

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



**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 District of Columbia (DC):

- 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 independent living services program for older individuals who are blind (OIB), established under Title VII, Chapter 2.

In DC, the Rehabilitation Services Administration (DCRSA), located within the Department of Disability Services (DDS), is responsible for the administration of these four programs.

RSA's review began in the fall of 2007 and ended in the summer of 2008. During this time, RSA's DC 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 several 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 compliance findings, and areas for improvement;
- provided technical assistance (TA) during the review process;
- recommended that DCRSA undertake specific actions to improve its performance;
- required DCRSA to take corrective action in response to compliance findings;
- in collaboration with DCRSA identified TA that would be helpful to improve its performance or correct compliance findings; and
- identified issues for further review.

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

DCRSA

Strengths:

- The DC government continues to support the VR program through a financial commitment at a level that exceeds the statutory matching requirement, providing DCRSA with additional resources that can be used to expand services for individuals with disabilities.

Challenges:

DCRSA faces a number of challenges as it seeks to improve its performance and the quality of services provided to individuals in DC. Among these are:

- increasing the number of individuals who apply to the program, are served by the program, and achieve high quality employment outcomes as a result of receiving services from DCRSA;
- serving more transition-age youths;
- providing supported employment services to more individuals;
- providing high quality VR services either directly or through CRPs;
- managing its fiscal resources to avoid interruption of services during the fiscal year;
- maintaining sufficient staffing levels in all areas to ensure the quality of services provided to individuals;
- implementing a new case management system that will allow for more effective data reporting and tracking of fiscal obligations;
- coordinating staffing resources and functional assignments under the new organizational structure;
- collaborating with a newly constituted SRC to ensure that the newly appointed members understand their roles and responsibilities; and
- effectively forecasting and coordinating programmatic and fiscal resources.

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 to which 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 independent living 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 DCRSA's progress on:

- the agency's Corrective Action Plan that was established as a result of findings from RSA's FY 2004 Section 107 monitoring review; and
- the assurances that DCRSA made to RSA in conjunction with the approval of its FY 2008 State Plan.

District of Columbia Administration of the VR, SE, IL, and OIB Programs

DCRSA, the designated state unit (DSU), is responsible for the administration of the VR and SE programs in DC, providing services to individuals who are blind, through its newly-established Office of Blind and Visual Impairment Programs, and to all other individuals with disabilities. DCRSA is located within DDS, created as a cabinet-level agency in DC under the Department on Disability Services Establishment Act of 2006. In accordance with the provisions of this legislation, the transfer of DCRSA from DC's Department of Human Services was fully implemented on July 1, 2007.

DCRSA employs a majority of its staff at its main office, located in the northeast section of DC. In addition, it employs a few VR counselors and administrative support staff at one satellite office in the northwest section of the city. The agency also assigns one VR counselor two each of the two one-stop workforce investment centers in the northwest and southeast sections.

Staff located in the agency's Vocational Rehabilitation Services Division provide IL services, and the agency administers the OIB program through the Office of Blind and Visual Impairment Programs.

For the four programs listed above, this report describes RSA's review of DCRSA, provides information on its performance, identifies performance and compliance issues, along with the related recommendations for program improvement. The report also identifies the TA that RSA will provide to DCRSA to address each of the issues covered during the review.

Appreciation

RSA wishes to express appreciation to the representatives of DDS, DCRSA, the SRC, the SILC, and the stakeholders who assisted the RSA monitoring team in the review of DCRSA.

CHAPTER 1: RSA'S REVIEW PROCESS

Data Used During the Review

RSA's review of DCRSA 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

During the review process, the RSA DC 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 several on-site visits, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, and identify compliance findings, and areas for improvement;
- provided TA during the review process;
- recommended that DCRSA undertake specific actions to improve its performance;
- required DCRSA to take corrective action in response to compliance findings;
- in collaboration with DCRSA, identified TA that would be helpful to improve the agency's performance or correct compliance findings; and
- identified issues for further review.

RSA DC State Team Review Participants

Members of RSA's DC state team included representatives from each of the five functional units within RSA's State Monitoring and Program Improvement Division. The RSA DC state team was led by RSA's state liaison to DC, Brian Miller (VR Unit), and the following RSA DC team members: James Billy (TA Unit); Christyne Cavataio, Jim Doyle, Tonya Stellar, and Douglas Zhu (VR Unit); Felipe Lulli (IL Unit); Regina Luster and Jacqueline Stuckey (Fiscal Unit); and Joe Pepin and Thomas Somers (Data Unit).

Information Gathering

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

- teleconferences with VR and IL stakeholders beginning in January, 2008;
- teleconferences with the DCRSA management beginning in October, 2007;
- teleconferences with DCRSA IL program staff, SILC members and administrative staff, and OIB staff; and
- on-site monitoring visits in January, February, April, and June of 2008, including meetings with the designated state agency (DSA) director, the acting deputy-director of DCRSA, the director of the Client Assistance Program, and members of the SILC and SRC.

CHAPTER 2: DCRSA VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

Agency Information and Performance

In FY 2007, DCRSA served 972 individuals and successfully rehabilitated 575 of these individuals. Of those who were successfully rehabilitated, 78 achieved a SE outcome. Over the past five years, DCRSA's number and percent of employment outcomes has decreased, and the number of applicants and number of individuals served has also declined significantly. (See Table 2.1 below).

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

Program Highlights	2003	2004	2005	2006	2007
Total funds expended on VR and SE	\$20,230,531	\$21,432,812	\$22,483,756	\$20,120,098	\$20,586,108
Individuals whose cases were closed with employment outcomes	729	734	736	695	575
Individuals whose cases were closed without employment outcomes	437	315	507	445	398
Total number of individuals whose cases were closed after receiving services	1,166	1,049	1,243	1,140	973
Employment rate	62.52%	69.97%	59.21%	60.96%	59.10%
Individuals whose cases were closed with supported employment outcomes	44	178	124	100	78
New applicants per million state population	4,928.57	4,572.73	3,172.73	2,848.28	4,045.76
Average cost per employment outcome	\$1,890.48	\$2,907.60	\$3,904.39	\$4,204.21	\$4,669.17
Average cost per unsuccessful employment outcome	\$4,188.28	\$2,866.86	\$3,025.56	\$4,300.67	\$3,736.06
Average hourly earnings for competitive employment outcomes	\$10.38	\$10.79	\$11.34	\$11.84	\$12.35
Average state hourly earnings	\$29.06	\$30.35	\$31.68	\$33.28	\$34.87
Percent average hourly earnings for competitive employment outcomes to state average hourly earnings	35.72%	35.55%	35.80%	35.58%	35.42%
Average hours worked per week for competitive employment outcomes	37.89	38.22	38.18	37.05	37.49
Percent of transition age served to total served	9.61%	8.87%	11.50%	11.93%	12.33%
Employment rate for transition population served	64.29%	73.12%	65.03%	63.24%	58.33%
Average time between application and closure (in months) for individuals with competitive employment outcomes	17.3	17.7	23.1	25.6	24.4

VR and SE Service Delivery

DCRSA staff located in the agency's main office provide most assessment, counseling and guidance, and job development services. In addition, the agency purchases comprehensive services, including SE services, from seven community rehabilitation programs (CRPs). DCRSA has established "human care agreements" with these agencies. DCRSA provides services to individuals that may attend school, receive training, or seek employment in a nearby state.

Personnel

There are 147 full-time employee positions available to the agency under its current hiring authority, and approximately 129 of these are currently filled. Of the filled positions, 29 are VR counselors. Recently, a number of DCRSA staff have retired, and positions have been eliminated as a consequence of the reorganization of the DSU. The agency faces a number of staffing challenges.

Data Management

DCRSA is currently using a case management system that is approximately 10 years old and does not meet the agency's needs. The case management system is no longer supported by the vendor and cannot be upgraded. The system provides limited reports and requires staff from the DSA's IT department to run special queries. DCRSA reported that the current case management system lacks the flexibility to enter additional data fields that are needed, such as specific information regarding the transition population. To address the deficiencies of the current system, DCRSA is taking steps to acquire a new case management system that will allow the agency the flexibility and reporting structure it needs to effectively and efficiently manage the VR program.

Quality Assurance

The DCRSA quality assurance (QA) division was reorganized in May 2008. Recent retirements from the division have resulted in a deficiency of trained staff prepared to carry out QA activities. DCRSA intends to establish a comprehensive set of internal and external monitoring protocols and QA procedures that it will implement in the coming fiscal year as division staff are trained and the QA materials are developed.

Planning

DCRSA is engaged in planning at multiple levels, prompted by the recent relocation of the agency from the Department of Human Services to the newly constituted DDS. Additionally, DCRSA completed its triennial comprehensive statewide assessment in June 2008, and plans to incorporate many of the findings from that effort into a long-range, three-year strategic plan.

DCRSA began its strategic planning process on December 14, 2007. The launch of the strategic planning effort served as a forum through which the different agencies within DDS could begin to communicate and frame the issues relevant to strategic planning for the new department. An outside consultant was hired to facilitate the planning effort. Internal staff were also trained to serve as facilitators.

The December forum was followed by on-going meetings of an executive committee. There are co-chairs across the agencies to address specific topics. There is also an Oversight Committee, which has subcommittees of its own. The oversight committee is performing what DDS calls "SWOT" (strengths, weaknesses, opportunities, and threats) on topic areas. The oversight committee is charged with defining external and internal customers of agency services.

DCRSA is particularly concerned with succession planning given the possible retirement of up to 25 percent of staff under the DC mayor's early-out program. In five years, all senior management staff will be eligible for retirement, which could create a leadership vacuum without proper planning.

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

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

- preparation of the request for proposal to conduct the comprehensive statewide needs assessment;
- eligibility determination for transition-age youths;
- the drafting of the FY 2009 VR and SE State Plan updates;
- the role of the SRC;
- the use of data reports for performance monitoring;
- the purchase of a new case management system; and
- the establishment of an order of selection for FY 2009.

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

RSA solicited input from DCRSA and a wide range of its stakeholders about the performance of the VR and SE programs. DCRSA and its stakeholders shared the following observations:

- DCRSA wants to raise the profile of the SRC and provide a framework to ensure that both the agency and the council work as partners, especially as new members are appointed this year.
- Stakeholders commented that, because DCRSA has not developed a policy manual covering VR services and procedures, agency staff lack knowledge of current federal requirements. Consequently, individuals with disabilities have been unable to obtain services, such as vehicle modifications and physical restoration, in a manner consistent with federal regulations.
- Stakeholders expressed concern about the ability of individuals with less significant disabilities to receive services as DCRSA implements an order of selection in the coming year.

RSA discussed the observations of its stakeholders with DCRSA 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 DCRSA about those observations. The agency was given an opportunity to respond to each of the recommendations. In those instances when RSA and DCRSA agreed upon a recommendation, the two agencies worked together to identify the TA that RSA would provide to successfully implement the recommendation.

1. Overall Performance: Employment Outcomes and the Number of Individuals Served

Observation: DCRSA has seen a dramatic decline in the number of individuals served by the VR program and exiting with an employment outcome, including the number of new applicants, eligibility determinations, and number of individuals under an Individualized Plan for Employment (IPE).

- The total number of individuals served dropped from 1,166 in FY 2003 to 973 in FY 2007.
- The number of new applicants decreased 40 percent in four years, from 2,760 in FY 2003 to 1,652 in FY 2006. Applications increased in FY 2007 to 2,387, but still remain far below the average of its peers¹ at 3,053 in FY 2007.
- The number of individuals determined eligible decreased from 2,406 in FY 2003 to 1,493 in FY 2007 (up from 985 in FY 2006).
- Individuals served under an IPE decreased from 1,953 in FY 2003 to 955 in FY 2007.
- The number of individuals who exited the VR program with an employment outcome dropped from 729 in FY 2003 to 695 in FY 2006, and dropped further still to 575 in FY 2007, a 17 percent decline in one year. As a result, DCRSA did not meet or exceed the number of employment outcomes achieved in the prior year for the last two years.

DCRSA is performing substantially below its peers in all of the measures cited above.

Table 2.2
DCRSA Performance on Selected Measures from FY 2003 through FY 2007
And Compared to Its Peers in FY 2007

	2003	2004	2005	2006	2007	Peer
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¹ The peer VR agencies selected for this analysis include Hawaii (combined), Montana (combined), New Hampshire (combined), and Rhode Island (combined). Peer agencies were selected because they had basic support grant awards roughly equivalent to that of DCRSA in the years under consideration.

						average 2007
New applicants	2,760	2,515	1,745	1,652	2,387	2,695
Individuals determined eligible	2,406	2,126	1,344	985	1,493	2,406
New individuals in a plan	1,953	1,352	888	806	955	1,562
Individuals closed with employment	729	734	736	695	575	862
Individuals closed without employment (after receiving services)	437	315	507	445	398	699
Total individuals closed after receiving services	1,166	1,049	1,243	1,140	973	1,561

RSA has identified the following as possible explanations for the agency's decline in performance:

- Staffing – DCRSA has seen dramatic personnel changes in the past year. This is due in part to retirements, early-outs offered by the DC government, reorganizations of the agency, and the elimination of management positions.
- Policies – DCRSA's lack of a comprehensive, up-to-date, and broadly disseminated service policy and procedures manual impedes the ability of VR counselors to develop IPEs, and for consumers to fully exercise informed choice in the development of their vocational goals.
- Referrals – DCRSA has seen a steady decline in new applicants, suggesting that the agency needs to expand its traditional referral sources. Currently, DCRSA relies heavily on the Department of Health, the Addiction Prevention and Recovery Administration, the Department of Mental Health, the Martin Luther King, Jr. Public Library Department of Adaptive Services, Asian and Latino Centers, and the agency's partner divisions under DDS.
- Purchased services – DCRSA spends less on purchased services in terms of its overall expenditures than its peer agencies.
- CRPs – DCRSA has seven "human care agreements," or contracts with CRPs. Such a small number of CRPs limits training options for program participants and DCRSA.
- Administrative costs – DCRSA reports more than 35 percent of expenditures going to administrative costs. This is higher than any of its peers and higher than

all other state VR agencies. Funds spent on administrative costs reduce the amount of the grant available for training and other VR services.

Recommendation 1: RSA recommends that DCRSA:

- 1.1** develop a comprehensive strategic performance plan that identifies key challenges to improving performance and establishes measurable targets for growth in the program in terms of individuals served and employment outcomes. Some of the factors the agency should consider as part of its analysis include, but are not limited to: staffing needs; service policies that potentially limit choice and the range and scope of vocational goals; expenditures for purchased services; the quality of services provided by CRPs; administrative costs; and shifting demographics in DC; and
- 1.2** utilize the recently completed comprehensive statewide assessment to identify individuals who may be unserved or under-served and their VR needs, and establish measurable performance targets.

Agency Response: DCRSA concurs with this recommendation. The comprehensive strategic plan included in the FY 2009 State Plan document indicates that DCRSA has begun such a planning process. DCRSA will be working with the SRC to develop objectives and strategies within that plan to address the above issues. In addition, the needs assessment, due to be received in September 2008, will be incorporated in those plans.

TA: DCRSA may request TA.

2. The Quality of DCRSA's Employment Outcomes

Observation: DCRSA is not keeping pace with the increase in the state average wage as measured by RSA's Standard and Indicator 1.5. The average wage for individuals who exited the VR program with a competitive employment outcome increased from \$9.79 per hour in FY 2000 to \$12.35 in FY 2007, but the state average wage has increased from \$26.93 in FY 2000 to \$34.87 in FY 2007. The ratio of the average VR wage and the average state wage declined from 0.384 in FY 2000 to 0.354 in FY 2007.

**Table 2.3 DCRSA's Average Hourly Wage for FY 2001 through FY 2007
Compared to State Average Hourly Wage**

	2001	2002	2003	2004	2005	2006	2007
Avg. hourly wage of individuals competitively employed	\$10.31	\$10.23	\$10.38	\$10.79	\$11.34	\$11.84	\$11.84
State avg. hourly wage	\$26.93	\$27.84	\$29.06	\$30.35	\$31.68	\$33.28	\$33.28
Ratio avg. hourly VR wage to avg. state hourly wage	0.383	0.367	0.357	0.355	0.358	0.356	0.356

- RSA recognizes that DC enjoys the nation's highest average state wage, and that the RSA minimum performance for this indicator of a wage ratio of 0.52 is extremely difficult to achieve. The agency needs to achieve a VR average wage of approximately \$18.13 to pass this performance indicator. DCRSA is not keeping pace with the rate of hourly wage growth in DC.
- DCRSA's reported expenditures for postsecondary education declined from a high of \$3.9 million in FY 2005 to \$2.401 million in FY 2007. A comparatively low amount of expenditures for postsecondary services may disadvantage DCRSA program participants seeking careers in jobs that require postsecondary education training.
- Stakeholders reported that many consumers believe their only option for postsecondary education is District of Columbia University (DCU). While it is difficult to know whether this belief results from lack of clarity of the tuition and fees policy, VR counselor training on the policy, an unclear transmittal of policy information to the consumer, or simply a lack of understanding of the policy by the consumer, nevertheless the impression on the part of consumers that DCU is the only choice they have for postsecondary education warrants analysis.
- DCRSA spends considerably less on purchased services than its peer agencies. In FY 2006, DCRSA spent \$4.9 million on purchased services, while the average for similarly situated agencies was \$7.18 million in purchased services. This

constituted 24.42 percent of FY 2006 expenditures versus an average of 44.97 percent for its peers.

**Table 2.4 DCRSA Purchased Services for
FY 2002 through FY 2006**

Purchased Services	2002	2003	2004	2005	2006
Assessment services (purchased only)	\$212,231	\$207,257	\$302,325	\$85,192	\$199,926
Physical and metal impairment services	\$914,764	\$859,277	\$1,124,864	\$1,144,136	\$295,471
Training services	\$4,037,094	\$4,936,972	\$5,756,698	\$6,984,085	\$4,191,446
Maintenance services	\$545,511	\$803,062	\$924,028	\$492,770	\$448,586
Transportation services	\$152,254	\$137,700	\$198,000	\$105,000	\$111,750
Personal assistance services	\$27,372	\$25,500	\$32,600	\$33,500	\$24,417
Placement services (purchased only)	\$0	\$0	\$0	\$0	\$0
All other services	\$246,154	\$0	\$0	\$0	\$0
Total purchased services	\$6,135,380	\$6,969,768	\$8,338,515	\$8,844,683	\$5,271,596
Total expenditures	\$17,259,731	\$20,230,531	\$21,432,812	\$22,483,756	\$20,120,098
Percentage of purchased services to total expenditures	18.66%	17.97%	22.80%	22.54%	24.42%

- DCRSA contracts with only seven CRPs as described above.
- DCRSA does not have an employer network or employment outcomes database that could assist counselors to match consumer interests with employer needs, and to track trends in employment in DC. In part, the case management system currently utilized does not appear to permit an integrated database to be constructed that VR counselors could easily access.

Recommendation 2: RSA recommends that DCRSA:

- 2.1 develop strategies to improve the quality of employment outcomes as measured by the agency's performance on Indicator 1.5;
- 2.2 conduct a comprehensive review of the types of employment available to consumers in DC that are career or professionally oriented and are more likely to pay salaries that approximate the average state wage, as well as provide health care benefits;
- 2.3 review its policies on providing postsecondary educational services, including its tuition and fees processing procedures, to ensure that such services are not impeded or inadvertently discouraged by routine agency practices;
- 2.4 provide training to VR counselors on the in-state tuition policy to ensure that consumers are fully informed about their range of postsecondary educational options,

including the right to attend out-of-state and/or vocational schools when appropriate;

- 2.5 examine its contracting procedures to identify mechanisms for expanding the capacity of CRPs to provide VR services to individuals in DC;
- 2.6 utilize its most recent comprehensive statewide assessment, just completed in June 2008, to establish goals for expanding CRP capacity;
- 2.7 develop an employer network and placement database to better match consumers with the needs of employers and to track areas of promising placement trends; and
- 2.8 develop strategies to enhance the collaboration among the employment placement specialists and the staff of the VR Unit to foster a closer working relationship with VR counselors.

Agency Response: DCRSA concurs with this recommendation. Several initiatives have begun, including the groundwork for substantial business and private sector involvement. DCRSA has applied for a project with industry (PWI) grant designed to strengthen the connections to the private business sector and has been working with Rutgers University to initiate such connections regardless of the grant award outcome. System reorganization, policy revision, staff training, new contract methodologies and identification of additional contractors are activities that have been started or scheduled.

TA: DCRSA may request TA.

3. Services to Transition-Age Youths

Observation: DCRSA served a gradually increasing percentage of transition-age youths from 8.87 percent in FY 2004 to 12.33 percent in FY 2007 of the total number of individuals served. However, this still remains well below the national average for all general/combined agencies of 26.84 percent. Additionally, the data show a continuing decline of the percentage of transition-age youths who achieve an employment outcome, dropping from 73.12 percent in FY 2004 to 58.33 percent in FY 2007.

Table 2.5
DCRSA's Performance with Transition-age Youths FY 2004 - FY 2007

	2004	2005	2006	2007
Percent of transition-age youths served (DCRSA)	8.87%	11.50%	11.93%	12.33%
Percent of transition-age youths served (national average)	25.92%	26.6%	26.98%	26.84%
Employment rate (DCRSA)	73.12%	65.03%	63.24%	58.33%
Employment rate (national average)	54.70%	56.93%	57.89%	58.18%

- In the summer of 2007, DCRSA initiated a new program for delivering services to transition-age youths. The DSU created a special Transition Unit, and hired seven transition specialists with the expectation that they would work directly in the schools to identify potential VR consumers, promote the agency and VR services, and facilitate the process for determining eligibility for the VR program as the students entered their graduation year.
- As this program is new, there is little data as yet to show whether or not DCRSA's performance has improved in this area. The RSA review team held several forums to discuss issues related to transition services, meeting with the entire Transition Unit, VR counselors, and the Transition Unit supervisor and Client Services Division supervisors on three separate occasions, respectively. Additionally, RSA reviewed 107 service records of individuals referred to the Client Services Division by the Transition Unit. These records were for individuals served by the VR Unit over the preceding 18 months, from October 2006 through March 2008.
- The transition specialists indicated that they had received little guidance and training to prepare them to fulfill their assigned duties. For example, they noted there was little in the way of prepared materials or curricula available to them to conduct workshops with students, parents, and students in the schools to inform them about VR services and the VR program. The transition specialists indicated that they wanted to work with students at an earlier age, noting that they frequently had very little time to develop communication with the students and prepare a thorough transition report for the VR counselors.
- VR counselors indicated that many of the individuals referred to them from the Transition Unit were so near graduation as to make it difficult to conduct a thorough assessment of the individual's eligibility, much less develop an IPE prior to graduation as the law requires. Furthermore, transition reports did not provide sufficient information to facilitate either eligibility or IPE development. The service record review substantiated this assertion. Many of the records indicated that referrals to the Client Services Division did not occur until spring of the student's graduation year, and transition reports often contained minimal or no content.
- VR counselors would benefit from a better understanding of the role of the transition specialist in the VR process and effective communication and coordination between the Transition and VR Units. VR counselors wished to take advantage of the knowledge and resources of the transition and employment specialists in the Transition Unit.
- Public school teachers, special education specialists, and DC administrators would benefit from a better understanding of how they are to work with the Transition Unit at DCRSA and the transition specialists assigned to the schools.

- DCRSA transition specialists do not currently work in the DC charter schools, limiting the ability of the agency to reach transition-age youths in the community.

Recommendation 3: RSA recommends that DCRSA:

- 3.1** develop measurable goals, including annual and long-range targets, to increase the number of transition-age youths served by the agency and the employment outcomes they achieve, as well as strategies to achieve the goals;
- 3.2** conduct comprehensive training with all Client Services Division staff to ensure that VR counselors and transition specialists understand their respective roles;
- 3.3** take steps to improve the communication and coordination between staff of the Transition Unit and the Client Services Division to improve the timely determination of eligibility and development of thoughtful and thorough IPEs;
- 3.4** develop or purchase instructional materials and workshop curricula to provide the transition specialists with the tools they need to do their assigned work in the public schools;
- 3.5** develop strategies to improve communication and collaboration among the DDS, DCRSA, the Office of the Superintendent of the DC Public Schools, and the Office of Special Education in order to foster better understanding of the role of transition services for eligible youths in the public schools;
- 3.6** enable the transition specialists to work with transition-age youths prior to their graduation year in order to better facilitate the determination of eligibility of individuals who may be served by the VR program, and to ensure that an appropriate assessment is conducted that results in the development of a more substantive IPE; and
- 3.7** identify the resources needed to expand its transition initiative into the DC charter schools in order to reach a greater number of transition-age youths who may be eligible for VR services.

Agency Response: DCRSA concurs with this recommendation. DCRSA and the SRC recognize that the VR transition program needs to be revised and that the above suggestions need to be incorporated into a viable plan. The DCRSA 2009 strategic plan identifies this as a major objective (Goal 1), as follows:

Goal 1

- Strengthen relationship with youth program department of Employment Services.

- Create work experiences for transitioning youth.
- Re-evaluate existing transition programs to ensure we are effectively incorporating best practices (early identification, provision of work experiences, building leadership skills and personal interest).
- Implement (formalize) training modules (i.e. disclosure disability awareness, etc.) for transition staff to use with youth.
- Aggressive effort to engage parents/families of transition youth throughout the Vocational Rehabilitation process.
- Establish partnerships with other parenting and community groups.

TA: DCRSA may request TA.

4. Services to Individuals under the Title VI Supported Employment (SE) Program

Observation: The percentage of individuals who achieved SE outcomes of all individuals who exited the VR program with employment declined from 24.25 percent in FY 2004 to 14.39 percent in FY 2006. Similarly, the number of individuals exiting the program with an employment outcome with supports declined from 178 in FY 2004 to 100 in FY 2006.

**Table 2.6
DCRSA Supported Employment Closures
FY 2004 - FY 2007**

	2004	2005	2006	2007
Percent closed in supported employment	24.25%	16.85%	14.39%	13.57%
Individuals closed with supported employment	178	124	100	78

- DCRSA currently contracts with only four CRPs to provide SE services. Of these, the vast majority of individuals receive services from just one or two of the CRPs. This limits the range of choices available to individuals who require SE services.
- DCRSA acknowledged that the limited number of service providers posed a challenge to expanding services under this grant. Additionally, representatives from the SRC voiced similar concerns about the low number of individuals served with Title VI money and the limited range of options for consumers wishing to receive SE services.

Recommendation 4: RSA recommends that DCRSA:

- 4.1 expand the number of CRPs contracted to provide SE services, through a thorough review of how such services are contracted, and identification of potential barriers to CRPs that wish to contract with DCRSA to provide such services;
- 4.2 examine results of its recently completed comprehensive statewide assessment to incorporate recommendations for the need to expand services to individuals with the most significant disabilities, including those who may need SE services; and
- 4.3 incorporate in the SRC's next customer satisfaction survey a component addressing the services provided to individuals receiving services under Title VI.

Agency Response: DCRSA concurs with this recommendation. Contracts between DCRSA and the CRPs expire on September 30, 2008. Currently, new scopes of work are being prepared that reflect the needed changes in services. Additionally, it is anticipated that providers will be added and the supported employment services will be considerably enhanced.

TA: DCRSA may request TA.

5. VR Service Policies and Procedures

Observation: DCRSA does not have a completed policy and procedures manual that reflects both the current federal and DC statutory requirements, and that is easily accessible to both VR counselors and VR consumers. DCRSA continues to revise its service policy and procedures manual under the direction of a committee established for this purpose in FY 2008.

- VR counselors rely on a disorganized collection of old and new policy statements, and do not appear to have a consistent and clear understanding of which policies are current and applicable. Each VR counselor has a desk reference binder called the "Documentation Desk Aid." This reference guide was last updated in 1997 and contains the following few sections: Program Instructions, including fee schedules; Referral to Application information and examples; IWRP Planning and Service Provision; Post Employment Services; Job Placement; and Instructions for 911 Reporting.

Recommendation 5: RSA recommends that DCRSA:

- 5.1 develop a comprehensive policy and procedures manual that is consistent with all federal statutory and regulatory requirements, and that provides guidance to program managers, rehabilitation supervisors, counselors and support staff for the provision of VR services;

- 5.2 develop a plan for the completion of the policy and procedures manual, including timelines and strategies to foster full participation by the SRC, the Client Assistance Program, agency staff, individuals with disabilities, and other stakeholders throughout the process;
- 5.3 take steps to ensure that the policy and procedures manual is available to agency staff, the SRC, the Client Assistance Program, stakeholders, and the public and that the manual is accessible to all individuals with disabilities – this may be accomplished by placing the manual on the agency’s website;
- 5.4 develop a plan for the provision of training on the new manual to all agency management and staff; and
- 5.5 develop and implement a protocol by which the Quality Assurance Division can review the new policies to track the effectiveness of implementation and the impact service delivery policies have on agency performance.

Agency Response: DCRSA concurs with this recommendation. The agency agrees with the cited observation and recommendations and is working diligently with the Director of the DDS to address these deficiencies before the end of FY 2009. Weekly policy committee meetings have been established and progress is being made.

In addition, a comprehensive training plan is being developed to roll out the completed policies and to incorporate them into the day-to-day business of DCRSA.

TA: DCRSA may request TA.

6. Staffing of the Agency

Observation: DCRSA does not have a comprehensive long-range strategic plan for its staffing needs in the coming year, including succession planning, and consideration for the imminent retirement of VR counselors and other senior staff.

- Currently the agency is budgeted for 147 full-time employees (FTEs), and is staffed at about 129. Of this, approximately 30 are VR counselors. Recently 11 DCRSA staff members retired from the agency.
- DCRSA indicated that in the coming four years an additional six VR counselors will retire, along with most of the senior management. Accounting for turnover of staff, the agency expects it will need to hire 14 VR counselors, four specialists, and five supervisors in the next five years.
- DCRSA faces a number of barriers to effective recruitment including: cost of living in DC – VR counselors are hired at the GS-9 level for their first year, and are eligible for promotion to GS-11; and inability to hire below the agency’s

Comprehensive System of Professional Development (CSPD) standard of a master's degree in rehabilitation and eligibility for CRCC certification.

- DCRSA has taken positive steps toward improving its ability to hire and retain qualified staff, including:
 - acquiring department level hiring authority;
 - reinterpretation of the statute regarding the DC residency requirement for VR counselors and other staff;
 - the development of a close working relationship with George Washington University and other area institutions of higher education to identify promising recruits;
 - plan to hire a full time recruiter;
 - tuition reimbursement for staff wishing to seek training and earn continuing education credits; and
 - effort to adjust pay scales to raise base salary of qualified counselors.

Recommendation 6: Given the continuing loss of staff largely due to retirements, RSA recommends that DCRSA:

- 6.1** undertake a comprehensive strategic analysis of its staffing needs, with particular attention to the need for VR counselors and the impact of staffing needs on agency performance goals;
- 6.2** take full advantage of its department level hiring authority to fill all vacancies as appropriate, with particular attention to the need for VR counselors; and
- 6.3** develop strategies to enhance its ability to recruit and retain qualified VR counselors, including:
 - considering changing personnel regulations to be able to hire individuals who do not yet meet the CSPD standard with the intention of sponsoring their training to meet the standard within a specified timeline;
 - expanding use of training dollars to bring new VR counselors up to the standard; and
 - establishing a paid internship program that would bring rehabilitation students into the agency to gain experience; and

- expanding the use of vocational technicians and counselor assistants to perform those tasks apart from the non-delegable functions of a VR counselor, affording the VR counselors greater time to work directly with clients, and possibly reduce the agency's need to hire fully qualified VR counselors.

Agency Response: DCRSA concurs with this recommendation. DCRSA and the SRC have and will continue to conduct the comprehensive strategic analysis of the agency's staffing needs. Since July 1, 2007, staff members have been realigned and new offices established to assist the agency to meet its performance outcomes. DCRSA anticipates some additional staff changes after the new Deputy Director has an opportunity to review the current organizational structure. In addition, changing the personnel regulations to hire individuals who have not met the CSPD requirements (and then providing the necessary training under a training plan) will be discussed with the Deputy Director.

DCRSA in concert with the State Rehabilitation Council developed a recruitment plan for hiring VR counselors. This plan has been implemented and the agency is aggressively recruiting and hiring VR counselors and projects that the agency will be fully staffed by the end of FY 2009.

TA: DCRSA may request TA.

7. Case Management System and Data Reporting

Observation: DC's case management system does not provide adequate reports to the counselors or management team.

- DC's case management system is outdated and is not supported by the original vendor. The system does not utilize web-based technology, which allows for greater flexibility, full accessibility for the end-user and remote access to counselors who are working in various locations. Since the original vendor no longer supports the current case management system, DCRSA is having great difficulty modifying its system to produce additional reports or keeping pace with the newer, more efficient technology.
- DC's case management system is unable to produce the necessary reports it requires to adequately assist counselors and management to monitor their outcomes, performance and other quality assurance measures. DCRSA reports that the system is limited in the range of data fields that can be populated, preventing the agency from collecting specific information related to the transition population, among other information. In addition, specific reports can only be run through the IT department and cannot be generated by the counselors or management staff.
- The current case management system also does not allow DCRSA fiscal staff to effectively track procurement and purchase order obligations related to VR services. This has led to an inability to effectively manage the agency's fiscal

resources through the course of the fiscal year, as the agency is not able to match current in-hand resources against pending expenditures.

Recommendation 7: RSA recommends that DCRSA:

7.1 invest in a new case management system and:

- determine which system best suits the DSU staff needs, including flexibility for staff who work off-site or in the field;
- plan for the challenges of converting existing data to the new system; and
- explore the initial purchase cost of the new system, as well as on-going costs, such as technical assistance, system customization, future upgrades of the software, retrofitting or updating of the agency's computer infrastructure, and the training of staff;

7.2 conduct a comprehensive survey of all staff to determine the range and scope of needs from any new system, including fiscal, contractual, and data collection needs; and

7.3 plan to conduct comprehensive training of all staff upon implementation of the new system to maximize the benefit of the expenditure.

Agency Response: DCRSA concurs with this recommendation. The procurement of a case management system is part of the DDS Strategic Plan for 2009. During FY 08, DC RSA in conjunction with DDS's Deputy of Administration and the Chief of Information Technology and a RSA workgroup met and discussed a new case management system for DC RSA. The meetings have resulted in the collaboration with other state VR agencies about procuring their new case management system; receipt and review of other state VR agencies proposals, on-site demonstrations of several case management systems with the end users and management staff; the submission of the business practices to develop a Request for Information; solicitation for a project manager and programmer/report writer. The agency will continue to aggressively proceed towards purchasing the case management system in FY 2009.

TA: DCRSA may request TA.

VR and SE Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that DCRSA is required to undertake. DCRSA 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 DCRSA.

1. SRC of the District of Columbia

Legal Requirement: 34 CFR 361.16(a)(2) - the State Plan assures that--

(i) The State has established a State Rehabilitation Council (Council) that meets the requirements of §361.17; and, Sec 361.17(e) Terms of appointment.

(1) Each member of the Council must be appointed for a term of no more than 3 years, and each member of the Council, other than a representative identified in paragraph (b)(1)(iii) or (ix) of this section, may serve for no more than two consecutive full terms.

(2) A member appointed to fill a vacancy occurring prior to the end of the term for which the predecessor was appointed must be appointed for the remainder of the predecessor's term.

(3) The terms of service of the members initially appointed must be, as specified by the appointing authority as described in paragraph (a)(1) of this section, for varied numbers of years to ensure that terms expire on a staggered basis.

Finding: The RSA review team met with the DC SRC several times in the course of this fiscal year's review. Based on these meetings and a review of the roster of SRC members and information related to their time in office, RSA found that the entire membership had served beyond the term limits allowed by statute. The SRC is therefore not legally constituted in accordance with 34 CFR 361.17(e), and cannot carry out the prescribed duties of the council as described in 361.16(a)(2) and 361.17(h).

Corrective Action 1: In order to meet the statutory requirements established under section 105 of the Act, DC/RSA must have a legally constituted SRC. The mayor must appoint a full slate of members to the council by September 30, 2008. DCRSA should take every opportunity to assist the mayor's office in this effort to ensure that the council meets all the requirements of an SRC as described under 34 CFR 361.17.

Agency Response: DCRSA concurs with this finding. The Administration is working in partnership with the Director of DDS to create a slate of potential candidates for the SRC and the SILC, respectively. As of August 8, 2008, 16 names and accompanying resumes were forwarded to the Mayor's Office of Boards and Commissions for immediate action. Aggressive steps continue to be taken to obtain additional qualified candidates to fill the remaining vacancies.

Because of the challenge posed in meeting the member composition requirements of the councils and the short time frame remaining to obtain the names of qualified candidates, the Acting Chief of the Office of Vocational Rehabilitation Support conferred with RSA regarding this issue, and RSA confirmed that rolling appointments were permissible under the Act if an entire slate could not be appointed at one time.

TA: DCRSA may request TA.

2. Supported Employment Services

Legal Requirements: 34 CFR 361.50(a) and 361.50(c)(3):

34 CFR 361.50 (a): The State unit must develop and maintain written policies covering the nature and scope of each of the vocational rehabilitation services specified in §361.48 and the criteria under which each service is provided. The policies must ensure that the provision of services is based on the rehabilitation needs of each individual as identified in that individual's IPE and is consistent with the individual's informed choice. The written policies may not establish any arbitrary limits on the nature and scope of vocational rehabilitation services to be provided to the individual to achieve an employment outcome. The policies must be developed in accordance with the following provisions....

34 CFR 361.50(c)(3): The State unit may not place absolute dollar limits on specific service categories or on the total services provided to an individual.

Finding: DCRSA currently only allows 34 individuals to receive SE services at one time, limiting the range and scope of SE services to consumers. This arbitrary limit was established by the budget office to keep expenses within the Title VI grant allotment of \$300,000. DCRSA is not taking advantage of its ability to use Title I funds to provide SE services. The DCRSA practice, therefore, is not in compliance with the requirements of 34 CFR 361.50(a) because the agency has placed an arbitrary limit on the number of individuals who can receive SE services and 34 CFR 361.50(c)(3) because the agency has placed a limit on the dollars to be spent on these services.

Corrective Action 2: DCRSA must remove the arbitrary limit on the number of 34 individuals who may receive SE services at one time. If the numbers of individuals needing SE services results in projected costs beyond the Title VI grant award, DCRSA may use Title I funds to cover the difference in accordance with 34 CFR 361.48.

Agency Response: DCRSA concurs with this finding. This limit has been removed and appropriate partner agencies notified. Staff members are currently preparing policy language for training and for revision of MOUs that contain such language. New supported employment procedures and contracts will be in place by the start of FY 2009.

TA: DCRSA may request TA.

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

RSA reviewed DCRSA'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 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 drawn from the RSA-2.

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

Fiscal Year	2003	2004	2005	2006	2007
Grant Amount	11,844,370	12,090,518	11,989,800	12,250,059	12,633,414
Required Match	3,205,655	3,272,275	3,245,016	3,315,454	3,419,209
Federal Expenditures	11,844,370	12,090,518	11,989,800	12,250,059	11,963,701*
Actual Match	7,310,241	7,172,836	7,521,233	7,293,330	7,912,124
Over (Under) Match	4,104,586	3,900,561	4,276,217	3,977,876	4,492,915
Carryover at 9/30 (year one)	567,623	315,838	194,880	33,687	844,743
Program Income	144,026	62,848	177,694	87,367	156,002
Maintenance of Effort (MOE)	7,195,732	7,033,243	7,310,241	7,172,836	7,521,233
Administrative Costs	6,591,114	6,433,612	6,532,515	6,778,278	7,309,000
Total Expenditures**	20,230,531	21,432,812	22,483,756	20,120,098	20,586,108
Percent Admin Costs to Total Expenditures	32.58%	30.02%	29.05%	33.69%	35.50%

*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 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 VR 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 individuals; and income generated by a state-operated CRP. Program income earned 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 (MOE):

The 1992 amendments revised the requirements in Section 111(a)(2)(B)(ii) of the Act with respect to maintenance of effort 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 VR Program regulations at 34 CFR 361.5(b)(2).

Fiscal Technical Assistance Provided to DCRSA During the Review Process

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

- the agency's compliance with specific financial requirements – match, MOE, carryover, reallocation, program income, liquidation of outstanding obligations, and grant closeout;
- the implications of not understanding the MOE requirement and planning or controlling non-federal expenditures when operating in an environment with shrinking non-federal funds and changing priorities;
- DCRSA's fiscal planning processes leading up to the decision not to enter into new IPEs for 43 days in FY 2008;

- an analysis of case services year-to-date expenditures and projections, and limited financial capabilities of DCRSA's client services system;
- the funding of a new client services system and the importance of strengthening the forecasting skills of staff responsible for making budgetary and program decisions affecting the delivery of services to VR consumers;
- the need for strengthening internal controls for contract arrangements to protect the federal and non-federal interest with respect to the payment terms;
- the OMB Circular A-87 time distribution requirement applicable to staff working on more than one program or cost objective, and the semi-annual certification requirement applicable to staff working exclusively on one federal program;
- the current status of corrective actions taken by DCRSA to resolve findings stemming from the FY 2005 and FY 2006 single audits; and
- financial and statistical reports to correct long-standing RSA-2 reporting errors, given that all costs for providing assessment, counseling, guidance, and placement were reported as costs of providing these services at agency operated CRPs.

VR and SE Program Fiscal Management Performance Observations and RSA Recommendations

RSA identified the following fiscal performance observations and made recommendations to DCRSA about those observations. The agency had the opportunity to respond to each of the recommendations and wherever appropriate, RSA and DCRSA identified the TA that would be provided to the agency to successfully implement the recommendation.

1. Financial Planning

Observation: Since reorganizing in FY 2007, DDS and DCRSA have taken steps to develop and implement a financial planning process that begins at the DDS level and involves staff at the DCRSA management level. DDS financial planning includes: 1) outlining the roles and responsibilities of financial and program staff throughout the department; and 2) establishing timetables and action steps to carry out portions of this process. The development and execution of the DDS and DCRSA budget appeared to be the focal point of financial planning.

- Financial plans are usually for multi-year periods, cover all programs that are administered by the agency, and are continuously revised to adjust for changes to individual program goals, priorities, and resources. They reflect the values of the agency and bring the agency closer toward meeting stated goals.

- The current financial forecasting process resulted in DCRSA making the decision to not implement any new services identified in an IPE from May 5, 2008 through June 17, 2008. This decision was made after expenditures for client services appeared to be escalating and the agency could not determine if sufficient financial resources were available to serve both existing and new consumers.
- Expenditures are recognized in DC's official accounting system at the time that the actual payments are made. Information from this system is used to prepare all official reports. While it may appear in the system that DCRSA has sufficient funds to serve consumers, analyzing data in DCRSA's internal case management system includes obligated funds for client services. These funds will be approved for payment, and appear in the accounting system once services are rendered. DCRSA's case management system is over 10 years old and does not interface with the accounting system. The limitations of the case management system have a negative impact on the financial planning processes of the agency.

Recommendation 1: RSA recommends that DCRSA:

- 1.1** strengthen its financial planning process by formally defining and assigning responsibilities and developing timetables for implementing an on-going financial planning process that reflects the values of DCRSA and brings the agency closer toward meeting stated program and financial goals for each fiscal year.
- 1.2** increase the forecasting skills of financial and program staff; and
- 1.2** continue plans to replace the case management system with a system that meets the program needs of the agency and also has the ability to interface with the accounting system.

Agency Response: DCRSA concurs with this recommendation. The Office of the Chief Financial Officer (OCFO) and the DCRSA program staff, in partnership with the SRC, will continue to meet in the summer before the beginning of a new fiscal year to develop the financial plan for the upcoming fiscal year. This practice will assist the program and the OCFO with reviewing fiscal needs and address any changes and new program initiatives.

The program is in the process of developing a new client services system that will assist the program and the OCFO with forecasting program needs.

TA: DCRSA may request TA.

2. Utilization of Program Income (Social Security Reimbursements)

Observation: DCRSA has the option of transferring program income (Social Security reimbursements) from the State VR Services Program to any other RSA formula grant program to use for payment of the salary costs appropriately allocated to each program. RSA's analysis of program income receipts reflects that sufficient program income funds have been available in prior years to transfer program funds to other formula grant programs to cover these costs. Currently, the agency is not transferring any program income to other formula grant programs.

Recommendation 2: RSA recommends that DCRSA:

- 2.1 explore strategies for maximizing the total amount of program income received from the Social Security Administration; and
- 2.2 report all program income transferred from the State VR Services Program to other formula grant programs in Block 12, "Remarks," in Financial Status Reports (SF-269s) submitted to RSA for these programs.

Agency Response: DCRSA concurs with this recommendation. If and when DCRSA begins to transfer program income to other formula grant programs, the information will be disclosed on the SF-269 financial report in block 12.

TA: DCRSA may request TA.

3. Procurement/Contract Management

Observation: A review of DCRSA's contract with Dan Hopkins & Associates for the conduct of the comprehensive statewide needs assessment indicated weaknesses in the payment terms of the contract. The total value of the contract was \$96,062. The payment terms allowed for the contractor to receive \$75,889 before the final needs assessment report was submitted to DCRSA in June 2008. The contractor was to receive an additional \$14,409 upon the delivery of the report to the agency. DCRSA agreed to pay the contractor 94 percent of the total contract amount before the agency was scheduled to receive, review, or approve the needs assessment final report. Arranging contract payment terms in this manner does not provide sufficient protection for the federal or state interest should the contractor fail to provide DCRSA with an acceptable final needs assessment report.

Recommendation 3: RSA recommends that DCRSA strengthen internal controls over the payment terms of future contractual arrangements to ensure the protection of the federal and non-federal interest in purchased services.

Agency Response: DCRSA concurs with this recommendation.

TA: DCRSA may request TA.

4. Administrative Costs

Observation: As indicated in Table 3.1, DCRSA continues to see its administrative costs spiral upward. In FY 2004, the agency reported spending \$6,433,612, or 30.02 percent of its total expenditures on administrative costs. By FY 2007, reported administrative costs had risen to \$7,309,000, or 35.50 percent of total expenditures. This is the highest reported administrative cost among DCRSA's peers, and is the second highest among all 80 VR agencies in the country.

RSA recognizes that certain fixed costs such as rents are likely to be much higher in DC than in other state capitals. Also, the DC government appropriates substantially more than the required match for the Title I VR grant, contributing \$7.9 million in FY 2007, nearly double the required match for that fiscal year.

Recommendation 4: DCRSA recommends that DCRSA:

- 4.1 analyze what it reports on the RSA-2 report as administrative costs to ensure that it is recording such expenses properly;
- 4.2 examine its cost-sharing arrangements with the DSA to ensure that administrative costs are not being over-allocated to the DSU; and
- 4.3 assess why administrative costs are so high, if costs are being appropriately allocated to DCRSA, and consider ways of moving more funds from administrative costs into service provision in order to increase the agency's employment outcomes and overall agency performance.

Agency Response: DCRSA concurs with this recommendation. The agency will review the items charged as administrative costs and adjust accordingly, if needed. As the DCRSA evolves under new leadership, it will address administrative costs and determine whether the appropriate staff is being allocated correctly to the program.

TA: DCRSA may request TA.

VR and SE Program Fiscal Management Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that DCRSA is required to undertake. DCRSA 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 DCRSA.

1. Periodic Certification

Legal Requirement: OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B:

Section 8.h.3: Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Finding: DCRSA is not in compliance with OMB Circular A-87, Attachment B, Section 8.h.3 because the agency has not conducted periodic certifications for employees working solely on one federal grant program or cost objective since FY 2006. This requirement was added when OMB Circular A-87 was revised in 1995, and is a separate requirement from the requirement to maintain time and attendance records for all employees. To comply, employees or their supervisors are required to certify, at least semi-annually, that the employee worked solely on one grant program, or cost objective, during the period covered by the certification. In initial discussions, staff seemed unaware of the requirement. However, further review disclosed that at one time certifications were completed, but stopped in FY 2006.

Corrective Action 1: RSA requires that DCRSA develop policies/procedures to ensure that, at a minimum, semi-annual certifications are completed for all employees working solely on one federal grant program, or cost objective, to comply with the requirement in OMB Circular A-87, Attachment B, Section 8.h.3.

2. Assigning Personnel Costs

Legal Requirements: OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B:

Section 11.h.4: Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) ... Such documentary support will be required where employees work on: (a) more than one federal award; and (b) A federal award and a non-federal award.

Section 11.h.5: Personnel activity reports or equivalent documentation must meet the following standards: (a) they must reflect an after-the-fact distribution of the actual activity of each employee; (b) they must account

for the total activity for which each employee is compensated; (c) they must be signed by the employee; and (d) budget estimates or other distribution percentages determined before services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes.

Finding: RSA's review indicated that, with the exception of one staff person charged to the IL program, personnel costs for administering the IL and the OIB programs are borne by the VR program. Although the funding for the VR Program represents the greatest share of the agency's funding, the continuing practice of assigning all personnel costs to the VR program because of limited funding in other programs is not in accordance with cost principles outlined in OMB Circular A-87.

Corrective Action 2: RSA requires that DCRSA:

- complete the required certifications for FY 2008 and establish a timetable for the completion of future certifications; and
- allocate an equitable portion of personnel costs, either directly or indirectly, to each program administered by DCRSA (excluding the SE program under Title VI-B, which can legally be charged to the VR program), beginning with FY 2009.

Agency Response: DCRSA concurs with this finding. At the time of the federal review, the DC RSA had not completed the periodic certifications for FY 2007. However, the certifications were completed and presented for the FY 2007 A-133 Single Audit. To ensure the timely completion of the periodic certifications in the future, the following will be implemented:

- Federal Compliance and Quality Assurance Unit will be informed of the periodic certification requirement and asked to work with other designated program staff to ensure that the certifications are completed as follows:
 - Certifications for the fiscal period October 1, thru March 31, are to be completed by April 30 of each year;
 - Certifications for the fiscal period April 1, thru September 30, are to be completed by October 31 of each year; and

The Quality Assurance and Office of Quality Assurance and Federal Compliance and/or other designee will maintain records of the certification to present upon request in the future.

TA: DCRSA may request TA.

CHAPTER 4: INDEPENDENT LIVING PROGRAM

Agency Information and Performance

In FY 2007, DCRSA's IL program served 123 individuals through Part B funds directly and indirectly through grants or contracts with IL service providers. An additional 423 individuals in the state received IL services through the RSA-funded DC Center for Independent Living (DCCIL).

Table 4.1
IL Program Highlights for DCRSA 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)	584,974	584,974
Performance: Total Served	132	123
Performance: Total Consumer Service Records Closed	19	28
Performance: Cases Closed, Completed All Goals	14	7
Performance: Total Goals Set	440	664
Performance: Total Goals Met	334	365
Performance: Total Accesses Achieved	95	71
Staffing: Total FTEs	1.00	1.00
Staffing: Total FTEs with Disabilities	1.00	1.00

IL Program Administration and Service Delivery

DCRSA uses Part B funds to provide IL services in three ways: direct services provided by a DCRSA staff counselor who provides case management services; purchased IL-related goods and services such as hearing aids, prostheses, and home modifications; and contracted IL services such as IL skills training, computer literacy, recreation, and orientation and mobility.

In FY 2007, the IL program was funded through \$301,000 in Part B funds and \$34,000 in state matching funds.

Of the \$335,000 in available funds:

- \$113,000 (34 percent of the total) to providing IL services through DCRSA contractors;
- \$75,000 (21 percent) for SILC operating expenses;
- \$66,000 (20 percent) for DCRSA counselor-provided IL services;

- \$23,000 (seven percent) for the National Federation of the Blind Newslite for the Blind (see IL Compliance Finding below); and
- \$58,000 (17 percent of the total) is unaccounted for (see Issues for Further Review below).
 - DCRSA is unable to verify whether those funds were carried-over into FY 2008 or expended by the IL counselor for purchased goods and services.
- In addition, the IL counselor reported purchases of between \$30,000 and \$50,000 of IL-related goods and services, such as home modifications, prostheses and hearing aids, annually, however, neither the IL counselor nor DCRSA's fiscal staff was able to determine the precise dollar amounts or funding sources of these purchased services (see Issues for Further Review below).

The IL counselor completes and maintains consumer service records (CSRs), including eligibility documentation, Independent Living Plans (ILPs), and case notes. In accordance with the consumers' ILPs, the IL counselor initiates IL-related purchases and/or makes referrals to DCRSA's IL contractors. In FY 2007, DCRSA's primary contractors were New Life, Green Door, and the Columbia Lighthouse for the Blind.

In addition to the Part B-funded services, IL services are provided in DC through \$793,000 in federal Part C funds provided directly to the DC Center for Independent Living (DCCIL) by RSA in FY 2007. The DCCIL operates two separate locations in DC.

Personnel

The IL staff counselor is DCRSA's only staff member who provides services. At the start of the review, the IL staff counselor was a rehabilitation specialist within the Office of Quality Assurance and Federal Compliance (QAFC). During the course of the review, the IL counselor was transferred to another office as DCRSA continued to undergo changes in its organizational structure. As of May 2008, the IL program was relocated under the Client Services Division of the agency.

Staffing for the DC SILC is currently provided through the Independent Living Services Foundation (ILSF), which serves as the SILC's fiduciary agent. The staff includes a financial manager and an administrative support staff person.

Data Management

The QAFC office tracks the numbers of consumers served and IL services provided by the IL counselor, while the Contracting and Procurements Office tracks the corresponding numbers for the IL contractors. The two offices do not systematically share this data. The RSA-704 Report includes only the services, outcomes, and demographic data for consumers served directly by the DCRSA IL counselor.

The IL program is not currently included in DCRSA's case management system.

Fiscal Management

The DC SILC is funded by Part B money disbursed by means of a purchase order between DCRSA and the ILSF. The foundation receives the Part B funds on behalf of the SILC and provides a range of financial management services to the SILC. The fiduciary relationship between the DC SILC and the ILSF is formalized through a memorandum of understanding (MOU).

Quality Assurance

Quality assurance for the IL program consists primarily of periodic on-site reviews of IL contractors by two monitors employed by the QAFC office. Also, IL contractors are required to submit monthly progress reports to DCRSA.

Currently, QAFC does not have IL-specific monitoring and evaluation instruments and procedures. At the time of the review, the QAFC director was in the process of revising the IL program's quality assurance instruments and procedures.

Planning

The FY 2008 - 2010 SPIL was developed by the DSU and the SILC, with input from the DC CIL. However, it appears that the major fund allocation decisions were based on historical precedence rather than on an assessment of current IL needs and available resources in the state. (Please see Observation 3 in this chapter).

IL Program Technical Assistance Provided to DCRSA and the DC SILC During the Review Process

During the review process, RSA provided TA to DCRSA and the DC SILC regarding:

- DSU and SILC roles and responsibilities;
- SILC composition and qualifications requirements;
- SILC resource plan alternative funding sources;

- SPIL development and evaluation processes;
- RSA-704 Report tracking and reporting; and
- quality assurance based on IL philosophy and the four IL core services.

Observations of DCRSA and Its Stakeholders about the Performance of the IL Program

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

- DCRSA did not adequately consider the SILC's request for a higher level of funding.
- There is frequent staff turnover at DCRSA resulting in poor communication among DCRSA's IL program, fiscal, contracting, and quality assurance offices.
- The distribution of the approved FY 2008 - 2010 SPIL did not include several stakeholders.
- The current DC SILC chair is a DCRSA employee, raising possible conflict of interest concerns.
- DCRSA lacks IL-specific written policies and procedures.
- There is a high degree of coordination between the DC SILC and the DCCIL.

RSA discussed the observations of its stakeholders with DCRSA 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 DCRSA about those observations. The agency had an opportunity to respond to each of the recommendations and whenever appropriate, RSA and DCRSA identified the TA that RSA would provide to successfully implement the recommendation.

1. IL Service Provision

Observation: RSA reviewed the IL counselor's CSRs and the IL contractor's progress reports. The CSRs present a clear and well-documented inventory of the DCRSA-

facilitated purchased and contracted IL services. However, the CSRs and the progress reports provide little evidence of any IL goals or outcomes attained by consumers.

- None of the ILPs reviewed by RSA listed any specific IL goals, neither those established nor those achieved. In every ILP reviewed by RSA, the only consumer goal listed was “Independent Living.”
- The progress reports list the number of consumers served and the units of services provided. They also include brief statements from consumers. However, as in the case of the CSRs, they do not contain any information about IL goals or outcomes achieved by the consumers.
- DCRSA’s IL Web site and fact sheet make reference to only a few of the elements of the IL philosophy and the IL core services. Lack of knowledge in the IL core services and IL philosophy impedes effective ILP-development, IL goal-setting, IL goal-facilitation, and measurable impacts on the lives of individuals with disabilities.
- Neither the contractor progress reports nor the CSRs demonstrate the impact of Part B funds on the quality of life of consumers.

Recommendation 1: RSA recommends that DCRSA:

1.1 provide training to agency IL staff and the IL contractors to address the following topics:

- the purpose of Title VII of the Act, including IL philosophy;
- the four IL core services;
- CSR documentation requirements; and
- ILP development, IL goal-setting and IL goal implementation.

1.2 develop an IL service provision manual for its in-house IL program, including supervisory responsibilities and job performance criteria.

Agency Response: DCRSA concurs with this recommendation. DCRSA and the SILC will ensure that both agency staff and the center staff receive appropriate training on the core services and understand the mission of the IL program from the Federal perspective, as well as receive training on the appropriate case management and documentation of Independent Living Services.

TA: DCRSA may request TA.

2. Quality Assurance

Observation: RSA reviewed the QAFC's monitoring instrument, protocol, and several completed monitoring reports. In addition, RSA reviewed the Human Care Agreements governing the IL contractors. DCRSA has not established clear guidelines or expectations for its IL staff and contractors, and has not defined a quality IL service or outcome. RSA identified a number of issues with DCRSA's quality assurance system that may be contributing to the lack of measurable IL outcomes:

- QAFC monitoring instructions do not specifically address the IL program and its particular requirements;
- the monitoring instrument does not include any criteria related to the purpose of Title VII, IL philosophy, the four IL core services, or the development and achievement of IL goals;
- monitoring reports do not track the number and types of IL goals established and achieved;
- Human Care Agreements do not reflect IL philosophy or establish clear performance expectations regarding the provision of the IL core services and the development, facilitation, and achievement of IL goals; and
- there is no formal quality assurance procedure governing the services provided through DCRSA's IL counselor.

Recommendation 2: RSA recommends that DCRSA:

2.1 establish clear guidelines and expectations for its IL staff and contractors- these may be drawn from a number of sources, such as Title VII, sections 701 (Purpose) and 725 (Standards and Assurances); and

2.2 initiate the following actions once the guidelines and expectations are established:

- revise the Human Care Agreements, monitoring instructions, instruments, and reporting requirements;
- establish performance measures and targets;
- provide staff training for DCRSA and IL contractors;
- implement a consumer satisfaction survey; and

- develop written policies and procedures that conform to the requirements of all pertinent statutes and regulations.

Agency Response: DCRSA concurs with this recommendation. DCRSA will add objectives to the DCRSA strategic plan that will strengthen and stabilize the IL program. The SPIL will be developed with clear objectives and will speak to services and expectations that are clearly allowable under Sections 701 and 725. DCRSA will assure that its staff and contractors follow written policies and procedures that have been developed in partnership with the SILC and have been incorporated into an IL policy manual.

TA: DCRSA may request TA.

3. Fund Allocation and Decision-Making

Observation: RSA asked DCRSA and SILC representatives to describe the FY 2008-2010 SPIL's Part B and state funds allocation decision-making process. In most states, the state agency and the SILC jointly allocate funds based on their assessment of the statewide IL needs, priorities, and available resources. Allocation of Part B funds, as described in the FY 2008 - 2010 SPIL, is not based on a comprehensive assessment of IL needs and available resources. Instead, funds were being allocated to the SILC and to the IL contractors based on historical precedence rather than properly assessed state IL needs.

- RSA found that the allocation of Part B and state matching funds did not match the goals and priorities in the FY 2008 - 2010 SPIL. For example, the SPIL identifies "persons with severe and persistent mental illness" as a priority population. Green Door, DCRSA's only IL contractor whose specific mission is to serve this population, received only \$2,200 in Part B funds in FY 2007 and was de-obligated in FY 2008 for lack of activity.
- Conversely, DCRSA's largest IL contractor, New Life, received \$104,000 (32 percent) of all IL available funds to provide youth recreation and mentoring services even though the SPIL does not identify youth as a priority population or youth mentoring and recreation as priority services.
- A reevaluation of IL service delivery and priorities would enable DCRSA and the SILC to determine the best choice of IL services contractors and the most effective use of DCRSA's IL staff. This would maximize coordination between the SPIL and the allocation of funds. The reevaluation could, for example, change the SPIL priorities to better match the current IL service providers, or it could change the service providers to better match the current SPIL priorities. Alternatively, it could keep both the providers and the priorities, but expand the service providers' outreach to priority populations.

Recommendation 3: RSA recommends that:

- 3.1** DCRSA and the SILC jointly reevaluate the FY 2008 - 2010 SPIL to test the validity of the SPIL's priority populations, services, and areas and its current allocation of Part B and state funds as appropriate. The reevaluation should utilize the comprehensive statewide assessment. DCRSA may wish to incorporate IL-specific questions into the next VR comprehensive needs assessment. All funding amounts and recipients could be subject to the reassessment, including funding of Newline for the Blind and the SILC;
- 3.2** the SILC conduct a comprehensive analysis of its statutory duties, the specific activities required to fulfill those duties, and the estimated cost of those activities. This analysis would allow DCRSA and the SILC to determine the appropriate SILC resource plan funding level; and
- 3.3** DCRSA and the SILC strengthen the SPIL evaluation plan by incorporating specific performance criteria and timelines. The revised plan may also include periodic evaluations of progress achieved in implementing the recommendations outlined in this RSA monitoring report.

Agency Response: DCRSA concurs with this recommendation.

TA: DCRSA may request TA.

4. SILC Cash Management

Observation: DCRSA provides \$98,000 in funding to the SILC each year. Of this amount, \$23,000 goes directly to the Newline for the Blind. The remaining \$75,000 is used to fund the SILC's resource plan and is given to the IL Foundation in one payment each year. Although SILCs should function independently, DCRSA is responsible for ensuring the allowability of all expenditures ultimately charged to federal funds.

- DCRSA does not have a defined process for reviewing and approving the expenditures made by the SILC/IL Foundation.
- The cash management requirements outlined in Education Department General Administrative Regulations (EDGAR) allow for advance payments to U. S. Department of Education grantees and subgrantees, provided they develop methods and procedures to minimize the time elapsing between the transfer of funds and disbursement. Although SILCs are not officially considered "subgrantees," the same principle applies. Funds should not be disbursed to the

SILC that could end up in the IL Foundation's bank account for months before actual disbursement.

Recommendation 4: RSA recommends that DCRSA:

- 4.1 explore other options for providing the SILC/Foundation with the funds needed to carryout its statutory mandates, rather than continuing the practice of providing 100 percent of funding at the beginning of each fiscal year; and
- 4.2 review the usefulness of the financial and program information provided in the annual audit of the SILC/Foundation. If determined to be of little value, DCRSA should replace the audit with a yearly review of all SILC/Foundation expenditures and supporting documentation.

Agency Response: DCRSA concurs with this recommendation. DCRSA and the SILC will work together to determine an appropriate funding plan for the IL Foundation in order that it might assume the fiduciary responsibility for the SILC in a manner that is permissible under Federal regulations.

TA: DCRSA may request TA.

IL Program Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that DCRSA is required to undertake. DCRSA 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 DCRSA.

1. SILC Use of Part B Funds

Legal Requirement: Sections 704(c) and 705(c) of the Rehabilitation Act.

Section 704(c): The plan shall designate the designated State unit of such State as the agency that, on behalf of the State, shall (1) receive, account for, and disburse funds received by the State under this chapter based on the plan; and

Section 705(c): The Council shall (1) jointly develop and sign (in conjunction with the designated State unit) the State Plan required in section 704; (2) monitor, review, and evaluate the implementation of the State Plan; (3) coordinate activities with the State Rehabilitation Council established under section 105, if the State has such a Council, or the

commission described in section 101 (a)(21)(A), if the State has such a commission, and councils that address the needs of specific disability populations and issues under other Federal law; (4) ensure that all regularly scheduled meetings of the Statewide Independent Living Council are open to the public and sufficient advance notice is provided; and (5) submit to the Commissioner such periodic reports as the Commissioner may reasonably request, and keep such records, and afford such access to such records, as the Commissioner finds necessary to verify such reports.

Facts and Analysis: DCRSA forwards \$23,000 in Part B funds to the SILC to fund Newsline for the Blind services in DC. Additionally, a SILC staff member, whose salary is paid with Part B funds, provides administrative support to the Newsline service.

Receiving, accounting for, and disbursing Part B funds is a non-delegable duty of the DSU. It is the DSU, not the SILC that must disburse Part B funds. Furthermore, federal funds must be used by the SILC only to fulfill its federal duties listed in section 705 of the Act. Neither the disbursement of Part B funds nor the provision of administrative support to Newsline for the Blind is consistent with the SILC duties authorized by the Act.

Finding: DCRSA is not in compliance with sections 704(c) and 705(c) of the Act because DCRSA is not fulfilling its duty under section 704(c) to disburse Part B funds when it gives those funds to the SILC to disburse to Newsline for the Blind. Furthermore, by disbursing Part B funds to Newsline for the Blind and providing administrative support for Newsline services, the SILC is using federal funds to support activities that go beyond its federal section 705(c) duties.

Corrective Action 1: DCRSA must cease providing part B funds to the SILC to fund Newsline for the Blind services. DCRSA must ensure that it receives, accounts for, and disburses all Part B funds, except those that are part of the SILC's resource plan under section 705(e) and that the SILC uses to fulfill its duties listed in section 705. The SILC may not use any federal funds to support activities that go beyond its section 705 duties.

Agency Response: DCRSA concurs with this finding. DCRSA will cease to provide funds to the Independent Living Foundation for this purpose.

TA: DCRSA may request TA.

2. SILC Appointments

Legal Requirement: Sections 705(a) and 705(b) (6) (A) (B) of the Rehabilitation Act.

Section 705(a): To be eligible to receive financial assistance under this chapter, each State shall establish a Statewide Independent Living Council

(referred to in this section as the "Council"). The Council shall not be established as an entity within a State agency.

Section 705(b)(6)(A)(B): Each member of the Council shall serve for a term of 3 years, except that (i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and (ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority described in paragraph (1) for such fewer number of years as will provide for the expiration of terms on a staggered basis. No member of the Council may serve more than two consecutive full terms.

Facts and Analysis: DCRSA and DC SILC representatives have advised RSA that every SILC member's term has expired. None of the current members have been re-appointed by the Mayor. Several have served for more than two consecutive full three-year terms and are therefore not eligible to be re-appointed at this time. In order to meet the statutory requirements established under section 705(a) of the Act, DC must have a legally constituted SILC. DCRSA is working with the Mayor's Office of Boards and Commissions to expedite the nomination and appointment of new SILC members.

Finding: DCRSA is not in compliance with section 705(a) of the Rehabilitation Act because at present it does not have a legally constituted SILC meeting the composition, qualification and terms of appointment requirements outlined in section 705(b) of the Act.

Corrective Action 2: DCRSA must take the necessary steps, in coordination with DDS and the Office of Boards and Commissions, to ensure that the Mayor appoints a full slate of SILC members who meet the composition, qualification, and terms of appointment requirements as described in section 705(b)(1)-(7) of the Act by September 30, 2008.

Agency Response: DCRSA concurs with this finding. DCRSA is in the process of submitting names to the mayor's office for selection to the SILC.

TA: DCRSA may request TA.

IL Issues for Further Review

RSA plans on conducting further review of the following IL issues:

- References to the SILC monitoring of the CILs and other activities contained in its bylaws, promotional materials, and a memorandum of understanding to determine if these references are consistent with federal requirements.

- Accounting for the \$58,000 in FY 2007 expenditures.
- The IL counselor purchases of between \$30,000 and \$50,000 of IL-related goods that DCRSA could not determine the precise dollar amounts or funding source.

CHAPTER 5: INDEPENDENT LIVING FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM

Agency Information and Performance

In FY 2007, DCRSA's OIB program served 165 individuals through a contract with the DC Center for Independent Living (CIL).

**Table 5.1.
OIB Program Highlights for DCRSA for
FY 2006 and FY 2007**

Data Elements	2006	2007
Expenditures: Title VII, Chapter 2	225,000	225,000
Expenditures: Total (including Chapter 2)	261,438	270,111
Performance: Total Older Individuals who are Blind Served	241	165
Staffing: Total FTEs	6.23	5.78
Staffing: Total FTEs with Disabilities	4.34	4.23

OIB Program Administration and Service Delivery

DCRSA contracts with the DC CIL to provide services under the OIB program. The DC CIL receives all of DC's Title VII, Chapter 2 federal funds (\$225,000) and corresponding state matching funds. DC CIL's primary OIB services are: transportation, information and referral, low vision screening, low vision training, orientation and mobility, communications, and advocacy and daily living skills training.

Personnel

DCRSA has no service provision staff assigned to the OIB program. The DCCIL allocates four FTEs to the OIB program, including two orientation and mobility specialists.

At the start of the review, a rehabilitation specialist within the QAFC office was the OIB program coordinator. The program coordinator served as the liaison between DCRSA and the DCCIL.

The OIB coordinator retired during the course of the review and DCRSA's organizational structure continues to undergo revisions. As of May 2008, the OIB program was transferred to the Office of Blind and Visual Impairment Programs.

Data Management

All financial, demographic, and outcomes data for the OIB program are compiled by the DC CIL and included in the RSA-7-OB Report.

The OIB program is not included in DCRSA's current case management system.

Fiscal Management

As indicated in Finding 2 in Chapter 3, DCRSA does not accurately allocate the personnel costs for administering the OIB program. Those costs are borne disproportionately by the VR program.

Quality Assurance

Quality assurance for the program consisted primarily of the individual efforts of DCRSA's OIB coordinator. Before retiring, the coordinator reviewed and approved the DC CIL's invoices and progress reports; reviewed consumer service records; tracked the number of OIB services provided; observed the provision of consumer services; and provided TA during periodic on-site visits. In addition, a consumer satisfaction survey is conducted annually.

At the time of the review, the QAFC director was in the process of revising the OIB program quality assurance instruments and procedures.

Planning

DCRSA does not engage in long-term planning activities for the OIB program. Title VII of the Act does not require a State Plan for the OIB program.

OIB Program Technical Assistance Provided to DCRSA During the Review Process

RSA provided OIB program TA to DCRSA regarding:

- RSA-7-OB Report tracking and reporting; and
- quality assurance and quality control practices.

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

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

- frequent staff turnovers at DCRSA resulting in poor communication among DCRSA's OIB program, fiscal, contracting, and quality assurance staff; and

- the collaborative relationship between the DC CIL and the DCRSA OIB coordinator.

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

OIB Program Performance Observations and RSA Recommendations

RSA identified the following observations of the OIB program and made recommendations to DCRSA about those observations. The agency had an opportunity to respond to each of the recommendations, and whenever appropriate, RSA and the agency identified the TA that RSA would provide to successfully implement the recommendation.

1. Quality Assurance

Observation: QAFC monitors have not monitored the OIB contractor in recent years. In addition, the OIB program Human Care Agreements (contracts) and progress reports do not fully reflect the particular regulatory and qualitative requirements of the OIB program. Fundamentally, DCRSA has not established clear guidelines or expectations for the OIB staff and contractor, and has not defined a quality OIB service or outcome.

Recommendation 1: RSA recommends that DCRSA:

- 1.1** establish clear guidelines and expectations for its OIB staff and contractors – these may be drawn from the relevant sections of 34 CFR parts 364, 365, and 367;
- 1.2** initiate the following actions once the guidelines and expectations are established:
 - revise the Human Care Agreements, monitoring instructions, instruments, and reporting requirements;
 - establish performance measures and targets;
 - provide staff training for DCRSA and IL contractors;
 - review and revise its consumer satisfaction survey; and
 - develop written policies and procedures that are required by federal law or regulations;
- 1.3** QAFC monitors begin to conduct regular on-site monitoring reviews of DC CIL as soon as possible.

Agency Response: DCRSA concurs with this recommendation. A supervisor has been assigned to act in the role of Program Manager for the OIB program, transferring all tasks from the program specialist to the Acting Program Manager. DCRSA will review sections of 34 CFR 364, 34 CFR 365 and 34 CFR 367 to establish guidelines and expectations for OIB staff and contractors.

As the guidelines and expectations of staff and contractor are established, revision of the Human Care Agreements, monitoring instructions, consumer satisfaction survey, and the development of written policies and procedures will be completed. In addition to the above, written policies and procedures will be developed and the existing consumer satisfaction survey will be revised. Staff for DC RSA and IL contractors will be provided training according to the newly established guidelines and expectations for both staff of RSA and the IL contractor.

Agency Response: DCRSA concurs with the recommendations to ensure that QAFC monitors conduct regular on-site monitoring reviews of the DC CIL. The Acting Program Manager and the supervisor of QAFC have been assigned to monitor the OIB program. Monitoring consists of making quarterly on-site reviews based on review protocols that will be established by the agency.

TA: DCRSA may request TA.

2. RSA-7-OB Report

Observation: The RSA-7-OB Report is the annual performance report that all states are required to submit to RSA in order to be eligible for continuation funding. DCRSA, as the grantee, is required to complete and sign the RSA-7-OB. However, it appears that DCRSA was not involved in completing the report in FY 2007. The RSA-7-OB Report identified the DC CIL as the grantee and it was the DC CIL executive director who signed it. DCRSA staff indicated that no one at the agency verifies the data presented in the RSA-7-OB Report.

Recommendation 2: RSA recommends that DCRSA take steps to assume full responsibility for the completion and submittal of the FY 2008 RSA-7-OB Report, which is due on December 31, 2008. This would include the following steps:

- informing DC CIL that DCRSA will complete the FY 2008 RSA-7-OB Report;
- providing clear guidance as to DCRSA's information needs and timelines; and
- reviewing the FY 2007 RSA-7-OB for accuracy and providing the required TA to ensure accuracy in FY 2008.

Agency Response: DCRSA concurs with this recommendation. DCRSA will address this issue and will assume responsibility for reports and data collection within the purview of the SLA.

TA: DCRSA may request TA.

3. Availability of OIB Information

Observation: DCRSA's Web page for the OIB program provides no information about services, activities, application procedures, or contact information. It only provides a one-sentence description and the following statement: "This program is contracted out to the District of Columbia Center for Independent Living." Such limited information on the agency Web site likely minimizes the potential number of consumers who could benefit from the OIB program.

Recommendation 3: RSA recommends that DCRSA take steps to ensure that its Web site includes sufficient information to encourage interested eligible consumers to apply for and receive OIB services. At a minimum, such information must include the program's services, activities, application procedures, and contact information.

Agency Response: DCRSA concurs with this recommendation. DCRSA will work with the DSS PIR office to appropriately promote and advertise the services that are available under the Older Blind Program.

TA: DCRSA may request 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 supported employment 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”