total	928	100.00%	37,900	100.00%

- In FY 2007, BRS’ employment rate for individuals with communicative impairments was 86 percent, slightly higher (six percent) than the employment rate for all general agencies (80 percent) for this impairment group.

Table 2.5 FY 2007 Employment Rate by Disability

Impairment	BRS				GENERAL AGENCIES			
	Employment Outcome	Unsuccessful Employment Outcome	Served	Employment Rate	Employment Outcome	Unsuccessful Employment Outcome	Served	Employment Rate
Visual	3	3	6	0.50	1,218	678	1,896	0.64
Communicative	626	103	729	0.86	13,996	3,511	17,507	0.80
Physical	236	205	441	0.54	30,123	21,464	51,587	0.58
Mental	454	526	980	0.46	58,314	45,705	104,019	0.56
Overall	1,319	837	2,156	0.61	103,651	71,358	175,009	0.59

- In FY 2007, of the individuals whose cases were closed by BRS and who had a communicative impairment, 82 percent were employed at application. This compared to an average for all general agencies of 58 percent.
- Of the individuals whose cases were closed after receiving services and who had a communicative impairment, 18 percent were not employed at application. This compared to an average for all general agencies of 42 percent.

Table 2.6 Individuals Whose Cases Were Closed in FY 2007 Who Received Services and Had A Communicative Impairment

	Total	Total Number of Individuals Were Employed With Earnings at Application		Total Number of Individuals Who Were Not Employed at Application	
	Number	Number	Percent	Number	Percent
BRS	729	598	82.03%	131	17.97%
All General Agencies	16,765	9,789	58.39%	6,976	41.61%

- In FY 2007, of the 598 individuals with communicative impairments employed at application, 570 individuals (95 percent) received diagnostic and treatment services, which include physical restoration services such as hearing aids.

Table 2.7 Individuals Whose Cases Were Closed in FY 2007 Who Received Services and Had A Communicative Impairment

	Total Number of Individuals Were Employed With Earnings at Application		Total Number of Individuals Who Were Not Employed at Application	
	Number	Percent	Number	Percent
	598	100.00%	131	100.00%
Services Received				
Assessment Services	505	84.45%	96	73.28%
Diagnosis and Treatment of Impairments	570	95.32%	85	64.89%
VR Counseling and Guidance	592	99.00%	128	97.71%
College or University Training	4	0.67%	12	9.16%
Occupational/Vocational Training	7	1.17%	5	3.82%
On-the-job Training	0	0.00%	3	2.29%
Basic Academic Remedial or Literacy Training	0	0.00%	0	0.00%
Job Readiness Training	16	2.68%	16	12.21%
Disability Related Augmentative Skills Training	2	0.33%	0	0.00%
Miscellaneous Training	6	1.00%	10	7.63%
Job Search Assistance	22	3.68%	33	25.19%
Job Placement Assistance	18	3.01%	44	33.59%
On-the-job Supports	18	3.01%	33	25.19%
Transportation Services	0	0.00%	6	4.58%
Maintenance	3	0.50%	2	1.53%
Rehabilitation Technology	99	16.56%	17	12.98%
Reader Services	0	0.00%	0	0.00%
Interpreter Services	3	0.50%	12	9.16%
Personal Attendant Services	0	0.00%	1	0.76%
TA Services	0	0.00%	0	0.00%
Information and Referral Services	195	32.61%	33	25.19%
Other Services	31	5.18%	5	3.82%

Recommendation 2: RSA recommends that BRS:

- 2.1 conduct a needs assessment to determine the extent to which individuals with mental illness are underserved by the agency and their VR service needs;
- 2.2 based on this analysis, develop goals and strategies to increase the number of individuals with mental illness served by the agency and the employment outcomes they achieve; and

2.3 conduct an analysis to determine the factors that cause a significant number of individuals with communicative impairments to seek physical restoration services from BRS including the lack of insurance coverage, and the extent to which comparable benefits are available to pay for these services.

Agency Response: Services for individuals with mental illness are reflected in BRS’ priorities for this year. As partners within the broader Workforce Investment umbrella, BRS and the Department of Mental Health and Addiction Services (DMHAS) have been working closely to provide seamless services for this population. DMHAS has an annual budget of \$10,000,000 to provide employment services for consumers with psychiatric disabilities, which is almost as much as BRS’ entire budget for case service dollars to serve consumers with all disabilities. DMHAS serves around 7,000 consumers with that budget for employment services and BRS expects 55 percent will achieve some level of employment, defined as working one hour or more per week. BRS will include this area in its triennial assessment, and will develop goals and strategies if necessary, based on the results of the assessment.

TA: BRS does not request TA.

3. Decrease in Applicants

Observation: Based on information and data provided by BRS, due to office closings in Bristol, Norwalk, and Willimantic during FY 2002 and FY 2003, the number of applicants from these three areas of the state declined by 34.2 percent from FY 2001 (200 applicants) to FY 2007 (149 applicants).

- The referrals from the Bristol area during FY 2001 through 2007 declined 37.3 percent; referrals from the Norwalk area during this period declined 14 percent; and referrals from the Willimantic area declined 58.5 percent. This decline in referrals has resulted in the decrease in applications for VR services.

Table 2.8 Number of Referrals between FY 2001 and FY 2007 in Three BRS Offices

Office	2001	2007	Difference between 2001 and 2007	% change
Bristol	70	51	-19	-37.3%
Norwalk	65	57	-8	-14.0%
Willimantic	65	41	-24	-58.5%

- The designated state agency, DSS, has an office in Willimantic, but it lacks sufficient space to co-locate VR counselors. Therefore, individuals with disabilities can experience difficulties when attempting to access VR services in this regional area. Counselors meet with consumers at libraries, restaurants, and other areas where it is feasible to process and implement VR services.

Recommendation 3: RSA recommends that BRS:

- 3.1** continue to review and adjust counselor capacity in these rural areas and institute service delivery adjustments to provide the necessary VR services to individuals; and
- 3.2** develop strategies to expand outreach in the Norwalk, Willimantic, and Bristol communities to increase the number of referrals and applicants in order to improve access to services by individuals with disabilities.

Agency Response:

- BRS has consistently been seeking approval to deploy VR counselors back into areas that DSS needed to close in January 2003 for budgetary purposes. DSS is currently submitting to the Connecticut Department of Public Works a revised Request for Space (RFS) proposal for the Willimantic service area. Three BRS staff (two VR counselors and one support staff) are included in the current RFS.
- BRS has hired two VR counselors for the Willimantic area but they are housed in another office. The counselors were given cell phones but there is no office space for BRS staff as they were not part of the DSS office that opened in 2004.

TA: BRS does not request TA.

4. Long Term Supports (SE)**Observation:**

- BRS assists a significantly smaller percentage of individuals to achieve SE outcomes than the average for other general agencies. The agency's performance has declined significantly from FY 2003 to FY 2007. There is a lack of funding for long-term support services for individuals in SE in CT, through either of the systems that provide services to individuals with developmental disabilities or mental illness.
- In FY 2003, BRS assisted 81 individuals to achieve an SE outcome, or 4.7 percent of all individuals who achieved an employment outcome. This compares to an average for all general agencies of 9.3 percent. In FY 2007, the agency assisted 30 individuals to achieve a supported employment outcome, or 2.2 percent of all individuals who achieved an employment outcome. This compares to an average for all general agencies of 9.7 percent.

Table 2.9 Percentage and Number of Individuals Whose Cases Were Closed by BRS in Supported Employment between FY 2003 and FY 2007

Connecticut Dept of Social Services - Bureau of Rehabilitation Serve Individuals whose cases were closed after receiving services . . .	2003	2004	2005	2006	2007
Percent closed in supported employment	4.70%	2.49%	1.81%	2.07%	2.2%
Number	81	34	22	26	30

Table 2.10 Percentage of Individuals Whose Cases Were Closed in Supported Employment by all Combined and General Agencies between FY 2003 and FY 2007

Combined/General Agencies. Individuals whose cases were closed after receiving services . . .	2003	2004	2005	2006	2007
Percent closed in supported employment	9.31%	9.07%	8.82%	8.61%	9.71%

Recommendation 4: RSA recommends that BRS:

- 4.1** develop goals, including annual and long-term targets to measure the increase in SE outcomes, and strategies to achieve the goals; and
- 4.2** continue to investigate and advocate for additional funding for long-term supports and resources for the individuals with the most significant disabilities, such as state funds and grants, other similar benefits, and natural supports within the communities of CT.

Agency Response:

- BRS agrees that long-term supports are necessary to assist individuals with disabilities to remain and sustain employment. Funding from other agencies is a necessity. There is a small funding stream from the state of CT called Employment Opportunities Program (EOP) but this is only for individuals who do not have a funding source through another state agency and for those individuals who may have significant learning disabilities, autism, or other similar disabilities. BRS continues to seek supports from DMHAS and DDS.
- BRS is working with DMHAS and DDS on a data interoperability project. The pilot questions for this project address the provision of SE services across agencies. A preliminary report will be available prior to the completion of the next VR State Plan.

- BRS is also working closely with DMHAS and DDS and their community providers to increase SE capacity by maximizing the use of the Ticket to Work program.
- BRS presently uses an outdated case management system. This system does not have the ability to “flag” cases. As the agency works with the provider of the new system to identify BRS needs, it will establish a protocol, within this new system, that will have the capability to “flag” whether a case is SE or not. BRS believes some counselors are not identifying cases as they are moved through the process.

TA: BRS does not request TA.

5. Monitoring of CRPs

Observation: BRS has anecdotal information about the performance of CRPs providing services to BRS consumers. However, the agency has no formal process to review CRP outcomes. Without mechanisms to measure the performance of CRPs, BRS management and staff, CRPs, and individuals with disabilities lack sufficient information to determine if a particular CRP is assisting individuals to achieve quality employment outcomes. Consequently, BRS cannot make appropriate contracting decisions and individuals lack information when exercising informed choice with respect to service providers.

Recommendation 5: RSA recommends that BRS:

- 5.1** develop mechanisms, including measurable goals with annual and long-term targets, by which the agency can measure the performance of CRPs, as a group and individually, in terms of the number and quality of SE outcomes achieved; and
- 5.2** routinely monitor CRP performance and provide this information to agency management and staff, CRPs, and individuals, so BRS can make appropriate contracting decisions, and individuals have the full range of information on which to base informed choice and CRPs can be held accountable.

Agency Response:

- BRS has been working with CRPs to develop two publications related to the core services provided by CRPs. The first is a Consumer Choice Handbook. The purpose of this handbook is to provide consumers with the tools they need to make informed choices relative to CRPs. Putting these tools in the hands of the consumers increases the accountability for both BRS and the CRPs, and will be the foundation of our future monitoring. The second is a CRP Handbook, which clarifies the responsibilities of BRS, the CRPs, and the consumer in the provision of services.
- BRS also maintains a database to store performance data for all CRPs, including the services provided, the disability types of the individuals served, the duration of services, and the outcomes.

- For new CRPs in the provisional process, BRS actively reviews performance at six months by contacting consumers served and their counselors. The results of these reviews are then shared with the CRP for continuous improvement.
- BRS agrees that CRPs should be monitored for their performance and with a newer MIS system forthcoming, BRS will have better access to CRP monitoring.

TA: BRS does not request TA.

6. Contracts with CRPs

Observation: The agency's current contracts with CRPs are based on a fee-for-service structure, through which the CRPs are paid an hourly rate for the services provided, rather than a performance-based system, under which the CRPs would be paid the total fee, or a portion thereof, only when certain criteria or milestones were met. BRS can use performance-based contracts as another mechanism, along with performance measures and targets, to hold CRPs accountable.

Recommendation 6: RSA recommends that BRS develop strategies to improve the accountability of CRPs for the number and quality of SE outcomes achieved. These strategies could include the implementation of a performance-based contracting system.

Agency Response:

- BRS was the lead agency on a recent National Governor's Association Policy Academy. One of the goals that were discussed at this Policy Academy was the development of a statewide performance based contracting system. Even though a performance system was not adopted by this workgroup, BRS remains interested in this area.
- BRS rates for job placement and working interviews currently contain performance incentives for successful placements.

TA: BRS may request TA.

7. BRS' MIS/Case Management System

Observation: BRS has been actively working to purchase a new MIS and case management system for the past several years. The systems used by BRS and DSS are out-dated and have led to delays in the purchase of VR services. In addition, the current systems cannot support the latest technologies that would enable agency staff to complete documentation and carry out other activities in an efficient manner.

Recommendation 7: RSA recommends that BRS complete the purchase of and fully deploy the agency's new case management system to increase efficiency.

Agency Response: BRS has begun its rollout of its new case management system by meeting with staff and management. A full work plan is being followed and hardware was ordered by the end of May 2008. Servers have been received and this process will take 18 months before BRS can totally switch over from the current to the new system.

TA: BRS does not request TA.

CHAPTER 3: FISCAL MANAGEMENT OF BRS' VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

RSA reviewed BRS' fiscal management of the VR and SE programs. During the review process RSA provided TA to the state agency to improve its fiscal management and identified areas for improvement. RSA reviewed the general effectiveness of the agency's cost and financial controls, internal processes for the expenditure of funds, use of appropriate accounting practices, and financial management systems.

Fiscal Management

The data in the following table, based on data reported on the fiscal reports submitted by the state agency, address the overall fiscal performance of the agency. The carryover data are taken from the unobligated balance of federal funds portion of the fourth quarter Financial Status Report (SF-269). The data related to matching requirements are taken from the respective fiscal year's final or latest SF-269 report. The maintenance of effort (MOE) requirement data are taken from the final or latest SF-269 report of the fiscal year that is two years prior to the fiscal year to which it is compared. Fiscal data related to administration, total expenditures, and administrative cost percentage are taken from the RSA-2.

Table 3.1 Fiscal Profile Data for BRS for FY 2003 through FY 2007

Fiscal Year	2003	2004	2005	2006	2007
Grant Amount	15,628,694	15,947,288	16,005,885	16,543,233	17,317,194
Required Match	4,229,875	4,316,102	4,331,056	4,477,393	4,686,864
Federal Expenditures	15,628,694	15,947,288	15,748,361	16,254,504	14,779,811*
Actual Match	7,575,802	7,454,540	7,559,061	7,542,328	7,820,279
Over (Under) Match	3,345,927	3,138,438	3,228,005	3,064,935	3,133,415
Carryover at 9/30 (year one)	2,814,526	5,423,279	4,867,602	7,218,122	6,447,793
Program Income	902,383	1,178,515	521,845	1,886,159	1,618,861
Maintenance of Effort (MOE)	7,724,691	7,712,475	7,575,802	7,454,540	7,559,061
Administrative Costs	3,287,440	3,948,345	3,546,073	3,217,670	4,140,152
Total Expenditures**	24,281,978	22,302,784	23,108,424	24,699,787	26,827,774
Percent Admin Costs to Total Expenditures	13.54%	17.70%	15.35%	13.03%	15.43%

*Deadline for obligating FY 2007 federal grant funds – September 30, 2008.

**Includes SE program expenditures.

Explanations Applicable to the Fiscal Profile Table

Grant Amount:

The amounts shown represent the final award for each fiscal year, and reflect any adjustments for MOE penalties, reductions for grant funds voluntarily relinquished through the reallocation process, or additional grant funds received through the reallocation process.

Match (Non-Federal Expenditures):

The non-federal share of expenditures in the State VR Services Program, other than for the construction of a facility related to a CRP, is 21.3 percent, as established in the 1992 amendments to the Rehabilitation Act. A *minimum* of 21.3 percent of the total allowable program costs charged to each year's grant must come from non-federal expenditures from allowable sources as defined in program and administrative regulations governing the State VR Services Program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

In reviewing compliance with this requirement, RSA examined the appropriateness of the sources of funds used as match in the VR program, the amount of funds used as match from appropriate sources, and the projected amount of state appropriated funds available for match in each federal fiscal year. The accuracy of expenditure information previously reported in financial and program reports submitted to RSA was also reviewed.

Carryover:

Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the VR agency met the matching requirement for those federal funds by September 30 of the year of appropriation (34 CFR 361.64(b)). Either expending or obligating the non-federal share of program expenditures by this deadline may meet this carryover requirement.

In reviewing compliance with the carryover requirement, RSA examined documentation supporting expenditure and unliquidated obligation information previously reported to RSA to substantiate the extent to which the state was entitled to use any federal funds remaining at the end of the fiscal year for which the funds were appropriated.

Program Income:

Program income means gross income received by the state that is directly generated by an activity supported under a federal grant program. Sources of state VR program income include, but are not limited to, payments from the Social Security Administration for rehabilitating Social Security beneficiaries, payments received from workers' compensation funds, fees for services to defray part or all of the costs of services provided to particular individuals, and income generated by a state-operated CRP. Program income earned (received) in one fiscal year can be carried over and obligated in the following fiscal year regardless of whether the agency carries over

federal grant funds. Grantees may also transfer program income received from the Social Security Administration for rehabilitating Social Security beneficiaries to other formula programs funded under the Act to expand services under these programs.

In reviewing program income, RSA analyzed the total amount (as compared to the total percentage of income earned by all VR agencies and comparable/like VR agencies), sources and use of generated income.

Maintenance of Effort:

The 1992 amendments revised the requirements in section 111(a)(2)(B)(ii) of the Act with respect to MOE provisions. Effective federal FY 1993 and each federal fiscal year thereafter, the MOE level is based on state expenditures under the Title I State Plan from non-federal sources for the federal fiscal year two years earlier. States must meet this prior year expenditure level to avoid monetary sanctions outlined in 34 CFR 361.62(a)(1). The match and MOE requirements are two separate requirements. Each must be met by the state.

In reviewing compliance with this requirement, RSA examined documentation supporting fiscal year-end and final non-federal expenditures previously reported for each grant year.

Administrative Costs:

Administrative costs means expenditures incurred in the performance of administrative functions including expenses related to program planning, development, monitoring and evaluation. More detail related to expenditures that should be classified as administrative costs is found in the state VR program regulations at 34 CFR 361.5(b)(2).

Fiscal Technical Assistance Provided to BRS During the Review Process

RSA provided VR and SE program TA to BRS during the review process regarding:

- RSA's assessment of the agency's compliance with specific financial requirements – match, MOE, carryover, reallocation, program income, liquidation of outstanding obligations and grant closeout;
- the review, correction, and approval (as appropriate) of SF-269s for the VR and IL programs for FYs 2005, 2006, and 2007;
- a training exercise to reconcile the RSA-2 report to provide BRS with a tool for assessing the accuracy of future reports before submission to RSA;
- acceptable methodologies for allocating the rent and maintenance costs of field offices and reporting these costs under assessment, counseling, guidance, and placement, rather than as an administrative cost of the VR program, which escalates these costs;

- the reporting and allowable adjusting of year-end non-federal expenditures and obligations;
- the actions (staff buyouts/reductions) leading to the accumulation of federal grant funds (carryover) since FY 2003 and BRS' expenditure plans for utilizing these funds over a two-year period to cover the projected increasing costs of purchased services;
- BRS' approach to audit finding resolution and the current status of FYs 2005 and 2006 Single Audit findings; and
- strategies for financially reporting and adjusting prior-year federal grant indirect cost overpayments.

VR and SE Program Fiscal Management Performance Observations and RSA Recommendations

RSA identified the following fiscal performance observations and made recommendations to BRS about those observations. BRS responded to each of the recommendations and in those instances when RSA and BRS agreed upon a recommendation, RSA and BRS identified the TA that RSA would provide to BRS to successfully implement the recommendation.

1. Carryover Balances and Future Deficits

Observation: BRS' carryover percentages (e.g., FY 2006 – 43.6 percent and FY 2007 – 37.2 percent) are much higher than the national average for all VR agencies, or the averages for general and combined agencies which are both at 14 percent.

- Based on current financial projections, the large cash balances, including the \$6,447,793 BRS carried over from FY 2007, and any federal funds carried over from FYs 2008 and 2009, will be eliminated by the end of FY 2010 if expenditures for purchased services continue to escalate at the current rate.
- Agency projections for FY 2011 show deficits ranging from \$2.5 million to \$6 million.

Recommendation 1: RSA recommends that BRS:

- 1.1** continue the financial planning activities currently undertaken by program and financial staff to prepare for financial shortfalls expected in FY 2010 and 2011;
- 1.2** develop strategies for increasing program revenues; and
- 1.3** review contract administration policies and procedures to determine actions to be taken to reverse the increasing cost of purchased services, ensuring the quality and quantity of those services.

Agency Response:

- Although the carryover balances reported since FY 2004 by BRS are significantly above the national average, forecasted increases in purchased services and escalating personnel costs will eliminate the balances by the end of FY 2010. The problem is exacerbated by cost of living allowance increases at both the state and federal level which have not kept pace with inflationary pressures.
- BRS is currently examining all its expenditures and is prepared to take whatever steps are necessary to avoid any financial shortfalls, which would impact service delivery in FY 2010 and beyond. This effort will include developing strategies for increasing program revenues

TA: BRS does not request TA.

2. Cost Allocation/Indirect Costs

Observation: During the on-site financial review, BRS informed RSA that the Office of the Inspector General, Social Security Administration, had performed an audit to determine whether certain indirect costs claimed by Connecticut Disability Services (CDS) were allowable and properly allocated.

- CDS was asked to re-run its cost allocation schedule for the period from January 1, 2003 through June 30, 2006, and make adjustments to previously reported claims.
- BRS, using the same methodology, subsequently reprocessed its claims for the State VR Services Program and concluded that this program had also been overcharged by \$919,688 during the period in question.
- BRS initiated discussions with RSA to determine how the overcharges could be handled and also informed RSA that, while preparing for the onsite review, previously unreported adjusting expenditures in a separate account had not been included in preparing financial reports. Although these adjustments were not significant, they would also end up reducing the amount of previously reported non-federal expenditures.

Recommendation 2: RSA recommends that BRS:

- 2.1** prepare an analysis showing the impact of reducing previously reported non-federal expenditures in each of the fiscal years in which indirect costs were overcharged and adjusting expenditures which were not included, since non-federal expenditures reported by BRS are significantly higher than the 21.3 percent statutory matching requirement; and
- 2.2** request that RSA re-open financial reports to make the required adjustments in the affected fiscal years if it is determined that the penalties imposed for not meeting the MOE requirement are less than the lump-sum repayment of the cost allocation overcharges and unreported adjustments.

Agency Response:

- BRS met with DFMA staff to prepare the above-recommended analysis, with the aim of amending the year-end financial reports for FYs 2003, 2004, 2005, and 2006. The goal established was to have this work completed by the end of June 2008.
- A plan to reduce previously reported non-federal expenditures in lieu of a lump-sum repayment of cost allocation overcharges and other unreported adjustments was subsequently submitted to RSA on June 27, 2008. This analysis resulted in a cumulative MOE penalty for FYs 2003 – 2005 of \$423,565.25, which is considerably less than the \$919,688 in cost allocation overcharges previously reported.
- BRS received notice on July 23, 2008, that RSA has accepted its plan as submitted, and RSA re-opened the financial reports for the FYs 2003 – 2006. Agency staff entered the required adjustments electronically on July 24, 2008.

TA: BRS does not request TA.

3. RSA-2 Report Inaccuracies

Observation: RSA's on-site review focused on the administrative costs charged on the RSA-2 to the VR and SE programs. In contrast to national averages between 10 and 11 percent, BRS-reported administrative costs have fluctuated from 7.40 percent in FY 2002 to 15.43 percent in FY 2007. (Administrative costs rose to 17.70 percent in FY 2004.)

- RSA's review of BRS's FY 2007 RSA-2 disclosed that reported administrative costs are overstated. RSA's initial sample review of cost documentation showed that support staff working in field offices, and the rent and operating costs of field offices, are included in program administration instead of assessment, guidance, counseling, and placement. Instructions for completing the RSA-2 define these expenditures as a cost of providing services to individuals, not a cost of administering the VR and SE programs.
- The cost of field offices is part of the overall rent charged to BRS for all of the state office space used by the VR Program. BRS does not have a methodology for allocating the cost of field offices to assessment counseling, guidance and placement.
- The staff person responsible for policy development is charged to assessment, counseling, guidance and placement, rather than administration.
- Adjustments of the above-noted errors will have a net effect of significantly reducing the administrative costs reported by BRS and bring the agency closer to the percentages of administrative costs reported nationally.

Recommendation 3: RSA recommends that BRS:

- 3.1** take the appropriate action to ensure that information reported on the RSA-2 for FY 2008 and future fiscal years, accurately reflects the performance of the agency in each category;
- 3.2** review all expenditures reported for the administration of the VR and SE programs to ensure they are reported in the correct category on the RSA-2;
- 3.3** move expenditures associated with the staff person responsible for policy development from assessment, counseling, guidance, and placement to administration;
- 3.4** develop a methodology to allocate the cost of field offices to assessment, counseling, guidance, and placement; and
- 3.5** continue working with RSA to improve the accuracy of the RSA-2, including allowing staff to attend the RSA National Fiscal/Data Conference where the preparation of this report will be addressed.

Agency Response:

- BRS concurs with recommendations 3.1 through 3.3 above and will take the actions necessary to implement them for FY 2008 and beyond.
- BRS Program and Financial staff will attend the 2008 RSA National Fiscal/Data Conference.
- BRS will develop a methodology to allocate field offices to assessment, counseling, guidance, and placement for the FY 2008 RSA-2 submission. BRS recognizes the issues related to the higher than usual administrative costs and will work to resolve these for the submission of the FY 2008 RSA-2.

TA: BRS does not request TA.

CHAPTER 4: BOARD OF EDUCATION SERVICES FOR THE BLIND VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

Agency Information and Performance

In FY 2007, BESB served 794 individuals and successfully rehabilitated 127 individuals. Of those who were successfully rehabilitated, 2 achieved an SE outcome. Over the past five years, the number of BESB's employment outcomes has decreased by 83 (40 percent). The number of new applicants has decreased by 100 (32 percent), and the number of individuals whose cases were closed after services has decreased by 100 (41 percent).

Table 4.1 VR and SE Program Highlights for BESB for FY 2003 through FY 2007

Data Elements	2003	2004	2005	2006	2007
Total funds expended on VR and SE	\$1,917,360	\$3,106,176	\$3,852,253	\$3,350,438	\$3,797,351
Individuals whose cases were closed with employment outcomes	210	145	148	116	127
Individuals whose cases were closed without employment outcomes	36	27	52	40	19
Total number of individuals whose cases were closed after receiving services	246	172	200	156	146
Employment rate	85.37%	84.30%	74.00%	74.36%	86.99%
Individuals whose cases were closed with SE outcomes	2	9	8	6	2
New applicants per million state population	89.08	69.14	54.7	54.57	60
Average cost per employment outcome	\$3,665.62	\$3,953.60	\$4,824.05	\$5,813.66	\$7,018.75
Average cost per unsuccessful employment outcome	\$3,881.53	\$3,559.37	\$8,147.62	\$6,503.95	\$3,885.16
Average hourly earnings for competitive employment outcomes	\$15.32	\$14.74	\$13.19	\$15.43	\$17.34
Average state hourly earnings	\$23.23	\$24.13	\$25.32	\$26.23	\$27.59
Percent average hourly earnings for competitive employment outcomes to state average hourly earnings	65.95%	61.09%	52.09%	58.83%	62.85%
Average hours worked per week for competitive employment outcomes	29.76	29.3	30	30.08	29.56
Percent of transition age served to total served	4.47%	9.30%	7.00%	5.13%	9.59%
Employment rate for transition population served	63.64%	68.75%	92.86%	50.00%	78.57%
Average time between application and closure (in months) for individuals with competitive employment outcomes	19.6	21.8	27.6	33.5	33.9

VR and SE Service Delivery

BESB employs social workers to function as the first point of contact for new referrals to the agency and also serve as case managers for individuals who are participating in independent living services. VR counselors contact all clients referred to the agency to explain the VR process and to offer VR services.

BESB provides a majority of VR services directly to individuals, including low vision training, orientation and mobility, rehabilitation teaching, and job-related services. The agency's AT staff provide assessments and training on the use of AT devices early in the VR process directly to individuals, particularly to individuals who require immediate assistance to maintain employment.

BESB employs one transition coordinator dedicated to the provision of transition services throughout all CT school districts. Four percent of the agency's referrals are from secondary schools. In FY 2006, five percent of the individuals BESB served were transition-age youths. In FY 2007, BESB assisted 12 transition-age youths to achieve employment, an increase from four in FY 2006.

Personnel

BESB currently employs a total of 26 individuals to administer and operate the VR and SE programs, an increase from 24 individuals in FY 2002. Currently, BESB employs nine VR counselors, one VR assistant counselor, two rehabilitation technologists, one VR counselor coordinator, two rehabilitation teachers, one orientation and mobility instructor, one transition school to work coordinator, six support staff, and three administrative staff. BESB staff meet the agency's CSPD standards. BESB has a strategic plan in place to achieve its internal benchmarks system regarding the CSPD requirements and personnel standards. At approximately \$56,800 per year, BESB provides its new counselors with one of the highest starting salaries among public VR agencies.

Data Management

BESB uses an electronic case management system that allows VR counselors to input consumer information directly into the system. A roll-out of remote access was begun in April of 2008 and is now in place for VR field staff to access the case management system without the need to be in the office .

Quality Assurance

BESB's current QA process applies a thorough case review of the VR process and provision of services identified on the IPE. The agency's quality control coordinator reviews each case record when the individual exits the VR program, to ensure the accuracy of the data to be entered in the RSA-911, Case Service Report. Federal reports are reviewed by the individuals who prepared them for the accuracy of the data.

Planning

BESB has a strategic plan in place that identifies goals, objectives, and action steps associated with each goal and objective. BESB tracks progress on the strategic plan quarterly through a staff reporting system. Benchmarks for agency performance in all program areas, as established by the former BESB Monitoring Council are monitored by the agency board through quarterly reviews. The agency's Strategic Planning Committee meets every 6 weeks to implement the plan with staff and consumer group participation

VR and SE Programs Technical Assistance Provided to BESB During the Review Process

RSA provided VR and SE program TA to BESB during the review process regarding:

- the agency on its case management system; and
- the use of RSA's MIS, including how to locate RSA monitoring tables, standards and indicator data, and agency report cards, as well as how to conduct ad hoc queries to compare and contrast the agency's performance against that of similarly situated agencies.

VR and SE Observations Identified by BESB and Stakeholders During the Review Process

RSA’s review process solicited input from BESB and stakeholders about VR and SE performance and compliance issues. The following issues were identified:

- the lack of performance-based contracts with CRPs;
- the limited services available to individuals who are deaf/blind;
- the lack of time for VR counselors to conduct outreach;
- delays in service delivery;
- the small number of SE outcomes achieved by individuals with the most significant disabilities; and
- the small number of employment outcomes for transition-age youths.

RSA discussed the observations of its stakeholders with BESB and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

VR and SE Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to BESB about those observations. BESB responded to each of the recommendations and in those instances when RSA and BESB agreed upon a recommendation, RSA and BESB identified the TA that RSA would provide to BESB to successfully implement the recommendation.

1. Employment Outcomes

Observation: Although BESB has passed four of six indicators for Standard 1 and has passed Indicator 2.1 since FY 2000, the agency has not passed Indicator 1.1 by meeting or exceeding the number of employment outcomes achieved in the prior fiscal year since FY 2003, as shown in Table 4.2 below. However, it should be noted that BESB did increase the number of employment outcomes by 11 from FY 2006 (116 employment outcomes) to FY 2007 (127 employment outcomes).

Table 4.2 Employment Outcomes As Measured by Indicator 1.1 for BESB from FY 2000 – FY 2007

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Current Year + Prior Year Number of employment outcomes in	454	457	411	414	355	293	264	243

Comparison to Prior 2 years	40	3	-46	3	-59	-62	-29	-21
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- Based on FY 2007 RSA-911 data, BESB reported a total of 191 closures. Of these closures, 146 individuals received services. Of these, 127 individuals achieved a successful employment outcome, while 19 individuals did not achieve a successful employment outcome resulting in an employment rate of 0.87.
- Of the 127 individuals who achieved an employment outcome, 87 were employed without supports in integrated setting, 12 were self employed, five were employed under the Business Enterprise Program, 20 were homemakers, one was an unpaid family worker, and two were employed with supports in integrated setting.
- Of the 127 individuals who achieved a successful employment outcome, 65 were employed with earnings at application. Of the 19 individuals who received services and did not achieve a successful employment outcome, two were employed with earnings at application. Consequently, of the 146 individuals who received services in FY 2007, 79 individuals (54.11 percent) were unemployed at application. Of these 79 individuals, 62 achieved an employment outcome, resulting in an employment rate of 78 percent.
- Of the 146 individuals who were served by BESB, 21 individuals (20 homemakers and one unpaid family worker) did not have earnings at closure. Consequently, 106 achieved an employment outcome with earnings. Additionally, of these 106 individuals, 65 were employed with earnings at application. Therefore, BESB placed only 41 individuals without earnings at application (38.68 percent) in employment with earnings.
- BESB has taken steps to decrease the number of homemaker closures since FY 2003. Based on data reported through the RSA-911, the agency has made considerable progress.

Table 4.3 Homemakers as a Percentage of All Employment Outcomes from FY 2003 – FY 2007

Fiscal Year	Number of Homemaker Outcomes	Number of Employment Outcomes	Percent of Homemaker Outcomes to Total Number of Employment Outcomes
2003	114	210	54.29%
2004	50	145	34.48%
2005	52	148	35.14%
2006	15	116	12.93%
2007	20	127	15.75%

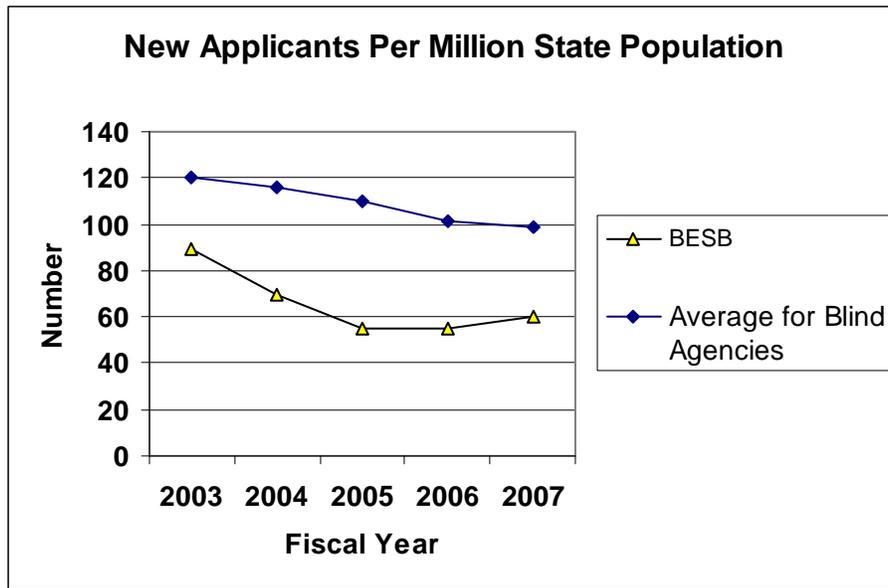
- The data demonstrate a significant decrease in homemaker outcomes as a percentage of the agency’s total employment outcomes. In FY 2003, homemaker outcomes represented 54.29 percent of all employment outcomes, compared to 15.75 percent in FY 2007, a difference of 38.54 percent.
- From FY 2003 to FY 2004, the agency experienced a decrease in total employment outcomes of 65 and a decrease in the number of homemaker outcomes of 64. From FY 2004 to FY 2005, the total number of employment outcomes increased by three and homemaker outcomes increased by two. From FY 2005 to FY 2006, the total number of employment outcomes decreased by 32 and the number of homemaker outcomes decreased by 37. Finally, from FY 2006 to FY 2007, the total number of employment outcomes increased by 11, while the number of homemaker outcomes increased by five.

Table 4.4 Homemaker and Non-Homemaker Outcomes from FY 2003 – FY 2007

Fiscal Year	Number of Homemaker Outcomes	Number of Non Homemaker Outcomes	Total Number of Employment Outcomes
2003	114	96	210
2004	50	95	145
<i>Change from 2003 to 2004</i>	<i>-64</i>	<i>-1</i>	<i>-65</i>
2005	52	96	148
<i>Change from 2004 to 2005</i>	<i>2</i>	<i>1</i>	<i>3</i>
2006	15	101	116
<i>Change from 2005 to 2006</i>	<i>-37</i>	<i>5</i>	<i>-32</i>
2007	20	107	127
<i>Change from 2006 to 2007</i>	<i>5</i>	<i>6</i>	<i>11</i>

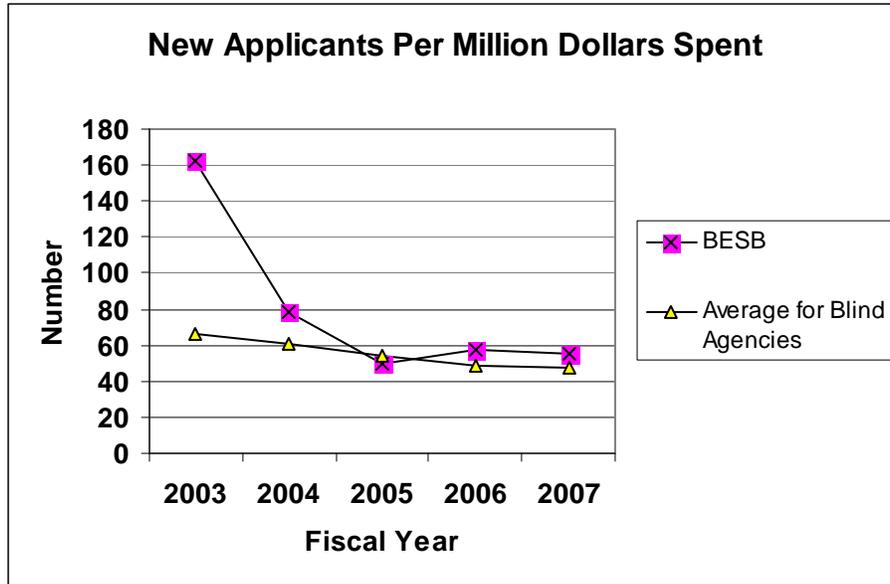
- RSA data indicate that from FY 2003 to FY 2007, there were significant fluctuations in the following areas:
 - The number of new applicants per million state population has been decreasing from FY 2003 to FY 2006. There has been an increase of 5 individuals between FY 2006 and FY 2007, but the number is lower than the average for agencies that serve the blind and visually impaired. This measure indicates the difference between program outreach to maximize the state population at risk that is informed about VR services and those that are actually served by VR. While available resources can constrain these counts, it has long been the goal of VR to serve as many as eligible individuals as possible.

Figure 4.1



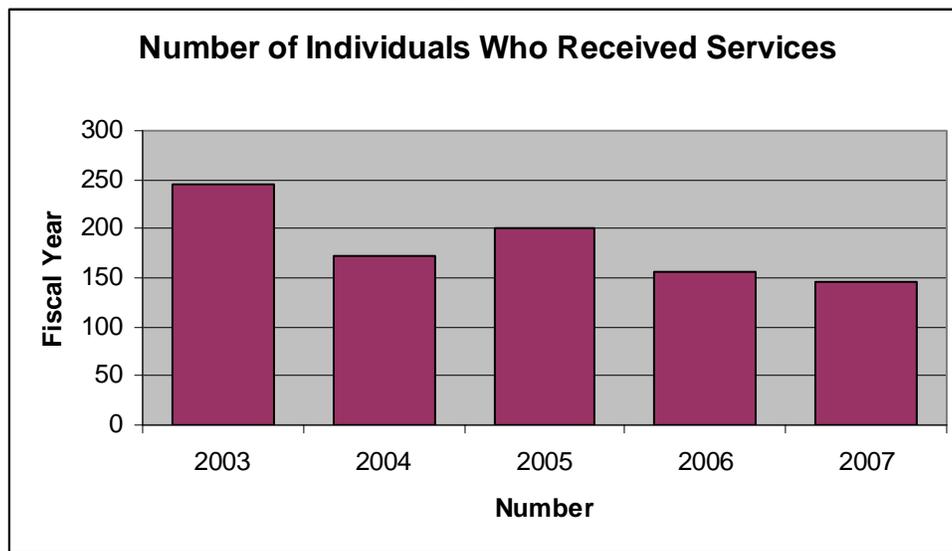
- The number of new applicants per million dollars spent has decreased dramatically from FY 2003 to FY 2005, subsequent to the implementation of a more restrictive homemaker policy (162 new applicants per million dollars spent in FY 2003 to 50 new applicants per million dollars spent in FY 2005). The number has remained relatively stable since FY 2005 and is slightly higher than the average for agencies that serve the blind and visually impaired. This measure may be indicative of the more restrictive agency homemaker policy that may have greatly reduced referrals to the VR program.

Figure 4.2



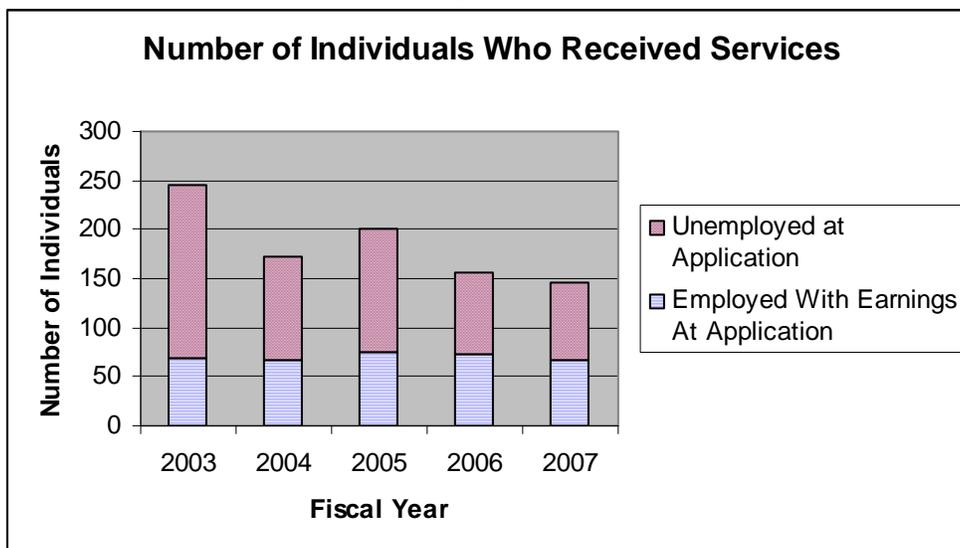
- The number of individuals who have received services from BESB has decreased by 100 individuals from FY 2003 (246 individuals) to FY 2007 (146 individuals).

Figure 4.3



- Of the individuals who received services, the ratio of the number of individuals who were employed with earnings at application versus the number of individuals who were unemployed at application has increased from 0.38 (68 employed with earnings versus 178 unemployed) in FY 2003 to 0.85 (67 employed with earnings versus 79 unemployed) in FY 2007.

Figure 4.4



- In FY 2007, 46 percent (67 out of 146) of the individuals who received services from BESB were employed with earnings at the time of application. For all agencies that serve the blind and visually impaired, 39 percent (3,776 out of 9,750) of the individuals who received services were employed with earnings at the time of application. With the exception of the average number of days between application

and eligibility when BESB took less time than the average for all agencies that serve the blind and visually impaired, individuals whose cases were closed in FY 2007 and who received services from BESB took longer than the average for all of agencies that serve the blind and visually impaired. This is somewhat unexpected because, typically, individuals seeking job retention services (a high percentage of BESB's caseload) receive services of a short-term nature, such as the provision of AT devices.

Table 4.5 Services Received by Individuals Whose Cases Were Closed in FY 2007 Who Received Services and Were Employed With Earnings at Application

	Number	Percent
Total Number of Individuals Who Received Services and Were Employed With Earnings at Application	67	45.89%
Services Received		
Assessment Services	66	98.51%
Diagnosis and Treatment of Impairments	21	31.34%
VR Counseling and Guidance	67	100.00%
College or University Training	3	4.48%
Occupational/ Vocational Training	11	16.42%
On-the-job Training	12	17.91%
Basic Academic Remedial or Literacy Training	0	0.00%
Job Readiness Training	4	5.97%
Disability Related Augmentative Skills Training	30	44.78%
Miscellaneous Training	12	17.91%
Job Search Assistance	9	13.43%
Job Placement Assistance	9	13.43%
On-the-job Supports	18	26.87%
Transportation Services	3	4.48%
Maintenance	1	1.49%
Rehabilitation Technology	54	80.60%
Reader Services	1	1.49%
Interpreter Services	0	0.00%
Personal Attendant Services	0	0.00%
TA Services	5	7.46%
Information and Referral Services	8	11.94%
Other Services	30	44.78%

- BESB does not use individually assign goals for the number of employment outcomes to assess the performance of its VR counselors, although such a goal is used to measure the performance of the counselors as a group.

Recommendation 1: RSA recommends that BESB:

- 1.1 analyze data and other information to determine the factors that may be contributing to the increasing number of competitive employment outcomes, in addition to the decreasing number of homemaker outcomes;
- 1.2 establish targets for the increase in the number of employment outcomes over time; and
- 1.3 to improve agency’s overall performance on employment outcomes, develop and establish counselor goals.

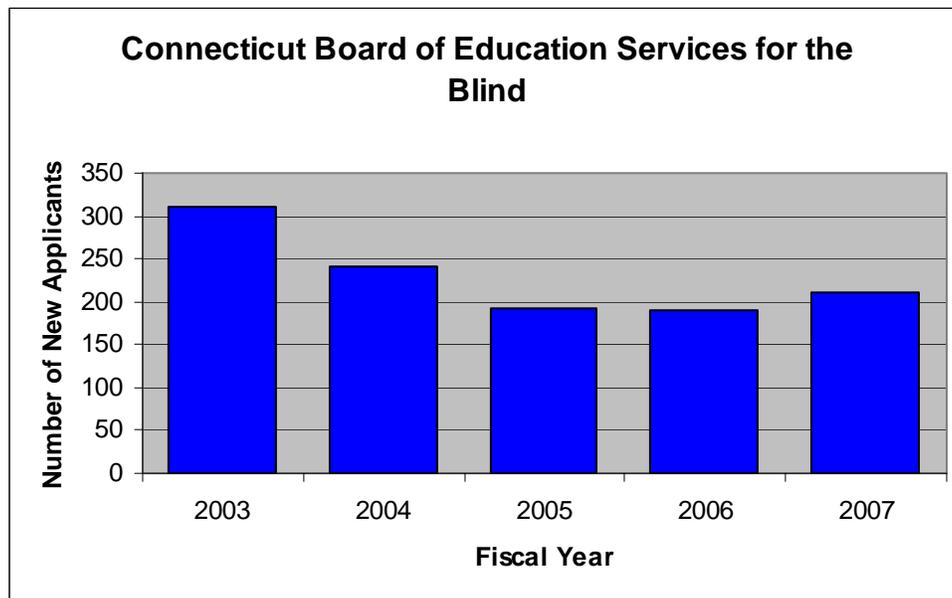
Agency Response: BESB will continue to engage in annual data analysis to identify trends and to further develop strategies for increasing employment outcomes. This will include the continuation of established annual employment outcome goals, with active counselor participation in activities that will support the achievement of these goals.

TA: BESB does not request TA.

2. Applicants for VR Services

Observation: The number of individuals applying for services from BESB has decreased, dropping 32.3 percent, from 310 applicants in FY 2003 to 210 applicants in FY 2007.

Figure 4.5



- In FY 2007, BESB closed 191 individual cases. Of those individuals whose cases were closed, the data indicates that 53 percent were self-referred, 32 percent were referred by doctors, 11 percent were referred by elementary/secondary schools, less than one percent (0.52) were referred by both welfare agencies as well as the Social Security Administration,

three percent from other sources, and no referrals were received from postsecondary schools or CRPs; and

Table 4.6 Individuals Whose Cases Were Closed in FY 2007 Who Applied for Services

Source of Referral	Number	Percent
Educational Institutions (elementary/secondary)	21	10.99%
Educational Institutions (postsecondary)	0	0.00%
Physician or other Medical Personnel or Medical Institutions (public or private)	61	31.94%
Welfare Agency (State or local government)	1	0.52%
Community Rehabilitation Programs	0	0.00%
Social Security Administration (Disability Determination Service or District office)	1	0.52%
One-stop Employment/Training Centers		0.00%
Self-referral	102	53.40%
Other Sources	5	2.62%
Total	191	100.00%

- during the on-site visit, counselors reported to RSA that they have limited time to engage in outreach activities in the community because of the time required to travel between appointments, which averages two to four hours per day for each counselor.

Recommendation 2: RSA recommends that BESB:

- 2.1** to increase the number of individuals applying for services from BESB, expand referral sources through outreach activities such as community disability awareness events, job fairs, school events (parent nights), and One Stop Career Center employer workshops; and
- 2.2** establish agency performance goals to measure the increase in the number of applicants to determine the effect of expanded outreach activities.

Agency Response: With the implementation of a more restrictive homemaker policy, the VR program has experienced a decline in overall referrals. However, BESB remains concerned that all interested individuals who desire VR services be aware of the agency. BESB is expanding outreach and marketing efforts to address these concerns and appreciates that RSA supports the importance of outreach initiatives through the affirmation of these observations.

TA: BESB does not request TA.

3. Time from Eligibility to Closure

Observation: In FY 2007, the average number of days between application and closure for individuals whose cases were closed and who received services was 1,178 days compared to 918

days for all agencies that serve the blind and visually impaired. BESB determined eligibility following application for these individuals within an average of 27 days and developed IPEs following the determination of eligibility within an average of 133 days. The average number of days from IPE development to case closure was 1,018 days, compared to 775 days for all agencies that serve the blind and visually impaired.

Additionally, for individuals who received services from BESB and were not employed at application, the time between application and closure was over twice as long as for individuals who were employed at application and had earnings (1,575 days versus 710 days)

Table 4.7 Average Number of Days from Application to Case Closure for BESB and All Blind Agencies during FY 2007

Average Number of Days Between:	Individuals Whose Cases Were Closed Who Received Services		Individuals Whose Cases Were Closed Who Received Services and Were Employed With Earnings at Application		Individuals Whose Cases Were Closed Who Received Services and Were Not Employed at Application	
	BESB	Agencies that Serve the Blind and Visually Impaired	BESB	Agencies that Serve the Blind and Visually Impaired	BESB	Agencies that Serve the Blind and Visually Impaired
Application to Closure	1,178.4	917.5	710.3	565.5	1,575.5	1,140.0
Application to Eligibility	26.7	31.5	11.9	23.8	39.3	36.4
Eligibility to IPE	133.3	110.9	62.8	65.6	193.1	139.6
IPE to Closure	1,018.4	775.1	635.6	476.1	1,343.1	964.1

Recommendation 3: RSA recommends that BESB:

- 3.1 conduct data analysis to determine the reasons for the lengthy period of time from eligibility to case closure for both individuals employed at the time of application and those not employed at application; and
- 3.2 use agency’s case management system to provide reports to supervisors and counselors regarding the length of time individuals are in the VR process from the development of the IPE to case closure so that issues related to delays in service delivery can be addressed.

Agency Response: BESB agrees and shall continue to conduct data analysis and utilize the case management system to better identify trends that result in service delays. BESB found the guidance provided by RSA during the site visit regarding case inactivation criteria to be timely and important for the purpose of addressing this recommendation. BESB shall continue to monitor data on service status time frames to ensure a timely rehabilitation process as well as timely case inactivation when services are either completed or no longer desired.

TA: BESB does not request TA.

4. IPE Development Policy

Observation: BESB recently revised its policy establishing a timeline for the development of the IPE following the determination of eligibility to specify a timeline of nine months. The agency had previously established a timeline of one year. However, in practice the time required for the development of the IPE on average is significantly less than nine months. For example, in FY 2007, the agency required an average of 134 days to develop the IPE, a significant improvement over FY 2006 when an average of 217 days was required.

- In March 2006, RSA conducted a study of the written policies of the timelines for IPE development by VR agencies. RSA determined that of the 65 agencies that have established written policies that include timelines, 40 agencies (62 percent) require that individual IPEs be developed within 90 days or less subsequent to the determination of eligibility.

Recommendation 4: RSA recommends that BESB reduce the timeline for IPE development established in written policy based on current practice. BESB could consider establishing a committee (with SRC participation) to examine this policy and to move toward a reduction in the timeline.

Agency Response: BESB agrees to bring this recommendation before the SRC and the agency board for consideration. It should be noted that the SRC was very concerned about shortening the time frame from eligibility to IPE when this issue previously came before it for a vote. The SRC membership was concerned about establishing time frames that could serve to prematurely push individuals through the rehabilitation process.

TA: BESB does not request TA.

5. Transition-Age Youths Service Delivery and Outcomes

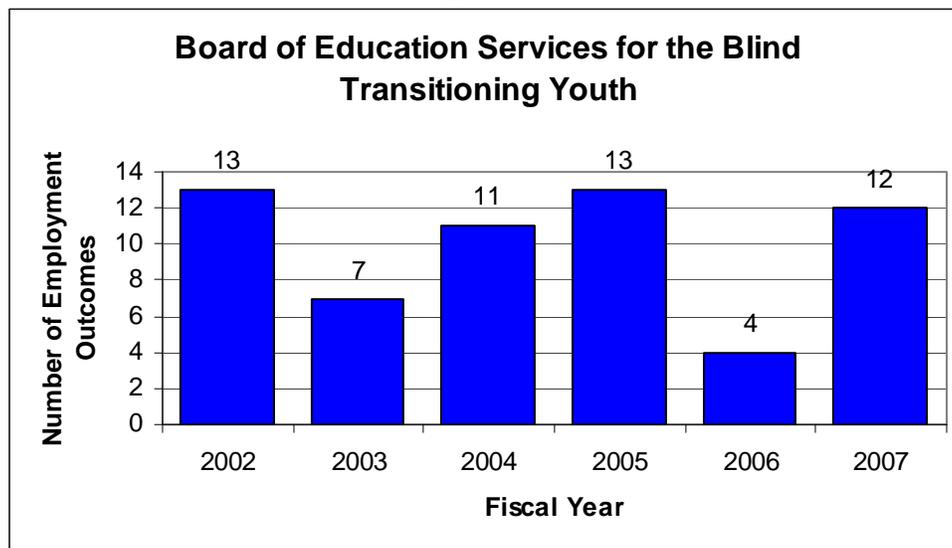
Observation: BESB employs one Transition Coordinator dedicated to the provision of transition services throughout all CT school districts. The Transition Coordinator is an active member of the CT State Transition Task Force and other state subcommittee initiatives. The Transition Coordinator provides support, guidance, and TA to 13 VR counselors who work with transitioning youth:

- the VR counselors are involved with students as early as age 14 with referral initiated by the education consultants of the Children's Services Division of BESB.
- BESB uses its case management system to track and identify the students who are legally blind at age 14. VR counselors and the Transition Coordinator work together with students to ensure that an IPE is developed by the time of graduation.
- BESB has a mentoring program that provides opportunities for work experience and field trips to employers. BESB partners with BRS, the SRC, and the University of

Connecticut for a one-week Youth Leadership Forum. This is a yearly event (currently in its third year) that teaches students with disabilities leadership, self-advocacy skills, and transition skills from high school to college.

- BESB’s data indicates in FY 2006, four percent of the individuals who applied for services were referred by elementary/secondary and postsecondary schools. In addition, in FY 2006, five percent of the individuals served by BESB were transition-aged youths. This percentage has decreased since FY 2002 when 10 percent of all individuals served were transition-age youths. Additionally, the number of transition-age youths who achieved employment outcomes has fluctuated from FY 2002 to FY 2007: 13 in FY 2002, seven in FY 2003, 11 in FY 2004, 13 in FY 2005, four in FY 2006, and 12 in FY 2007. There was an increase of eight successful employment closures from FY 2006 to FY 2007.

Figure 4.6



Recommendation 5: RSA recommends that BESB:

5.1 increase the number of transitioning students served by the agency, by expanding outreach activities and public awareness of the VR program in the school systems through the development of brochures describing transition services and presentations to teachers and parents of students with disabilities; and

5.2 develop agency performance goals to measure the increase in the students served and the transition outcomes achieved.

Agency Response: BESB will continue to monitor the mandatory state registry of individuals who are blind to ensure that all interested transition-age youths are referred to the VR program. BESB agrees with the recommendation to develop a brochure specific to transition school-to-work services and to widely distribute this information throughout the state.

TA: BESB does not request TA.

6. CRP Referrals

Observation: In FY 2006, BESB received 1.69 percent of its referrals from CRPs. During onsite discussions, both BESB and CRPs stated that CRP staff lack the expertise required when working with individuals who are blind and visually impaired.

Recommendation 6: RSA recommends that BESB provide its counselors with additional tools to increase their outreach efforts to CRPs and expand the pool of providers used by the agency.

Agency Response: BESB agrees with this recommendation. Marketing materials are being developed with the assistance of a professional marketing firm and will soon be available for counselors to utilize in outreach efforts. BESB further agrees to offer and participate in training seminars to CRP in the upcoming year.

TA: BESB does not request TA.

7. CRP Contracts

Observation: BESB develops fee-for-service contracts with CRPs for the delivery of job coaching and SE services. However, BESB does not specify in the contracts the obligations and requirements it places on vendors who provide these services. BESB does not include performance goals or benchmarks in its contractual agreements and does not monitor or measure the outcomes of its vendors. During the onsite review, CRP vendors reported untimely payments for services attributed to a recent change in policies by the Connecticut Department of Administrative Services.

Recommendation 7: RSA recommends that BESB:

7.1 enter into comprehensive contractual agreements with vendors that are performance-based with the goal of increasing employment outcomes;

7.2 develop strategies to monitor vendor performance on a regular, consistent basis;

7.3 communicate, educate, and partner with vendors on contractual agreements, performance measures, and state purchasing regulations; and

7.4 develop additional fiscal controls related to contractual agreements with CRPs and provide training to affected staff on the implementation of current and new procedures.

Agency Response: BESB is an active partner with BRS in utilizing the CRPs in Connecticut under a fee-for-service arrangement. BESB will continue to work with BRS to seek improvements in the fee-for-service model and to jointly implement performance-based outcomes where feasible.

TA: BESB does not request TA.

8. QA Process and relationships to VR systems

Observation: BESB's current QA process focuses on a thorough service record review of the VR process. The Quality Control Coordinator reviews every service record against the RSA-911 data sets to verify the quality of the data. The coordinator also verifies that all BESB policies and procedures were followed in the cases reviewed.

- reports to BESB staff are completed upon request and customized to staff needs. Status reports are distributed to the director and supervisors monthly, along with standards and indicators and outcome reports; and
- the current QA process addresses the quality and accuracy of the documentation of the service record. However, it does not address the quality of services delivered by BESB staff, CRP performance, agency performance, or adherence to the agency's mission and values. Furthermore, it does not compare and relate results to strategic planning objectives, fiscal management, data management, or the results of the comprehensive statewide needs assessment.

Recommendation 8: RSA recommends that BESB expand its QA process to encompass an agency-wide approach that includes: an assessment of how well the agency is meeting the vision, mission and values of the agency, and the degree to which the agency's performance is congruent with the comprehensive strategic plan measures of accountability at all levels of the agency; and an evaluation of agency outcomes. This approach should include fiscal and data management and involve staff, stakeholders, individuals with disabilities, and community partners.

Agency Response: BESB appreciates this recommendation and would welcome the opportunity for additional TA, including participation in the QA pilot project that RSA has initiated.

TA: BESB requests TA.

9. Strategic Planning and the VR State Plan

Observation: BESB's planning activities do not reflect a systematic approach that addresses components of a plan beyond goals and objectives (e.g., measures, targets, and data sources.) Neither targets nor other measures of success are presented in the goals section of the State Plan.

Recommendation 9: RSA Recommends that BESB define or adapt a strategic planning process/VR State Plan process that addresses all the components of a strategic plan. State Plan goals should be presented in a manner that allows for easy understanding by individuals other than agency staff, and therefore should include components of a plan beyond goals and priorities (e.g., strategies, measures, data sources, and targets).

Agency Response: BESB appreciates the TA documents that the RSA site review team provided during the on-site monitoring visit. BESB utilized that TA material to make changes to

the goals and priorities submitted to RSA for the FY 2009 State Plan. Additional details have been added to assist the reader with clearly understanding the purpose of the State Plan and the measurable outcomes to be achieved.

TA: BESB does not request TA.

10. Measurable Goals

Observation: BESB's planning activities do not reflect a systematic approach that addresses the components of a plan beyond goals and objectives (e.g. measures, targets, and data sources.) Neither targets nor other measures of success are presented in the goals section of the State Plan.

For example, current goals in the State Plan include:

- “increase opportunities for placement into competitive employment with long-term supports for consumers with the most significant disabilities” (Goal A). It is not clear how “opportunities” are measured. This goal would be measurable if it said, “increase placements” instead of “increase opportunities for placements;”
- “conduct employer outreach to increase awareness of the capabilities of people who are blind leading to successful job placements” (Goal F). It is not clear how awareness is measured. If the goal addressed an increase in job placements, it would be measurable;
- it is not clear what data sources can provide data for opportunities or for employer awareness. If these were measurable and if there were data sources available, how much would be enough?; and
- is an increase of one opportunity and an increase of one awareness of one employer sufficient to meet the goal? Without a target in place, it is not possible to determine if a goal has been achieved.

Recommendation 10: RSA recommends that BESB adapt a strategic plan/VR State Plan process to include measurable goals that allow the agency to determine when the goals are achieved.

Agency Response: BESB agrees with this recommendation and the VR State Plan submission for FY 2009 has incorporated these suggested changes.

TA: BESB does not request TA.

11. Planning Activities

Observation: BESB lacks coordination between its fiscal and programmatic planning staff. Program plans are prepared independently of the fiscal constraints and fiscal planning is undertaken independently of program planning processes. The coordination of program data and

fiscal data is not apparent in the following areas: strategic planning, policy development, program evaluation, resource allocation, and the evaluation of CRP activities.

Recommendation 11: RSA recommends that BESB integrate quantitative data and performance information into day-to-day management operations. Fiscal elements should be addressed in all planning activities to ensure the realistic allocation of resources.

Agency Response: Although BESB believes that RSA did not have sufficient time during the on-site visit to fully observe and collect data on the ongoing collaborations that occur between the fiscal services unit at the Department of Administrative Services and the agency, this recommendation reinforces the importance for fiscal staff involvement in programmatic planning activities. BESB shall continue to follow this recommendation and ensure that programmatic activities fully involve fiscal perspectives.

TA: BESB does not request TA.

CHAPTER 5: FISCAL MANAGEMENT OF BESB'S VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

RSA reviewed BESB's fiscal management of the VR and SE programs. During the review process RSA provided TA to the state agency to improve its fiscal management and identified areas for improvement. RSA reviewed the general effectiveness of the agency's cost and financial controls, internal processes for the expenditure of funds, use of appropriate accounting practices, and financial management systems.

Fiscal Management

The data in the following table, based on data reported on the fiscal reports submitted by the state agency, address the overall fiscal performance of the agency. The data related to matching requirements are taken from the respective fiscal year's final or latest Financial Status Report (SF-269). The carryover data are taken from the unobligated balance of federal funds portion of the fourth quarter SF-269. The MOE requirement data are taken from the final or latest SF-269 report of the fiscal year that is compared to the two years prior to the fiscal year. Fiscal data related to administration, total expenditures, and administrative cost percentages are taken from the RSA-2.

Table 5.1 Fiscal Profile Data for BESB for FY 2003 through FY 2007

Fiscal Year	2003	2004	2005	2006	2007
Grant Amount	2,758,005	2,814,228	2,824,568	2,919,215	3,030,581
Required Match	746,449	761,665	764,464	790,080	820,221
Federal Expenditures	2,758,005	2,720,428	2,668,185	2,808,032	1,704,627
Actual Match	958,603	978,035	958,603	978,035	958,603
Over (Under) Match	212,154	216,370	194,139	187,955	138,382
Carryover at 9/30 (year one)	1,819,688	2,765,360	2,782,871	2,799,111	2,801,258
Program Income	88,791	34,526	0	432,495	181,209
Maintenance of Effort (MOE)	917,500	925,000	958,603	978,035	958,603
Administrative Costs	458,162	467,720	293,233	375,107	367,428
Total Expenditures*	1,917,360	3,106,176	3,852,253	3,350,438	3,797,351
Percent Admin Costs to Total Expenditures	23.90%	15.06%	7.61%	11.20%	9.68%

*Includes SE program expenditures.

Explanations Applicable to the Fiscal Profile Table

Grant Amount:

The amounts shown represent the final award for each fiscal year, and reflect any adjustments for MOE penalties, reductions for grant funds voluntarily relinquished through the reallocation process, or additional grant funds received through the reallocation process.

Match (Non-Federal Expenditures):

The non-federal share of expenditures in the State VR Services Program, other than for the construction of a facility related to a CRP, is 21.3 percent, as established in the 1992 amendments to the Rehabilitation Act. A *minimum* of 21.3 percent of the total allowable program costs charged to each year's grant must come from non-federal expenditures from allowable sources as defined in program and administrative regulations governing the State VR Services Program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

In reviewing compliance with this requirement, RSA examined the appropriateness of the sources of funds used as match in the VR program, the amount of funds used as match from appropriate sources, and the projected amount of state appropriated funds available for match in each federal fiscal year. The accuracy of expenditure information previously reported in financial and program reports submitted to RSA was also reviewed.

Carryover:

Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the VR agency met the matching requirement for those federal funds by September 30 of the year of appropriation (34 CFR 361.64(b)). Either expending or obligating the non-federal share of program expenditures by this deadline may meet this carryover requirement.

In reviewing compliance with the carryover requirement, RSA examined documentation supporting expenditure and unliquidated obligation information previously reported to RSA to substantiate the extent to which the state was entitled to use any federal funds remaining at the end of the fiscal year for which the funds were appropriated.

Program Income:

Program income means gross income received by the state that is directly generated by an activity supported under a federal grant program. Sources of state VR program income include, but are not limited to, payments from the Social Security Administration for rehabilitating Social Security beneficiaries, payments received from workers' compensation funds, fees for services to defray part or all of the costs of services provided to particular individuals, and income generated by a state-operated CRP. Program income earned (received) in one fiscal year can be carried over and obligated in the following fiscal year regardless of whether the agency carries over federal grant funds. Grantees may also transfer program income received from the Social

Security Administration for rehabilitating Social Security beneficiaries to other formula programs funded under the act to expand services under these programs.

In reviewing program income, RSA analyzed the total amount (as compared to the total percentage of income earned by all VR agencies and comparable/like VR agencies), sources and use of generated income.

Maintenance of Effort:

The 1992 amendments revised the requirements in section 111(a)(2)(B)(ii) of the Act with respect to MOE provisions. Effective federal FY 1993 and each federal fiscal year thereafter, the MOE level is based on state expenditures under the Title I State Plan from non-federal sources for the federal fiscal year two years earlier. States must meet this prior year expenditure level to avoid monetary sanctions outlined in 34 CFR 361.62(a)(1). The match and MOE requirements are two separate requirements. Each must be met by the state.

In reviewing compliance with this requirement, RSA examined documentation supporting fiscal year-end and final non-federal expenditures previously reported for each grant year.

Administrative Costs:

Administrative costs means expenditures incurred in the performance of administrative functions including expenses related to program planning, development, monitoring, and evaluation. More detail related to expenditures that should be classified as administrative costs is found in the State VR Program regulations at 34 CFR 361.5(b)(2).

Fiscal Technical Assistance Provided to BESB During the Review Process

RSA provided VR and SE program TA to BESB during the review process regarding:

- a synopsis of each requirement and RSA's assessment of the agency's compliance with specific financial requirements, including match, MOE, carryover, reallocation, program income, liquidation of outstanding obligations, and grant closeout;
- due dates and preparation of the SF-269 and RSA-2 reports and the requirement to report all allowable state expenditures that are allocable to RSA-funded programs;
- reporting of VR program administrative costs and RSA-2 reporting related to reporting rent for VR counselors, orientation and mobility instructors, and rehabilitation teachers as administrative costs instead of program costs and the reporting of expenses in the services to groups category;
- BESB's waiver for the reimbursement of indirect costs and the impact on federal reports;

- time distribution documentation and semi-annual certification requirements and the applicability of these OMB Circular A-87 requirements to BESB staff;
- BESB's approach to financial planning, including consideration of: 1) actual and anticipated federal and state resources and funding reductions; 2) state and strategic plan goals; 3) innovation and expansion activities; 4) utilization of carryover funds; 5) projected cost of prior year commitments; and 6) compliance with the MOE requirement;
- the impact of not making sufficient federal expenditures during the first year of each grant period to be available for the transfer of current year expenditures to the prior year to utilized the entire unobligated balances of federal funds at the end of the carryover period;
- the planned actions and strategies leading to the gradual accumulation of federal grant funds (carryover) and BESB's expenditure plans for utilizing its large VR program carryover balance;
- BESB's approach to audit finding resolution and the current status of FYs 2005 and 2006 Single Audit findings; and
- the review, correction and approval (as appropriate) of the SF-269s for the VR, IL, and OIB programs for FYs 2005, 2006, and 2007.

VR and SE Programs Fiscal Management Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to BESB about those observations. The agency was given an opportunity to respond to each of the recommendations. In those instances when RSA and BESB agreed upon a recommendation, the two agencies worked together to identify the TA that RSA would provide to successfully implement the recommendation.

1. Management of Federal Grant Balances

Observation: BESB has carried over the majority of the allotted funds into the second year of the grant period.

- State VR Services Program regulations allow states to carryover the unobligated/unexpended balance of its current year federal funds (year one) to use for expenses in the next fiscal year (year two), if the remaining federal grant funds are matched by the state on or before September 30 of year one.
- Federal funds that are carried over from year one must be obligated no later than September 30 of year two of the grant period. Any funds that are not spent after two years revert to the U.S. Treasury and are not available to be spent on the VR program.

- The average carryover for all VR agencies in FY 2006 was 13.37 percent of their federal award. As indicated in Table 5.2 below, BESB has been carrying over between 92 and 98 percent of its grant the last four years.
- In any given fiscal year, BESB is expending funds and charging these expenditures to either the current year or the prior year (since carryover funds can be used to pay the expenses of the current year).
- At the end of year two, to avoid losing any remaining federal funds, BESB is allowed to make adjustments to the agency's accounting records to change federal expenditures previously charged to the current grant, and charge (or report) these expenditures as a cost of the prior year grant. If the agency has not spent sufficient federal funds in the current year to adjust the entire remaining balance of prior year federal funds, this results in an unobligated balance of federal funds when the final SF-269 is submitted for this grant.
- BESB's strategy of carrying over such large balances of federal grant funds and utilizing only a small percentage of current year funds in the first year of each grant period, has resulted in remaining balances of federal funds after two years.
- As indicated in Table 5.2 below, as a result of carrying over such a large percentage of federal funds that must be obligated before September 30 of year two of the grant period, BESB returned \$361,366 to the U.S. Treasury.

Table 5.2 BESB Federal VR Services Program Grant Balances from FY 2004 - FY 2007

	FY 2004	FY 2005	FY 2006	FY 2007
BESB's Federal Allotment	\$2,814,228	\$2,824,568	\$2,919,215	\$3,030,581
Percent of Federal Grant Funds BESB Carried Over for Use in Year Two	98.26%	98.52%	95.89%	92.43%
BESB's Remaining Unobligated Federal Funds After the End of Year Two That Reverted to the U.S. Treasury	\$93,800	\$156,383	\$111,183	Undetermined ¹

Recommendation 1: RSA recommends that BESB:

1.1 re-evaluate the agency's strategies related to the accumulation of carryover funds; and

1.2 take the appropriate action to ensure that current fiscal year expenditures from federal funds are sufficient to utilize any remaining balances from federal funds carried over from the previous year.

¹ At the time that this monitoring report was issued, a final report had not been submitted for FY 2007.

Agency Response:

During the site visit, RSA fiscal staff commended the agency leadership for maximizing carry-over funding in anticipation of the need for an Order of Selection after the state's long-time waiver of indirect costs expired. These carry-over funds have made it possible to project the capacity to serve all eligible individuals in FY 2009 and avoid an Order of Selection for that year despite the loss of the waiver. However, fiscal projections also show that even with this high carry-over balance, during FY 2010, an Order of Selection is projected. Therefore, any carry-over balance will quickly evaporate upon the expiration of the waiver, thereby resolving the concerns raised by RSA and making the issue moot for the future.

TA: BESB requests TA.

2. Reallotted Funds

Observation: Toward the end of each fiscal year, RSA requests that state VR agencies identify their need for additional federal funds, or release excess federal funds for the current fiscal year to be reallotted to other VR agencies that have a need for additional funds.

- BESB requested additional funds each fiscal year and, as a result, received a small amount of reallotted funds in FYs 2004, 2005, and 2006.
- BESB did not utilize the additional funds received through the reallotment process.
- Based on the latest SF-269s submitted to RSA, BESB's practice of carrying over such large balances of federal grant funds and utilizing only a small percentage of current year funds in the first year of each grant period equate to the loss of \$361,366 in federal State VR Services Program funds granted for FYs 2004, 2005, and 2006.
- Of the \$361,366 federal funds, \$93,800.11 (FY 2004) and \$153,814.81 (FY 2005) in federal funds that were made available to BESB for these fiscal years have reverted to the U.S. Treasury. Based on financial information submitted by BESB, \$111,183.41 in federal funds made available for FY 2006 are also scheduled to revert.
- There is a difference of \$2,567.67 between the federal funds that have been, or are scheduled to revert to the U. S. Treasury, and the cash actually drawn by BESB against these grants. The reconciliation of this amount may require that RSA take further action to also return this difference of \$2,567.67 to the U. S. Treasury.
- The unused federal grant funds (\$361,366), based on SF-269s submitted by BESB, could have been used by other VR agencies if identified and released by BESB through the reallotment process in a timely manner.

Recommendation 2: RSA recommends that BESB:

2.1 take the appropriate action to ensure that any additional funds requested through the reallocation process will be used by the agency to expand services provided under the State VR Services Program; and

2.2 ensure that any excess federal funds that cannot be utilized, are released in a timely manner to allow these funds to be reallocated to other state VR agencies requesting additional funds.

Agency Response: BESB has requested reallocation funds with the full intent of utilization and not with the expectation of needing to return any prior year funds. With the expired waiver of indirect charges described above, the agency is confident that no unliquidated prior year balances will be experienced again.

TA: BESB may request TA.

VR and SE Programs Fiscal Management Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that BESB is required to undertake. BESB must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and is available to provide TA to assist BESB.

1. Financial Status Reporting

Legal Authority:

34 CFR 361.2 – Eligibility for a grant:

“Any *State* that submits to the Secretary a State plan that meets the requirements of section 101(a) of the Act and this part is eligible for a grant under this program.” (emphasis added)

34 CFR 361.62(a)(1):

“The Secretary reduces the amount otherwise payable to a *State* for a fiscal year by the amount by which the *total expenditures from non-federal sources under the State plan* for the previous fiscal year were less than the total of those expenditures for the fiscal year 2 years prior to the previous fiscal year.” (emphasis added)

34 CFR 361.62(a)(2):

“If, at the time the Secretary makes a determination that a *State* has failed to meet its maintenance of effort requirements...”(emphasis added)

34 CFR 361.62(c):

If there is a separate part of the *State plan* administered by a separate State agency to provide vocational rehabilitation services for individuals who are blind –

(1) Satisfaction of the maintenance of effort requirements under paragraph (a) and (b) of this section are determined based on the *total amount of a State's non-federal expenditures* under both parts of the State plan, and

(2) If a *State* fails to meet any maintenance of effort requirement, the Secretary reduces the amount otherwise payable to the *State* for that fiscal year under each part of the plan in direct relation to the amount by which expenditures from non-federal sources under each part of the plan in the previous fiscal year were less than they were for that part of the plan for the fiscal year 2 years prior to the previous fiscal year. (emphasis added)

34 CFR 80.24(a)(1):

“...a matching or cost sharing requirement may be satisfied by either of the following:

(1) *Allowable* costs incurred by the grantee....” (emphasis added)

OMB Circular A-87, Attachment A, Section C – (Cost Principles for State, Local and Indian Tribal Governments):

“To be *allowable* under federal awards, costs must meet the following general criteria ... a. Be necessary and reasonable for the proper and efficient performance and administration of federal awards; and b. Be *allocable* to federal awards under the provisions of this Circular.” (emphasis added)

OMB Circular A-87, Attachment A, Section C.4:

“A cost is *allocable* to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.” (emphasis added)

RSA Policy Directive 03-02, dated February 11, 2003 (Instructions – Annual Vocational Rehabilitation Program/Cost Report (RSA-2)):

Page 3, Paragraph 3: “The RSA-2 report must reflect *all expenditures made from obligations incurred* during the federal fiscal year covered by the report from **all** federal, state and other rehabilitation funds, including Section 110 federal funds, Title VI-B federal funds and program income funds that were carried over from the previous fiscal year in accordance with Section 19 of the Act.” (emphasis added)

Pages 3-4, Section 110 Funds: “...the State matching funds include certified public funds under cooperative arrangements, the State funds used to meet the Maintenance of Effort (MOE) requirement, *and the eligible State funds in excess of those required for matching the federal funds or meeting the MOE requirement.*” (emphasis added)

Page 4, Schedule I – Total Expenditures – “The purpose of Schedule I is to provide the means for State VR agencies to report the *total amount of expenditures in providing VR services* under the Rehabilitation Act of 1973, as amended.” (emphasis added)

34 CFR 361.5(b)(2) – Applicable Definitions:

Administrative costs under the State plan means expenditures incurred in the performance of administrative functions under the vocational rehabilitation program carried out under this part, including expenses related to program planning, development, monitoring, and evaluation, including, but not limited to, expenses for –

- Quality assurance;
- Budgeting, accounting, financial management, information systems, and related data processing;
- Providing information about the program to the public;
- Technical assistance and support services to other State agencies, private nonprofit organizations, and businesses and industries;
- The State Rehabilitation Council and other advisory committees;
- Professional organization membership dues for designated State unit employees;
- The removal of architectural barriers in State-operated rehabilitation facilities;
- Operating and maintaining State unit facilities, equipment and grounds;
- Supplies;
- Administration of the comprehensive system of personnel development described in 34 CFR 361.18, including personnel administration, administration of affirmative action plans, and training and staff development;
- Administrative salaries, including clerical and other support staff salaries, in support of these administrative functions;
- Travel costs related to carrying out the program, other than travel costs related to the provision of services;
- Costs incurred in conducting reviews of determinations made by personnel of the designated State unit, including costs associated with mediation and impartial due process hearings under 34 CFR 361.57; and
- Legal expenses required in the administration of the program.

Finding: Financial Status Reports (SF-269s) and Annual Vocational Rehabilitation Program/Cost Reports (RSA-2s) submitted by BESB do not include all expenses incurred by the state in providing services under the State Plan submitted for the State VR Services and SE Programs. BESB's failure to report all of its expenditures has a direct effect on the MOE calculation for the state. RSA will need more information in order to determine the state's compliance with the MOE requirement (pursuant to 34 CFR 361.62) because BESB has selectively reported its allowable and allocable non-federal expenses incurred in carrying out activities under the State Plan. Once RSA receives this information, RSA will be able to determine whether the state has met its MOE requirements or whether federal funds will need to be recovered pursuant to 34 CFR 361.62(a) and (c).

The state of CT receives funds under Titles I and VI-B of the Rehabilitation Act to administer the VR and SE programs. In one of two State Plans submitted to RSA by the state, the BESB is designated, pursuant to 34 CFR 361.10(b), to administer the part of the State Plan under which VR services are provided for individuals who are blind.

Each state VR agency, including BESB, must submit an RSA-2 for each federal fiscal year (October 1 through September 30) that outlines all expenditures incurred in providing VR services under the VR and SE programs. The RSA-2 report instructions explicitly require each state VR agency, including BESB, to itemize *all allowable expenditures made from obligations incurred* (emphasis added) during that particular federal fiscal year from all sources, including federal, state, and other rehabilitation funds (see PD-03-02, page 3). Allowable costs are those that are both: 1) necessary and reasonable for proper and efficient performance and administration of federal awards; and 2) allocable to the award, which is determined in accordance with relative benefits received (see OMB Circular A-87, Attachment A, "Basic Guidelines"). In general, funds expended by the state for the provision of VR services and/or for the administration of the program that meet the tests of being allowable and allocable are the actual costs of carrying out that portion of CT's State VR Services Program administered by BESB. All allowable state expenditures, regardless of the organizational level at which these expenditures are incurred, must be reported. The extent to which an allowable expenditure benefits the program (allocability) must also be determined to accurately report the total cost of the State VR Services Program to RSA each year (see PD-03-02, page 3).

Allowable costs are generally classified as either program or administrative costs. Program costs refer to those expenditures incurred during the actual provision of services. Administrative costs, on the other hand, are those incurred while carrying out the administrative functions of the State Plan, such as program planning, development, monitoring, evaluation, budgeting, and personnel. There are two kinds of administrative costs -- direct (costs identified with a particular cost objective), or indirect (costs that benefit more than one cost objective). BESB has failed to report all of its administrative costs. In reviewing BESB's RSA-2 report for FY 2007, RSA noted in particular that:

- BESB reported direct costs for only two administrative staff – one who is assigned to prepare the RSA-2 report and an administrative assistant;
- BESB did not report any indirect costs incurred in administering the VR program;

- BESB did not report costs, direct or indirect, for the VR director or any other program manager with statewide responsibilities; and
- BESB does not have a current indirect cost rate to reimburse the state for administrative expenses incurred for the benefit of the VR program.

RSA learned that the state has granted BESB a waiver from the requirement to reimburse the state for indirect cost expenditures. This waiver, which has been in effect for several years, allows BESB to use the additional funds to provide more VR services. In effect, the state has increased its contribution to the VR program. While the state can waive reimbursement of indirect administrative expenses, these costs were still incurred by the state for the benefit of the VR program, and therefore should be reported on financial reports submitted to RSA.

The accurate reporting of all expenditures – both program and administrative, regardless of the funding source -- is necessary for determining how much of those expenditures were from non-federal sources. This determination is crucial for calculating the state's MOE obligation pursuant to 34 CFR 361.62. Essentially, MOE requires that total expenditures from non-federal sources under the State Plan in any given fiscal year must at least equal the total expenditures from non-federal sources in the fiscal year that is two years prior to the one being reviewed. If the state fails to meet its MOE obligation, the state must repay RSA the amount of the deficit (34 CFR 361.62(a)(1)) through either a grant reduction or by an audit disallowance, whichever is appropriate (34 CFR 361.62(a)). It is important to note, however, that the MOE is determined by the total non-federal expenditures under the State Plan by both BESB and the CT general VR agency (34 CFR 361.62(c)(1)). Hence, it is possible for one agency's over-expenditures to offset the other's under-expenditures. MOE deficits are recovered in direct proportion to each agency's failure to satisfy the MOE requirements (34 CFR 361.62(c)(2)).

In summary, BESB's failure to report all of its administrative expenditures for the VR program has a direct effect on the MOE calculation for the state. RSA needs more information in order to determine the state's compliance with its MOE obligation. Once RSA receives this additional information, RSA will determine whether federal funds will need to be recovered to compensate for any MOE deficits.

Agency Response: The agency believes this finding to be contrary to instructions issued in RSA-PD-06-08, Schedule 1, line 1b which states in part: “Enter the total amount of funds *expended* for administrative costs claimed through an *approved* Indirect Cost (I/C) Agreement or Cost Allocation Plan (emphasis added).” BESB has neither *expended* the funds cited in the RSA finding, nor does the agency have an *approved* Indirect Cost (I/C) Agreement or Cost Allocation Plan. As RSA is aware, BESB has been operating with a waiver of indirect costs for many years and therefore has expended no funds for indirect costs. It is important to further recognize that BESB has been clearly reflecting the waiver of indirect costs on SF-269 reports and approved State Plans throughout these years, without RSA ever objecting to the agency’s method for reporting administrative costs in any monitoring activity. It concerns the agency greatly that RSA has only now, after many years of the agency reporting this waiver and acting in good-faith

reliance on RSA's conscious acceptance of the agency's reports, opted to find a need for corrective action, and that such corrective action is required dating back five fiscal years.

Of greater concern is that RSA is intimating that, based upon the results of such back-reporting, RSA may take retroactive steps and current funds that are needed to serve individuals who are blind could be negatively impacted. Although the agency believes that the reporting of costs that were never, in fact, expenditures reflects a misrepresentation of actual events, the agency shall nonetheless fully comply and work with RSA to modify prior year reports to suit RSA's new interpretation of the reporting requirements. The agency, with the involvement of the Connecticut Attorney General's Office, shall further work with RSA to discuss any potential impact that such a recalculation of administrative charges could have upon current-year federal funding in order to avoid any potential harm to the essential services necessary for individuals who are blind to obtain and maintain employment.

Corrective Action 1: After careful consideration of the content of the agency's response, RSA maintains that its compliance finding is based on Federal fiscal reporting requirements and the guidance RSA has issued pertaining to those requirements. Therefore, RSA requires BESB to take the following specified corrective actions to resolve the finding:

1.1 develop and implement a corrective action plan to ensure that all allowable and allocable program and administrative costs incurred by the state for the benefit of the state VR program are reported on Financial Status Reports and Annual Vocational Rehabilitation Program/Cost Reports submitted to RSA by BESB; and

1.2 revise final (or latest) Financial Status Reports and Annual Vocational Rehabilitation Program Costs reports submitted by BESB for FYs 2004 through 2008 to include previously unreported (direct and indirect) costs incurred for the administration of the state VR Services program and delivery of services to VR consumers under this program.

TA: BESB requests TA. Substantial assistance will be required to resolve the RSA-2 and SF-269's going back five fiscal years.

VR and SE Programs' Issues for Further Review

RSA plans on conducting further review of the actions taken by BESB to ensure that all allowable costs incurred by the state are identified and reported to the extent of benefits received by the State VR Services Program; and the accuracy of SF-269 and RSA-2 financial and statistical information reported to RSA.

CHAPTER 6: INDEPENDENT LIVING PROGRAM

Agency Information and Performance

In FY 2007, 41 individuals received IL services funded through Chapter 1, Part B funds. An additional 821 individuals in the state received IL services from CILs funded through Part C funds provided directly by RSA.

Table 6.1 IL Program Highlights for BRS and BESB for FY 2006 and FY 2007

Data Elements	2006	2007
Funding: Title VII, Chapter 1, Part B	301,477	301,477
Funding: Total Resources (including Part B funds)	826,826	1,855,744
Performance: Total Served	34	41
Performance: Total Consumer Service Records Closed	0	0
Performance: Cases Closed, Completed All Goals	2	16
Performance: Total Goals Set	83	98
Performance: Total Goals Met	32	53
Performance: Total Accesses Achieved	—	—

IL Program Administration and Service Delivery

In FY 2007, CT received \$301,477 in Part B funds. BRS and BESB's share of the total was \$256,256 and \$45,221, respectively. BRS and BESB provided IL services by disbursing \$170,000 in Part B and 84,000 in state funds to five Part-C funded CILs, including: the Center for Disability Rights, Disabilities Network of Eastern Connecticut, Disabilities Resource Center of Fairfield County, Independence Northwest, and Independence Unlimited. Also, BESB retains approximately \$6,000 in Part B funds for the purchase of adaptive equipment for visually impaired consumers.

The FY 2008 - 2010 State Plan for IL (SPIL) allocates \$122,000 in Part B funds over three years for IL expansion in the state, including the establishment of new CILs. However, since the SPIL was originally approved by RSA, BRS, BESB, the SILC, and the CILs have determined to amend the SPIL to re-direct the Part B funds to support the operation of the existing CILs. The parties were concerned about the CILs' ability to retain employees in the face of increasing operating costs.

The SILC operates as a 501(c)(3) entity. Under the current FY 2008 - 2010 SPIL, the SILC resource plan will be funded through \$180,000 in innovation and expansion funds under section 110 of the Act.

Personnel

- BRS administers the IL program through an IL counselor paid through Part B funds at 0.5 full-time equivalents (FTEs). The counselor serves as a liaison among BRS, BESB, the CILs, and the SILC and actively participates on several SILC committees; and
- BESB also has an IL liaison responsible for the IL program. The liaison serves on the SILC and participates in various SILC committees.

Data Management

- BESB collects and reports IL data for the RSA-704 report through a new data management system. Currently, staff are undergoing training on the new system and gaining the capacity to accurately input, collect, and report data.
- Once BESB gathers its data for the RSA-704 report, the agency submits its Part B data to BRS, which aggregates the data in the report that it submits to RSA.
- The CILs collect RSA-704 report data through their own individual systems and submit their reports directly to RSA.

Fiscal Management

- BRS provides administrative oversight for the CIL's Part B contracts. In accordance with the BRS contracts, the CILs develop and submit comprehensive evaluation plans during the first quarter of the contract period. Quarterly program and financial status updates are submitted on all Part B contracts. All reports are reviewed and approved prior to approval of quarterly invoices.
- BESB's purchases of services and adaptive equipment through the IL program are authorized by the agency's social workers. Requisitions are then submitted to supervisors for approval and then forwarded to vendors for the provision of purchased services. Upon the completion of services, the vendor submits a report with client verification that services were rendered. The social worker reviews the report and approves payment for the services provided. Invoices are sent to the DAS fiscal services unit for check processing to the vendor.

Quality Assurance

- The SILC, together with BRS, BESB, and the CILs, monitors and evaluates the implementation of the SPIL on an ongoing basis. With regard to the CILs contracts, BRS conducts annual fiscal audits and is implementing programmatic audits to verify compliance with contract deliverables; and
- BESB does not have QA policies and procedures for its Part B program.

Planning

- The SPIL serves as the strategic plan for CT's IL program. The SILC, CILs, and the DSUs are responsible for conducting strategic planning for the Part B program, with input from stakeholders.

IL Program TA Provided to BRS, BESB, the SILC, and CILs During the Review Process

RSA provided IL program TA during the review process regarding:

- the respective roles and responsibilities of the DSUs, the SILC, and the CILs in the administration of the Part B program; and
- the SPIL amendment process.

Observations of BRS and BESB and Its Stakeholders about the Performance of the IL Program

RSA solicited input from BRS, BESB, the SILC, and a wide range of its stakeholders about the performance of the IL program. The DSUs and stakeholders shared the following observations:

- the need for more IL services in the state;
- the need for more accessible transportation and accessible, affordable housing is in short supply; and
- improving the IL referral process.

RSA discussed the observations of its stakeholders with the DSUs and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

IL Program Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to BRS about those observations. BRS responded to each of the recommendations and in those instances when RSA and BRS agreed upon a recommendation. RSA and BRS identified the TA that RSA would provide to successfully implement the recommendation.

1. SILC Leadership, Roles, and Responsibilities

Observation: The SILC is in the midst of a transition period due to changes in leadership. Over the past two years, the SILC has gone through a change in SILC chairs as well as a change in SILC executive directors. These changes have resulted in a need for a better understanding of roles and responsibilities, duties, and activities. Interviews with SILC members indicated a need for a better understanding of their roles and responsibilities as SILC members.

Recommendation 1: RSA recommends BRS the SILC receive TA from the Independent Living Research and Utilization Program for intensive training and follow-up.

Agency Response: The DSU is in agreement with the RSA observation. The DSU understands the value of a strong SILC for a state. The DSU welcomes any and all TA that RSA can provide in this area.

TA: BRS requests TA.

2. SPIL Amendments

Observation: The SILC, DSUs, and the CIL directors have agreed to amend the SPIL to re-allocate funds for CIL operations. Last fall, the CIL directors expressed concern about reductions in funding that resulted in the loss of staff. Instead of allocating funds toward opening new centers, Part B funds will be re-directed to enhance the operations of each existing CIL, enabling CILs to hire additional employees and increase the provision of IL services.

- Prior to developing the SPIL amendments, the SILC did not take into consideration the development of criteria that would enable the DSU to evaluate and monitor utilization of these dollars. RSA is concerned that without measurement criteria in place, CILs are likely to become dependant on these dollars. CILs are required to conduct resource development activities under 34 CFR 366.63.

Recommendation 2: RSA recommends that if the proposed SPIL amendments are approved by RSA, the revised SPIL should include benchmarks for measuring CIL progress toward leveraging the additional Part B funds.

Agency Response: The DSU agrees with the RSA observation and recommendation. The proposed SPIL amendments will include a new goal (Goal #9), which will concern itself with annual on-site monitoring reviews of each CIL in CT. In the annual monitoring reviews, an emphasis will be placed on the resource development activities that the CILs are required to conduct under 34 CFR 366.63.

TA: BRS does not request TA.

CHAPTER 7: INDEPENDENT LIVING FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM

Agency Information and Performance

In FY 2007, the CT OIB program served 1,634 individuals directly through its own staff.

Table 7.1 OIB Program Highlights for BESB for FY 2006 and FY 2007

Data Elements	2006	2007
Expenditures: Title VII, Chapter 2	503,378	212,846
Expenditures: Total (including Chapter 2)	1,351,662	1,406,454
Performance: Total Older Individuals who are Blind Served	1,403	1,634
Staffing: Total FTEs	15.19	22.85
Staffing: Total FTEs with Disabilities	2.93	3.50

OIB Program Administration and Service Delivery

BESB has 21 FTEs dedicated to providing OIB services. The total amount of funds expended for the OIB Program was \$1,406,454. Title VII, Chapter 2 funds totaled \$212,846.

Of the 1,634 consumers served in FY 2007, 641 were between the ages of 80 and 89, white females, and totally blind. Macular degeneration was the predominant cause of blindness, with 1,046 consumers reporting this disability. Eye care providers made 1,205 referrals.

Personnel

OIB has a project director who administers the IL and OIB program. This person is a member of BESB's management team. The OIB program also employs a project coordinator who is responsible for developing and implementing the community outreach and education components of the OIB program and generation of the RSA-7-OB report. This person is also responsible for generating the IL Part B RSA-704 report, and provides quality assurance for that program.

The OIB program has 21 staff members and 1.85 contracted staff who delivers OIB services across the state. Of the agency's 21 FTEs, 11.75 are direct service staff including social workers, rehabilitation teachers, and orientation and mobility instructors; 7.5 are support staff; and 1.75 are administrative staff. Also, the OIB program has four volunteers.

Data Management/Quality Assurance

BESB collects data for the OIB program through its new data collection system and completes the RSA-7-OB annual performance report for submission to RSA;

separately, the OIB project coordinator is an ex-officio appointed member of the SILC and uses this as an opportunity to gather programmatic information regarding IL services across the state. In addition, the OIB administrator participates in the development and implementation of the SPIL and this enables her to further evaluate and improve OIB services.

The OIB program has no written policies and procedures for QA. Staff report that informal reviews of consumer files are done on a periodic basis.

Fiscal Management

The procedures for OIB fiscal management are not specific to this program and are covered in general fiscal sections of this report.

Planning

BESB is responsible for strategic planning for the OIB program.

OIB Program Technical Assistance Provided to OCB During the Review Process

RSA provided OIB program TA to BESB during the review process regarding:

- potential strategies to meet growing demands; and
- regulatory requirements for establishing an OIB policy manual.

Observations of BESB and Its Stakeholders about the Performance of the OIB Program

RSA solicited input from BESB and a wide range of its stakeholders about the performance of the OIB program. The BESB and its stakeholders shared the following observations:

- CT has a need for additional services across the state; and
- the aging population will dramatically increase service-demands.

RSA discussed the observations of its stakeholders with BESB and addressed as many of them as possible either directly or by consolidating them into broader issue areas.

OIB Program Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to BESB about those observations. BESB responded to each of the recommendations and in those

instances when RSA and BESB agreed upon a recommendation, RSA and OIB identified the TA that RSA would provide to successfully implement the recommendation.

1. OIB Referral Sources

Observation: The OIB Program has limited referral sources and does not target the consumer community with outreach efforts. CT state law requires that anyone diagnosed as legally blind or anyone with significant eye conditions must be referred to BESB for service provision. The primary referral source is eye care providers, as reported on RSA-7-OB data from FY 2007. Referrals from other sources are significantly lower than those from eye care providers.

Recommendation 1: RSA recommends that BESB develop and implement additional strategies for increasing community outreach to disability advocacy groups, support groups, churches or other religious affiliations, and the media to increase referrals from other sources.

Agency Response: Although the agency does engage in significant outreach activities already, the agency does agree that additional outreach activities are always desirable and will continue outreach initiatives to ensure that doctors remain fully aware of the mandatory referral requirements that exist in state statute. The agency shall further continue to offer seminars and participate in health fairs, civic meetings, and related events where opportunities exist to promote the availability of rehabilitative services.

TA: BESB does not request TA.

OIB Program Compliance Finding and Corrective Actions

RSA identified the following compliance finding and corrective actions that BESB is required to undertake. BESB must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and is available to provide TA to assist BESB.

1. OIB Policies and Procedures on Confidentiality

Legal Requirement: 34 CFR 367.4 applies 34 CFR 364.56(a) to the OIB Program. Section 364.56(a) states, "General provisions. The State Plan must assure that each service provider will adopt and implement policies and procedures to safeguard the confidentiality of all personal information, including photographs and lists of names...."

Finding: Review of OIB files and discussion with OIB and BESB administration indicate there are no written policies and procedures concerning the confidentiality of personal information. There is no policy and procedures manual for the OIB program, in general.

Agency Response: BESB does have an extensive policy and procedure manual that applies to all independent living services delivered under the auspices of the Adult Services Division. It is

available for public viewing on the agency website. The manual does include confidentiality provisions that apply to IL Part B and OIB services. BESB agrees to revise its policy and procedure manual and requests technical assistance from RSA to assist with strengthening the specific language to resolve this finding.

Corrective Action 1: BESB must adopt and implement policies and procedures that safeguard the confidentiality of personal information. In order to meet this requirement the policies and procedures must be in writing and must meet the requirements of 34 CFR 364.56. BESB may want to consider including such policies and procedures in a manual that covers other aspects of the OIB program.

TA: BESB requests TA.

Appendix: Sources of Data

VR and SE Program Highlights

- Total funds expended on VR and SE – RSA-2 line I.4
- Individuals whose cases were closed with employment outcomes - RSA-113 line D1
- Individuals whose cases were closed without employment outcomes - RSA-113 line D2
- Total number of individuals whose cases were closed after receiving services – RSA-113 line D1+D2
- Employment rate – RSA-113 line D1 divided by sum of RSA-113 line D1+D2, multiplied by 100
- Individuals whose cases were closed with SE outcomes – Total number of individuals whose employment status at closure (record position 161) = 7 in the RSA-911 report
- New applicants per million state population – RSA-113 line A2 divided by the result of the estimated state population divided by 1 million. The estimated state population is found on the following website: <http://www.census.gov/popest/states/NST-ann-est.html>
- Average cost per employment outcome – Sum of individuals' cost of purchased services from the RSA-911 (record position 104-109) for individuals who achieved an employment outcome (record position 198 =3) divided by the total number of these individuals
- Average cost per unsuccessful employment outcome – Sum of individuals' cost of purchased services from the RSA-911 (record position 104-109) for individuals who did not achieve an employment outcome (record position 198 =4) divided by the total number of these individuals
- Average hourly earnings for competitive employment outcomes - Sum of individuals' weekly earnings at closure (record position 163-166) divided by the total hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure > 0, where the type of closure (record position 198) = 3, and where competitive employment (record position 162) = 1
- Average state hourly earnings – Using the most relevant available data from the Bureau of Labor Statistics Report (<http://www.bls.gov>), state average annual earnings divided by 2,080 hours

- Percent average hourly earnings for competitive employment outcomes to state average hourly earnings – Average hourly earnings for competitive employment outcomes (above) divided by the Average state hourly earnings (above) multiplied by 100
- Average hours worked per week for competitive employment outcomes - Average hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure (record position 163-166) > 0 and where the type of closure (record position 198) = 3 and competitive employment (record position 162) = 1
- Percent of transition age served to total served – Total number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) is 3 or 4 divided by all individuals of any age whose type of closure (record position 198) is 3 or 4
- Employment rate for transition population served – Total number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) = 3 divided by the number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) is 3 or 4 multiplied, the result of which is multiplied by 100
- Average time between application and closure (in months) for individuals with competitive employment outcomes - Average of individuals date of closure (record position 201-208) minus date of application (record position 15-22) in months where type of closure (record position 198) = 3 and competitive employment (record position 162) = 1

IL Program Highlights (From RSA 704 report)

- Funding: Title VII, Chapter 1, Part B - Subpart I, Administrative Data, Section A, Item 1(A)Funding: Total Resources (including Part B funds) - Subpart I, Administrative Data, Section A, Item 4
- Performance: Total Served - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section A(3)
- Performance: Total Consumer Service Records Closed - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B(6)
- Performance: Cases Closed - Completed All Goals - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B(4)
- Performance: Total Goals Set - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L) for the column “Goals Set”
- Performance: Total Goals Met - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L) for the column “Goals Achieved”
- Performance: Total Accesses Achieved - Subpart III, Section B, Item 2, sum of (A) + (B) + (C) for the column “# of Consumers Achieving Access”
- Staffing: Total FTEs - Subpart I, Section F, sum of Item 2 for the column “Total Number of FTEs”

- Staffing: Total FTEs with Disabilities - Subpart I, Section F, sum of Item 2 for the column “Total Number of FTEs with Disabilities”

ILOB Program Highlights (From RSA 7-OB Form)

- Expenditures: Title VII, Chapter 2 - Part I-Sources and Amounts of Funding, (A)(1)
- Expenditures: Total (including Chapter 2) - Part I-Sources and Amounts of Funding, (A)(6)
- Performance: Total Older Individuals who are Blind Served - Part III-Data on Individuals Served During This Fiscal Year, (B)-Gender, sum of (1) + (2)
- Staffing: Total FTEs - Part II-Staffing, sum of (1) + (2) + (3) + (4) for the column “Total FTEs: State Agency + Contactors”
- Staffing: Total FTEs with Disabilities - Part II-Staffing, sum of (1) + (2) + (3) + (4) for the column “FTEs with Disability”