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I. Scope

A. The Federal Mandate

Section 107(b) of the Rehabilitation Act of 1973 (Act), as amended by title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to provide technical assistance to State vocational rehabilitation (VR) agencies to improve the quality of vocational rehabilitation (VR) services provided to, and promote the achievement of high quality employment outcomes by, individuals with disabilities. To fulfill, in part, this requirement, RSA has developed this protocol through which it will review the progress of VR agencies toward compliance with new requirements under the Act, as amended by WIOA, and provide technical assistance in Federal fiscal year (FFY) 2016 to assist States in complying with those requirements.

B. Technical Assistance Visits

1. General

With the signing of WIOA into law on July 22, 2014, section 506(d) of WIOA made clear that the amendments to the Rehabilitation Act took effect on the date of enactment (July 22, 2014) unless WIOA specified otherwise. RSA published a Notice of Proposed Rulemaking on April 16, 2015 (see 80 FR 21059). RSA submitted the final regulations to the Office of the Federal Register (OFR) on June 30, 2016, for publication, and those regulations are currently pending placement on public inspection at the OFR and publication in the Federal Register. The version of the regulations pending final review and publication by the OFR, and posted on the Department’s website at http://www2.ed.gov/about/offices/list/osers/rsa/wioa-final-rules.html, may vary slightly from the published document if minor technical or formatting changes are made during the OFR review process. Only versions published in the Federal Register are the official final regulations. RSA anticipates that the final implementing regulations will be published in the Federal Register in early August, 2016. The final regulations will take effect 30 days after publication in the Federal Register.

Because most amendments to the Rehabilitation Act have been in effect since July 2014, VR agencies must ensure that their policies and procedures incorporate and implement all new requirements under the Act, as amended by WIOA. To facilitate this process, and to support this undertaking by its grantees, RSA will implement a technical assistance effort. As part of this technical assistance effort, the State Monitoring and Program Improvement Division (SMPID) of RSA will conduct five technical assistance visits in the last quarter of FFY 2016. Each of the five teams within SMPID will conduct one visit prior to September 30, 2016, including preparation activities for the visit, as well as on-site activities.

The specific programs covered during the technical assistance visits under this protocol include:

- The VR program, authorized under Title I of the Act; and
- The Supported Employment program, authorized under Title VI of the Act.
Following these technical assistance visits, RSA will continue to assist all VR agencies to implement new policies and procedures required by the Act, as well as its implementing regulations once they take effect, through further technical assistance and monitoring in accordance with section 107 of the Act. This protocol will be revised and updated subsequent to the conduct of the FFY 2016 technical assistance visits in order to incorporate concerns and issues raised during this initial effort.

2. Focus Areas

This protocol includes three focus areas covering:

- Competitive integrated employment;
- Pre-employment transition services for students with disabilities, including the requirement for a State to reserve and use at least 15 percent of the VR allotment to provide, or arrange for the provision of, pre-employment transition services; and
- Supported employment for individuals with the most significant disabilities, including the requirement for a State to reserve and use 50 percent of its Supported Employment program allotment to provide supported employment services, including extended services, to youth with the most significant disabilities.

The nature and scope of each focus area is discussed in greater detail in the sections that follow in this protocol. In general, however, the technical assistance visits will afford the opportunity for VR agencies to receive focused and directed guidance to assist each agency to review the new requirements pertaining to each of the focus areas, identify and answer specific questions, and assist each VR agency to be fully compliant with the Act, as well as the implementing regulations once they take effect 30 days after publication in the Federal Register. As a result of the visits, the RSA teams, in collaboration with the VR agencies visited, may identify:

- Policies and procedures to be revised for VR agencies to comply with requirements of the Act, as amended by WIOA, and its implementing regulations (once they take effect); and
- The need, and resources, for further technical assistance.
II. Overview of the Process

A. Selection of VR Agencies

In FFY 2016, RSA will select five VR agencies, one each from the five teams within SMPID, to receive technical assistance through this protocol. The review teams will choose from among States with combined agencies because it is not practical for the review teams to effectively prepare for and conduct visits to States with both general and blind agencies during the limited amount of time available in the remainder of FFY 2016. In future monitoring and technical assistance efforts, RSA will choose from combined, or general and blind VR agencies as appropriate.

B. Duration of the Monitoring Process

As noted above, all technical assistance visits will be conducted and concluded within FFY 2016. Any reports generated from the visits will be issued in FFY 2017 in a manner and at a time to be determined by the Commissioner, but as soon as possible to ensure prompt State compliance with all program requirements under the Act, as amended by WIOA, and its implementing regulations once those regulations take effect.

C. Stages of the Monitoring Process

1. Planning and Preparation

Each of the five VR agency selected for a technical assistance visit in FFY 2016 will be contacted as soon as possible, but no later than August 1, 2016, by the individual from the review team who will lead the visit. This may or may not be the RSA liaison to that particular State. At this time, the review teams will:

- Introduce the team member who will lead the technical assistance effort, and the other members of the team who will participate in the on-site visit;
- Jointly with the VR agencies, select dates for the on-site visits; and
- Identify stakeholders who may participate in the technical assistance visit as appropriate, including State Rehabilitation Council (SRC) members, the Client Assistance Program, and community rehabilitation programs (CRP).

In preparation for the on-site visits, the technical assistance teams will conduct teleconferences as determined by the teams and VR agencies to:

- Discuss the technical assistance visit process and the substance of the focus areas identified in this protocol with VR agency management;
- Gather information pertinent to the focus areas from representatives of the VR agency, SRC and Client Assistance Program, as appropriate; and
- Develop the agenda for the technical assistance visit with VR agency management and personnel.
Additionally, the teams will review documents requested from the VR agencies related to each of the focus areas prior to the on-site visits. These documents may include, but are not limited to:

- Policies and procedures related to the three focus areas;
- Fiscal information pertinent to the reservation of funds or other administrative requirements for the provision of pre-employment transition services to students with disabilities and the provision of supported employment services, including extended services, to youth with the most significant disabilities; and
- Reports, audits, or other materials pertaining to the three focus areas.

The teams will use the information obtained through the review of these documents, the analysis of programmatic and fiscal data, and the teleconferences noted above to identify, in collaboration with the VR agencies, on-site activities and to develop the agenda.

2. On-site Activities

The technical assistance teams will schedule the on-site visits with each selected VR agency, accommodating as much as possible the schedules of VR agency management and personnel given the timeline established for the technical assistance visits. The on-site technical assistance teams will consist of at least two program specialists, and one fiscal specialist from SMPID. On-site activities will revolve around the three identified focus areas, and be dedicated to the provision of technical assistance regarding the new requirements related to those three focus areas. Activities during the visit may include:

- A brief entrance meeting to introduce the RSA team and VR agency management and personnel, and to review the on-site agenda;
- Review of significant changes to the VR and Supported Employment program resulting from the passage of WIOA;
- Technical assistance activities related to the three focus areas covered by this protocol;
- Meetings with senior program and fiscal managers, VR counselors, school personnel, SRC and Client Assistance Program representatives, and other groups or individuals as appropriate; and
- An optional brief wrap-up meeting to discuss next steps.

On-site activities may also include site visits to locations apart from the primary administrative offices of the VR agency, if appropriate, but the focus of the technical assistance visits will be to work with VR program leaders and staff to ensure effective implementation of new policies and procedures required by WIOA.

The RSA team or the VR agency director may invite VR agency management and personnel, the leadership of the designated state agency (DSA) and the chairperson of the SRC to participate in any of the scheduled meetings if deemed appropriate, or if determined they may benefit from the technical assistance. Other participants may include:

- VR agency supervisors and counselors;
• State educational and local school district staff responsible for the provision of VR services to students or youth with disabilities, particularly those students receiving pre-employment transition services or supported employment services;
• The DSA director;
• Other staff from the DSA responsible for fiscal or administrative oversight;
• Representatives of CRPs, specifically those contracted to provide pre-employment transition services to students with disabilities or supported employment services, including extended services, to youth with the most significant disabilities; and
• State auditors.

3. Follow-up Activities

Subsequent to the on-site visits, the technical assistance teams may require further documentation from the VR agencies to supplement information obtained prior to or during the visits. The RSA teams will also continue to provide follow-up technical assistance as needed, and direct the VR agency leaders and staff to additional resources and tools.

The RSA teams may schedule a follow-up teleconference with the VR agency after the on-site visit to clarify any concerns or issues, or answer any questions pertaining to the three focus areas identified in this protocol. The VR agency may wish to share with RSA draft policies and procedures that result from the provision of technical assistance related to the on-site visits.

D. The Technical Assistance Summary Report

Following the on-site visit, the technical assistance teams will develop a technical assistance summary report. The summary report will contain:

• A description of the technical assistance visit process, including dates of the visit; and
• A summary of the primary technical assistance concerns and issues identified by and discussed with the VR agency leaders and staff, and the identification of any related ongoing technical assistance needs.

The RSA teams will complete and provide a draft technical assistance summary report to each VR agency visited within the first quarter of FFY 2017. The VR agencies will then have 14 calendar days to submit written responses to the draft reports directly to the teams responsible for the development of the reports. The VR agency responses to the report should include:

• The identification of factual errors;
• Supporting documentation or data, as needed, to substantiate any suggested corrections or revisions to the report; and
• Requests for further technical assistance to assist the VR agency to fully implement the requirements of the Rehabilitation Act, as amended by WIOA.

The technical assistance teams may engage in discussions with VR agency management and personnel to assist the agencies with the development of the responses to the draft reports. In addition, the teams may conduct teleconferences with the VR agencies to clarify information included in the VR agency responses and request additional documentation to support statements.
made in the responses. Preliminary discussions may also occur at this time between the agencies and the technical assistance teams as to whom they believe will best be equipped to provide any technical assistance that is identified as a result of the on-site visit.

Once completed, the RSA teams will provide electronic copies of the final technical assistance summary reports to the selected VR agencies and the SRCs. SMPID will then publish the reports on the RSA website and the teams will notify the VR agencies, SRCs representatives, and other stakeholders involved in the technical assistance visit of the location of the reports on the website.

E. Corrective Actions

Although these visits are tailored to the provision of technical assistance regarding the three identified focus areas, it is possible that the RSA teams will identify areas of non-compliance while providing the technical assistance. If the RSA teams identify any areas of non-compliance in the course of conducting the technical assistance visits, any necessary corrective actions for those areas of non-compliance will be addressed outside the technical assistance visit process outlined in this guide, and in a manner to be determined by the Commissioner. The RSA teams will inform the VR agency of any identified areas of non-compliance as soon as possible, either via teleconference, or in writing if there is a need for the VR agency to implement any corrective actions.

F. Involvement of Consultants in the Technical Assistance Visits

It is within the discretion of the VR agencies to involve contracted consultants in any or all stages of the technical assistance visits, including the exchange of information and conduct of teleconferences/video conferences in preparation for the on-site visit, meetings held on-site, follow-up teleconferences, the development of draft reports and responses to those reports. Nonetheless, the RSA teams will direct all communication to VR agency management and staff, and other stakeholders when appropriate, and not to the consultants. It is the responsibility of the VR agencies to share information with the consultants throughout the course of the technical assistance visit process as they deem necessary and consistent with their involvement.

G. Evaluation of the Technical Assistance Visit Process

All participants in the FFY 2016 technical assistance visits may, at any point in the process, provide written comments and suggestions for improvement of the process to RSA. Any comments received will assist RSA as it revises this protocol for full implementation in subsequent fiscal years.
III. Competitive Integrated Employment

A. Overview

The Act, as amended by WIOA, emphasizes the achievement of competitive integrated employment. The foundation of the VR program is the principle that individuals with disabilities, including those with the most significant disabilities, are capable of achieving high quality, competitive integrated employment when provided the necessary services and supports. To increase the employment of individuals with disabilities in the competitive integrated labor market, the workforce system must provide individuals with disabilities opportunities to participate in job-driven training and to pursue high quality employment outcomes. To reinforce this principle, the Act, as amended by WIOA, contains several critical changes that form the basis for this focus area. In addition, the implementing regulations, once published and in effect, will contain further critical changes that affect this focus area. The changes related to competitive integrated employment that the technical assistance teams will cover, both from the Act itself and from the final regulations, include:

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

To facilitate the provision of technical assistance by RSA, and in preparation for the on-site visit, RSA and the VR agency jointly will review applicable documentation related to the achievement of competitive integrated employment, which may include:

- Policies related to the achievement of employment outcomes, including those in competitive integrated employment;
- Relevant descriptions from the most recently submitted VR services portion of the Unified or Combined State Plan, including goals and priorities and reports of progress on these goals and priorities; and
- Relevant data from the VR Case Service Report (RSA-911) for the most recently completed fiscal year.

1 All references to “prior” regulations in this guide refer to the VR regulations that have been in effect since 2001, and which will remain in effect until the regulations implementing the amendments to the Rehabilitation Act made by WIOA take effect 30 days after publication in the Federal Register.
In gathering information related to this focus area, RSA may consult:

- The VR agency director and other senior managers;
- VR agency counselors and staff; and
- SRCs.

B. **Competitive Integrated Employment—General Requirements**

To satisfy the definition of “competitive integrated employment” in section 7(5) of the Rehabilitation Act and §361.5(c)(9) of the implementing regulations, the employment outcome must satisfy the criteria of three major components of the definition, including competitive earnings, integrated location, and opportunities for advancement. These components and their criteria are explored through the review of documentation, available data, and the questions below.

**Documentation Review:** VR agency policies related to the achievement of employment outcomes in competitive integrated employment; the VR services portion of the approved Unified or Combined State Plan; and RSA-911 data describing the number and percentages of individuals who achieved employment outcomes in competitive integrated employment, their hours worked, and wages earned.

**Discussion Questions:**

1. Describe the overall policies and procedures used by the VR agency to ensure that individuals have the opportunity and supports necessary to achieve employment outcomes in competitive integrated employment.

2. Describe how the VR agency and/or VR counselor determines that an individual has achieved an employment outcome with competitive earnings consistent with the earnings component set forth in the definition of “competitive integrated employment.” This description should take into account the following considerations:
   a. Does the State have a minimum wage that is higher than the Federal minimum wage?
   b. Do any local areas in the state have a minimum wage higher than the Federal or State minimum wage?
   c. Describe the process used by the VR agency or VR counselor to determine that the individual has achieved employment with wages comparable to the customary wages paid by the employer to employees without disabilities in similar positions.
   d. Describe how the VR agency or VR counselor determines if the benefits provided by an employer to the individual are comparable to the benefits received by an employee without disabilities in the same or similar position.

3. Describe the process used by the VR agency and/or VR counselor to determine if an employment setting is integrated. Specifically, that the employment setting is:
   a. Typically found in the community (i.e., in the competitive labor market); and
   b. One in which the employee with a disability interacts for the purpose of performing the duties of the position with other employees within the particular work unit and the entire
work site, and, as appropriate to the work performed, other persons (e.g., customers and vendors), who are not individuals with disabilities (not including supervisory personnel or individuals who are providing services to such employee) to the same extent that employees who are not individuals with disabilities and who are in comparable positions interact with these persons.

4. Describe the process used by the VR agency or VR counselor to determine that the employment setting provides the individual with opportunities for advancement comparable with those available to employees without disabilities in similar positions.

5. How many individuals achieved employment outcomes in competitive integrated employment, including self-employment and customized employment, in FFY 2015?

6. What were the average hours worked and average hourly wages of these individuals who achieved employment outcomes in competitive integrated employment in FFY 2015?

7. How many individuals had their VR service records closed because they chose to pursue extended (non-integrated) employment rather than an employment outcome in competitive integrated employment or supported employment?

8. Of the individuals achieving employment outcomes in competitive integrated employment in FFY 2015, how many of these individuals achieved self-employment outcomes, and what percentage of the total employment outcomes does this represent for the VR agency in that year?

9. Describe the VR agency’s policy regarding the achievement of employment outcomes in self-employment. The policy should take into account the following considerations:
   a. How are self-employment goals selected?
   b. How are self-employment IPEs developed?
   c. What resources are used to help ensure self-employment plans are successful, and that the plan will result in an outcome with competitive earnings for the individual?

10. How does the VR Counselor determine when an individual has achieved an employment outcome in self-employment?

11. Describe the policies and/or procedures the VR agency or VR Counselor will use to determine that the wages an individual earns in self-employment are comparable to non-disabled individuals in similar self-employed occupations.

12. Describe the process the VR agency or VR counselor will use to determine and document the wages of individuals in self-employment at exit and in the second quarter after exit, as well as employment in the second and fourth quarters after exit, since such wage and employment information are not contained in the State’s quarterly wage records. Data regarding earnings at exit are necessary to determine whether the individual actually achieved an employment outcome in self-employment in accordance with the criteria of the definition of “competitive integrated employment.” Data regarding an individual’s earnings in the second quarter after exit is necessary for the VR agency to comply with the common performance accountability system requirements set forth in section 116 of WIOA.
13. Does the VR agency anticipate assisting eligible individuals to achieve self-employment outcomes in subsistence occupations? If so, describe the policies and/or procedures that will be used to provide VR services to assist eligible individuals to achieve these outcomes.

14. Describe the procedures that will be used by the VR agency to collect and report employment in the second and fourth full quarters after exit and median wage information in the second full quarter after exit for all individuals achieving employment outcomes in competitive integrated employment, not including those individuals who achieved employment outcomes in self-employment. The procedures regarding the collection of wage and employment data for individuals achieving employment outcomes in self-employment are discussed in question number 12 above. The procedures described should take into account the following considerations:

   a. Does the VR agency have agreements in place to obtain Unemployment Insurance (UI) wage data for purposes of matching that data with individuals served by the VR program?
   b. What barriers exist in the State to obtaining these data for matching purposes?

15. What technical assistance does the VR agency need in the area of competitive integrated employment?

C. Employment Outcomes—Customized Employment

Section 7(11) of the Act, as amended by WIOA, and §361.5(c)(15) of the implementing regulations add customized employment to the definition of “employment outcome.” “Customized employment” is a form of competitive integrated employment designed to meet the needs of individuals with significant disabilities and employers through flexible strategies. See §361.5(c)(11) for a complete definition of “customized employment.” The following questions address this specific form of competitive integrated employment.

Documentation Review: VR agency policies related to the provision of customized employment services necessary to assist an eligible individual to achieve an employment outcome in customized employment, and RSA-911 data describing the provision of customized employment services.

Discussion Questions:

16. What policies does the VR agency have in place regarding the provision of customized employment services so that an individual may achieve an employment outcome in customized employment?

17. How many individuals received customized employment services in FFY 2015?

18. Does the VR agency need technical assistance in the area of customized employment?

D. Employment Outcomes—Uncompensated Outcomes

As noted above, WIOA amended the Act by emphasizing the achievement of competitive integrated employment by individuals with disabilities, including individuals with the most
significant disabilities. The Act, as amended by WIOA, refers extensively to competitive integrated employment, including in the statement of the purpose for the VR program, as well as in requirements for developing IPEs, providing services to students and youth with disabilities, and the limitations on the payment of subminimum wages in section 511 of the Act, as added by WIOA. In particular, section 102(b)(4)(A) of the Act, as amended by WIOA, and §361.46(a) of the implementing regulations require that the specific employment goal identified in the IPE be consistent with the general goal of competitive integrated employment.

The changes made by WIOA provide a marked contrast to the Act, as amended by the Workforce Investment Act of 1998 (WIA). Under WIA, the emphasis in the Act was on achieving integrated employment. Consequently, in 2001, the Secretary amended the definition of “employment outcome” by requiring all employment outcomes in the VR program be in integrated settings (see prior §361.5(b)(16)). In so doing, the Secretary eliminated sheltered employment as an employment outcome. At that time, because we considered homemaker and unpaid family worker outcomes to occur in integrated settings, these outcomes continued to constitute an “employment outcome,” for purposes of the VR program.

By contrast, given the pervasive emphasis on achieving competitive integrated employment—not just integrated employment—throughout the Act, as amended by WIOA, the Secretary has determined that uncompensated employment outcomes, including homemaker and unpaid family worker outcomes, are no longer consistent with the Act. For this reason, the Secretary believes it is no longer an appropriate exercise of the Secretary’s discretion under section 7(11)(C) of the Act to include uncompensated outcomes within the definition of “employment outcome” in §361.5(c)(15) implementing section 7(11) of the Act, as amended by WIOA.

Competitive integrated employment requires the payment of wages at or above the applicable Federal, State, or local minimum wage. Neither homemakers nor unpaid family workers earn a wage. Therefore, individuals achieving uncompensated outcomes, such as homemakers and unpaid family workers cannot be determined to have achieved an employment outcome in competitive integrated employment.

To assist VR agencies to implement the change in the definition of “employment outcome” and to ensure that individuals with disabilities do not experience a disruption in services, VR agencies may continue to provide services to individuals with uncompensated employment goals on their IPE, so long as the IPE was approved prior to the effective date of the final regulations, until June 30, 2017, unless a longer period of time is required based on the needs of the individual with the disability, as documented in the individual’s service record. This should allow VR agencies sufficient time to complete the provision of VR services to, and close the service records of, individuals pursuing uncompensated outcomes, such as homemakers and unpaid family workers, in accordance with IPEs that were approved prior to the effective date of the final regulations.

This section is designed to explore the extent to which the VR agency currently is assisting individuals with disabilities to pursue uncompensated outcomes, such as homemaker and unpaid family worker outcomes, and the agency’s need for technical assistance as it implements the revised definition of “employment outcome,” once the regulatory definition takes effect.
Documentation Review: VR agency policies related to assisting eligible individuals to achieve employment outcomes, including those pertaining to homemaker and unpaid family worker outcomes, and RSA-911 data describing the number and percentages of individuals who achieved employment outcomes, including homemaker and unpaid family worker outcomes.

Discussion Questions:

19. How many individuals exited the VR program in FFY 2015 with uncompensated employment outcomes as homemaker or unpaid family worker?

20. Describe the VR agency’s policies related to assisting eligible individuals to achieve uncompensated outcomes, including homemaker and unpaid family worker outcomes.

21. Describe the VR agency’s plans to revise, or its revised, policies related to the achievement of employment outcomes consistent with §361.5(c)(15) of the implementing regulations.

22. For individuals seeking uncompensated outcomes after the effective date of the final regulations, what policies and procedures are, or will be, in place to ensure they are referred to other Federal, State, and local programs that can best meet their needs?

23. What independent living (IL) and other services are available in the State that may be appropriate for individuals seeking uncompensated outcomes?

24. Does the VR agency believe that these IL and other programs have adequate funding and capacity to serve individuals seeking uncompensated outcomes who are referred by the VR agency?

25. What policies and/or procedures does the VR agency have in place to ensure that VR services that provide independent living skills training are provided under the VR program only when necessary to assist eligible individuals to achieve an employment outcome in competitive integrated employment or supported employment?

26. How many individuals have a goal of homemaker or unpaid family worker identified on their IPE, as approved prior to the effective date of the final regulations?

27. What policies and/or procedures are in place to ensure these individuals complete their goal by June 30, 2017, or a longer period based on the needs of the individual?

28. What impact will the VR agency’s remaining projected homemaker and unpaid family worker outcomes have on the performance indicators during the baseline data period?

29. Does the VR agency request technical assistance in this area?

E. Impact of an Order of Selection on Competitive Integrated Employment

Section 101(a)(5)(D) of the Act, as amended by WIOA, and §361.36(a)(3)(v) of the implementing regulations permit a VR agency to elect to serve eligible individuals who require specific services or equipment to maintain that employment, whether or not those individuals are receiving VR services under the order of selection. This exemption from the order of selection
applies only to those services and equipment needed to maintain the individual’s employment. It does not permit the VR agency to provide VR services and equipment not directly tied to maintaining the individual’s current employment. If the VR agency elects to exercise this flexibility, it must indicate so in the VR services portion of the Unified or Combined State Plan.

Documentation Review: VR agency policies related to the implementation of an order of selection, and the assurances and descriptions in the VR services portion of the Unified or Combined State Plan related to the order of selection.

Discussion Questions:

30. Describe the VR agency’s current implementation of an order of selection. The description should take into account the following considerations:

   a. Has the VR agency implemented an order of selection?
   b. If so, what is the primary justification for implementing the order?
   c. How many priority categories does the VR agency have and how many are open?
   d. If the agency has not implemented an order of selection, does the VR agency anticipate implementing such an order?
   e. If the VR agency has implemented an order, does the agency anticipate closing additional categories under its current order?

31. Is the VR agency serving individuals who are at risk of losing employment outside an order of selection as permitted by section 101(a)(5)(D) of the Act? If not, does it plan to do so? If it does plan to do so, did the State include a description of these plans in its VR services portion of the Unified or Combined State Plan?

32. Does the VR agency request technical assistance in this area?

   a. If so, has the VR agency estimated the number of individuals who will be served and the average cost per case of serving these individuals?
   b. Has the VR agency adjusted its order of selection estimates for the individuals it will be able to serve under IPEs?
IV. Pre-Employment Transition Services

A. Overview

The Act, as amended by WIOA (Act), places heightened emphasis on the provision of services, including pre-employment transition services, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other services necessary to achieve employment outcomes in competitive integrated employment. The Act and its implementing regulations in 34 CFR part 361 contain several new terms and requirements related to pre-employment transition services.

Pre-employment transition services, defined in section 7(30) of the Act, as amended by WIOA, and §361.5(c)(42) of the implementing regulations, include both required activities and authorized activities specified in section 113 of the Act and the implementing regulations in §361.48(a). Pre-employment transition services also include pre-employment transition coordination activities.

There are five required activities (most beneficial to a student in the early stages of employment exploration) that are provided directly to eligible or potentially eligible students with disabilities. These are outlined below in the Provision of Pre-Employment Transition Services section.

There are nine authorized activities described in §361.48(a)(3) that VR agencies may implement to improve the transition of students with disabilities from school to postsecondary education or an employment outcome.

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

Section 113(a) of the Act requires that VR agencies provide, or arrange for the provision of, pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. The term “potentially eligible” is specific to the provision of pre-employment transition services but is not defined in the Act. The implementing regulations in §361.48(a)(1) will clarify that all students with disabilities, regardless of whether or not they have applied or been determined eligible for the VR program, are potentially eligible to receive pre-employment transition services. A “student with a disability,” defined in section 7(37) of the Act, as amended by WIOA, and §361.5(c)(51) of the implementing regulations, has three components: age requirements; educational program attendance; and the requirement that the individual is eligible for and receiving special education or related services under the Individuals with Disabilities Education Act (IDEA), or is an individual with a disability, for purposes of section 504 of the Act. The minimum age for the receipt of pre-employment transition services, the minimum age for the provision of transition services under IDEA, and the maximum age for the receipt of services under IDEA are State-dependent; thus, the implementing definition of “student with a disability” may vary from State to State.

A student with a disability enrolled in any educational program, including a secondary education program, an alternative secondary education program (e.g., general education equivalency testing preparation programs), postsecondary vocational training programs, and postsecondary
educational programs, is “potentially eligible” for pre-employment transition services under the VR program. An individual who is deemed to meet the definition of a “student with a disability” because he or she is eligible for purposes of section 504 of the Act is not required to be receiving services under that section.

The Act also defines the term “youth with a disability” as an individual with a disability who is age 14 through 24. Because this is a broad age range with no educational attendance requirement, all individuals who meet the definition of a “student with a disability” will meet the definition of a “youth with a disability but not all “youth with disabilities” will meet the definition of a “student with a disability.” The distinctions between the definitions of “student with a disability” and “youth with a disability” are critical for purposes of the various authorities for providing transition-related services, including pre-employment transition services. For example, pre-employment transition services provided under section 113 of the Act, as amended by WIOA, and §361.48(a) of the implementing regulations are only available to students with disabilities. However, transition services provided for the benefit of a group of individuals under section 103(b)(7) of the Act, as amended by WIOA, and §361.49(a)(7) of the implementing regulations may be provided to both students and youth with disabilities. Youth with disabilities who are not students may receive transition-related services identified in an IPE under section 103(a) of the Act, but may not receive pre-employment transition services because these services are limited to students with disabilities. On the other hand, students with disabilities may receive pre-employment transition services with or without an IPE under section 113 of the Act, or may receive pre-employment transition services and/or transition services under an IPE in accordance with section 103(a)(15) of the Act.

In States implementing an order of selection, if a student applies for VR services and is assigned to a closed order of selection priority category prior to receiving pre-employment transition services, he or she may not receive pre-employment transition services or individualized transition services until moved from the waiting list to an open priority category. However, if a student with a disability is receiving pre-employment transition services prior to assignment to a closed priority category, the VR agency must continue providing any of the required activities under pre-employment transition services.

To facilitate the provision of technical assistance by RSA, and in preparation for the on-site visit, RSA and the VR agency jointly will review applicable documentation related to pre-employment transition services, which may include:

- State educational agency (SEA) and local educational agency (LEA) agreements;
- Policies related to the provision of pre-employment transition services;
- A sample third-party cooperative arrangement contract for the provision of pre-employment transition services, if the agency has such an agreement;
- An on-the-job training agreement, if the agency has such an agreement;
- Assurance 4(c) and descriptions (j), (m) and (o) and any other relevant information from the most recently submitted VR services portion of the Unified or Combined State Plan;
- Federal Financial Report (SF-425) reporting procedures, especially as those procedures relate to the proper accounting and reporting of expenditures with funds reserved under section 110(d)(1) of the Act for the provision of pre-employment transition services for students with disabilities;
• Supporting documentation for expenditures incurred with funds reserved for the provision of pre-employment transition services and reported in line 12b of the SF-425; and

• Updated policies or procedures for tracking expenditures for the provision of pre-employment transition services for:
  o Purchased services and services provided by VR agency personnel; and
  o Related procedures to exclude administrative costs from expenditures paid with funds reserved under section 110(d)(1) for the provision of pre-employment transition services because section 110(d)(2) prohibits such costs from being paid for with funds reserved under section 110(d)(1).

In gathering information related to pre-employment transition services, RSA may consult:

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

B. Planning for and Coordination of Pre-Employment Transition Services

Statewide Assessment and Strategies

Under section 101(a)(15) of the Act and the implementing regulations in §361.29(a)(1)(i)(D), VR agencies must include, in the comprehensive statewide needs assessment (CSNA), the VR needs of youth and students with disabilities, including their need for pre-employment transition services or other transition services, and an assessment of that need, as well as the extent to which services are coordinated with transition services under IDEA. The VR services portion of the Unified or Combined State Plan must describe the strategies the State will use to improve and expand VR services for students and youth with disabilities, including pre-employment transition services for students with disabilities pursuant to section 101(a)(25) of the Act and the implementing regulations in §361.29(d)(3) and (4).

Documentation Review: Descriptions (j) and (o) in the VR services portion of the most recently approved Unified or Combined State Plan.

Discussion Questions:

1. Describe the VR agency’s methods for identifying students and youth with disabilities in the State and assessing their needs for pre-employment transition services and transition services, as appropriate.

2. Describe the needs of students and youth with disabilities identified in the most recent CSNA. If one has not been conducted or if it was conducted prior to the enactment of WIOA, describe how the needs will be identified and assessed in the next CSNA.
3. Describe the strategies that have been used or will be used to expand VR services for students and youth with disabilities, including pre-employment transition services for students with disabilities.

4. Does the VR agency require technical assistance in this area?

C. State Educational Agency (SEA) Agreement

Under section 101(a)(11)(D) of the Rehabilitation Act and the implementing regulations in §361.22, VR agencies must develop policies and procedures for coordinating with educational officials to facilitate the provision of VR services, including pre-employment transition services. Additionally, the VR services portion of the Unified or Combined State Plan must contain plans, policies, and procedures for coordination between the VR agency and the SEA to facilitate the transition of students from the receipt of educational services, including pre-employment transition services, to the receipt of VR services as required in §361.22(a)(1). Implementing regulations specific to the formal interagency agreement (see §361.22(b)) have been revised to incorporate pre-employment transition services that must be included during interagency coordination of transition services. VR agencies are permitted to provide consultation and technical assistance to educational agencies through alternative means (e.g., video conferences and conference calls). The implementing regulations also added §361.22(b)(5) and (6) to incorporate requirements from section 511. Finally, a new paragraph (c) was added to §361.22 to incorporate the construction clause in section 101(c) of the Act.

Documentation Review: Current formal interagency agreement between the VR agency and the SEA and, if applicable, between the VR agency and the LEA.

Discussion Questions:

5. Has the formal interagency agreement with the SEA been revised to be consistent with:

   a. Requirements in §361.22(b) once they take effect;
   b. Requirements related to the coordination and provision of pre-employment transition services in §361.48(a) once they take effect; and
   c. Coordination of responsibilities under section 511 of the Rehabilitation Act and implementing regulations in 34 CFR part 397 once they take effect?

If so, describe the revisions made to the formal interagency agreement with the SEA.

6. Describe how the VR agency is coordinating and facilitating the provision of pre-employment transition services with the LEAs and SEA, taking into account the following considerations:

   a. Has a process for determining programmatic and fiscal responsibilities been developed and implemented? If so, describe.
   b. How are the agencies determining responsibility for those services that may be both a special education or related service under IDEA and a VR service under the Rehabilitation Act?
7. Has the VR agency provided joint guidance, consultation and technical assistance, as well as training to VR and educational staff, regarding the requirements related to the provision of pre-employment transition services?

8. Does the VR agency require technical assistance in this area?

D. Provision of Pre-Employment Transition Services

Pre-employment transition services include the required activities, authorized activities, and pre-employment transition coordination activities listed in section 113 of the Act, as amended by WIOA, and §361.48(a) of the implementing regulations. The required activities, or direct services, are to be provided or arranged for in collaboration with the LEA and must be made available Statewide to all students with disabilities in need of such services, regardless of whether they have applied, or been determined eligible, for the VR program. These services can be provided prior to application and after eligibility determination or IPE development, so long as the definition of “student with a disability” in section 7(37) of the Act, as amended by WIOA, and §361.5(c)(51) of the implementing regulations is met. Students with disabilities who have not applied for VR services, but are receiving pre-employment transition services, would be considered “recipients” of VR services for purposes of §361.28 of the implementing regulations that address third-party cooperative arrangements. As such, VR agencies may enter into third-party cooperative arrangements for the provision of pre-employment transition services so long as all requirements of §361.28 are met.

Documentation Review: VR agency policies for the provision of pre-employment transition services to students with disabilities and, as appropriate, third-party cooperative arrangements.

Discussion Questions:

9. What is the minimum age at which students in the State may begin receiving pre-employment transition services? How was this determined?
   a. What is the minimum age for the provision of transition services under IDEA?
   b. What is the maximum age in the State for the receipt of services under IDEA by students with disabilities?

10. What questions does the VR agency have regarding who may receive pre-employment transition services? Does the agency need technical assistance in this area?

1. Required Activities Under Section 113(b)

In accordance with section 113(b) of the Act, as amended by WIOA, and §361.48(a)(2) of the implementing regulations, pre-employment transition services include five required activities:

1. Job exploration counseling;
2. Work-based learning experiences;
3. Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs;
4. Workplace readiness training to develop social skills and independent living; and
5. Instruction in self-advocacy, including instruction in person-centered planning and peer mentoring.

Pre-employment transition services are designed to help students with disabilities begin to identify career interests that will be further explored through additional VR services, such as transition services.

Documentation Review: VR agency policies for the provision of pre-employment transition services.

Discussion Questions:

11. Describe how the VR agency is providing pre-employment transition services, taking into account the following:

a. Are pre-employment transition services being provided to students with disabilities who are:
   □ Potentially eligible;
   □ VR applicants or eligible individuals; or
   □ Eligible individuals with an IPE?

b. Which pre-employment transition services are being provided in a group setting (e.g., classroom, employment, or community) or on an individualized or customized basis?

c. Are pre-employment transition services being provided by VR agency staff or purchased from a school or other provider(s)?

d. If purchased, who are providing pre-employment transition services? Are all five required activities or only a portion of the required activities being provided by these providers?

e. Are any of the required pre-employment transition services delivered through third-party cooperative arrangements? If so, describe these arrangements.

f. Describe how your agency is ensuring the provision of pre-employment transition services is available Statewide.

g. How are students with disabilities involved in the selection of pre-employment transition services and providers?

h. At what point may students with disabilities participating in required activities receive transition or other VR services?

12. Describe how job exploration counseling is being provided and the setting (group or individual).

13. Describe how work-based learning experiences are being coordinated and provided, taking into account the following considerations:

a. How are students with disabilities involved in the identification and selection of work-based learning experiences?

b. Are these work-based learning services being provided in a school or community-based setting? Are they provided during or after school hours? Are they provided in a group setting or on an individualized basis?
c. Are these work-based learning experiences actual work experiences or are they simulated/mock work experiences? Are they paid or unpaid? Are they in integrated settings or in non-integrated settings? If the experiences are in non-integrated settings, how is the search for all possible integrated settings being exhausted before a non-integrated work experience is initiated?
d. If these work-based learning experiences are paid, are students earning competitive wages, or wages consistent with those paid to students without disabilities, or a training stipend? Are these set up as on-the-job trainings in the community? (If set up as an on-the-job training (OJT), request an OJT Agreement.)

14. Describe how counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education is being provided and the setting in which it is provided (group and/or individual settings).

15. Describe how workplace readiness training is being coordinated and provided, including types of training activities and settings.

16. Describe how instruction in self-advocacy is being provided and by whom.

17. What other related VR services are provided while students are receiving pre-employment transition services and by whom?

18. What technical assistance does the VR agency require in this area?

2. Authorized Activities Under Section 113(c)

Authorized activities are described in section 113(c) of the Act, as amended by WIOA, and §361.48(a)(3) of the implementing regulations and may be provided to improve the transition of students with disabilities from school to postsecondary education or an employment outcome. The authorized activities must support the provision or arrangement for the provision of the required activities under section 113(b) of the Act, as amended by WIOA, and may be provided only if funds reserved under section 110(d)(1) remain after the provision of the required activities described in section 113(b) of the Act, as amended by WIOA. As part of the Comprehensive Statewide Needs Assessment, States should determine the number of potential individuals eligible for pre-employment transition services. These data will enable the States to target the amount of the reserved funds necessary for ensuring the “required” pre-employment transition services are provided to students with disabilities. To the extent the States demonstrate that they have made the required pre-employment transition services available to the population identified in the Comprehensive Statewide Needs Assessment, the States have met the requirement to provide the “required” pre-employment transition services prior to the “authorized” activities. Any reserved funds remaining beyond the targeted amount necessary for the “required” activities may then be used for “authorized” activities in section 113(c) of the Act and §361.48(a)(3) of the implementing regulations.

Discussion Questions:
19. What process is the VR agency using to determine whether funds reserved under section 110(d)(1) are remaining and, therefore, available to provide authorized activities?

20. Which authorized activities have been provided, coordinated or arranged by the VR agency?

21. What technical assistance does the VR agency require in this area?

3. Pre-Employment Transition Coordination Activities Under Section 113(d)

VR agencies must participate in pre-employment transition coordination activities described in section 113(d) of the Act, as amended by WIOA, and §361.48(a)(4) of the implementing regulations. The VR agency may engage in these activities using alternate means (e.g., video conferences and teleconferences).

Discussion Questions:

22. Describe how the VR agency is facilitating and engaging in the required pre-employment transition coordination activities.

23. Describe the VR agency’s efforts to engage with education programs to collaboratively provide pre-employment transition services, including:
   a. Planning activities; and
   b. Joint activities.

24. What challenges, if any, is the VR agency experiencing in collaborating with education programs and other partners to provide pre-employment transition coordination activities?

25. What technical assistance does the VR agency require in this area?

E. Order of Selection

Neither section 101(a)(5) of the Act nor §361.36(d) of the implementing regulations exempts students with disabilities from any of the order of selection requirements, which apply to all VR program applicants. However, as specified in §361.36(e)(3)(A), the designated State unit must continue to provide pre-employment transition services to students with disabilities who were receiving such services prior to being determined eligible for VR services. In addition, VR agencies may provide general transition services that benefit a group of students with disabilities in a group setting pursuant to section 103(b)(7) of the Rehabilitation Act, as amended by WIOA, and §361.49(a)(7) of the implementing regulations to ensure the continuation of some beneficial services in the event that a student with a disability is assigned to a closed priority category prior to receiving pre-employment transition services.

Documentation Review: State Plan assurance 4(c) and description (m) to determine if an OOS has been established and implemented.

Discussion Questions:
26. Describe any impact that order of selection requirements have had on the provision of pre-employment transition services.

27. What pre-employment transition services are being provided to students with disabilities who are on the waiting list?

28. How many students with disabilities are on the waiting list without being able to receive pre-employment transition services because they were assigned to a closed category before receiving pre-employment transition services?

29. What technical assistance does the VR agency require in this area?

F. Policies Regarding Pre-Employment Transition Services

The new definitions and requirements related to pre-employment transition services and students with disabilities under the Act, as amended by WIOA, require policy revisions and development of new policies. As specified in §361.50(a), VR agencies are required to develop and maintain written policies regarding the nature and scope of VR services, which include pre-employment transition services. This section serves as a guide to begin discussion of the VR agency’s policies with respect to the provision of pre-employment transition services to students with disabilities.

Documentation Review: VR agency policies relating to pre-employment transition services to students with disabilities.

Discussion Questions:

30. What is the VR agency’s process for revising and implementing policy? Who is involved in the process and how long does the process usually take from drafting to implementation?

31. Has the VR agency developed or revised policies or begun developing or revising policies to address pre-employment transition services requirements? If so, at what stage of the process is the development or revision?

32. Describe the policies and procedures that have or will be developed or revised to address pre-employment transition services requirements (e.g. referrals, collaborative service provision, and service agreements, etc.).

33. What changes are required in the VR agency’s case management system to accommodate the policy/procedure changes? Does the VR agency have a plan or schedule for making these changes if any are needed?

34. Describe the preparation of VR staff (administrators, supervisors, counselors, and support staff) to implement the provision of pre-employment transition service policies.
G. Fiscal Requirements for the Provision of Pre-Employment Transition Services

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

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

So that Federal VR funds reserved for the provision of pre-employment transition services are only spent on the allowable services identified in section 113 of the Act, as amended by WIOA, and §361.48(a) of the implementing regulations once they take effect, States must ensure that methods of administration are established to ensure accurate data collection and fiscal accountability as required in §361.12. The Uniform Guidance at 2 CFR 200.402(a) (formerly 34 CFR 80.20(a) of the Education Department General Administrative Regulations) requires States to develop financial management systems that permit the preparation of reports and the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. As part of the VR allotment, funds reserved for the provision of pre-employment transition services have the same match requirement as all Federal VR funds, per §361.60. States are permitted to carry over any unobligated Federal VR funds reserved for the provision of pre-employment transition services so long as they have met the requisite matching requirement for those funds by the end of the year of appropriation, in accordance with section 19 of the Act and §361.64 of the implementing regulations. In addition, States are not permitted to use funds reserved under section 110(d)(1) to pay for administrative costs associated with the provision of pre-employment transition services or for providing any other VR services (see section 110(d)(2) of the Act, as amended by WIOA, and §361.65(a)(3)(ii)(B) of the implementing regulations).

On April 13, 2016, RSA published a Pre-Employment Transition Services FAQ document addressing many questions RSA received about calculating the amount to be reserved and managing, tracking, and spending VR funds for the provision of pre-employment transition services. The document is available online at: http://www2.ed.gov/programs/rsabvrs/fiscal-resources/index.html.

1. Reserve Calculation and Expenditure

Documentation Review: Available SF-425 Financial Reports, written policies or procedures for the tracking of expenditures for pre-employment transition services.

Discussion Questions:
35. Describe how the VR agency calculates the amount it will reserve for the provision of pre-employment transition services to students with disabilities, so that the State reserves at least 15 percent of its VR allotment for this purpose. Does the VR agency account for adjustments to the State VR allotment, including continuing resolutions, maintenance of effort penalties, and any increase or decrease to the allotment resulting from the reallocation process?

36. How does the VR agency plan for, or adjust to, any State allotment adjustments throughout the year in an effort to meet the reservation of funds requirement for the provision of pre-employment transition services?

37. Does the VR agency request technical assistance with calculating the amount of VR funds to be reserved for the provision of pre-employment transition services?

2. Non-Federal Share

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

Discussion Questions:

38. How does the VR agency ensure that the required 21.3 percent non-Federal share is satisfied for the VR grant, including the amount of the grant reserved for the provision of pre-employment transition services to students with disabilities?

39. Is the VR agency aware that any non-Federal expenditures incurred for the provision of pre-employment transition services, that are in excess of the requisite non-Federal share amount, may be spent on any other allowable VR expenditure? The State is not required to use any excess non-Federal expenditures for matching additional Federal funds for the provision of pre-employment transition services.

40. Is the VR agency spending any non-Federal share on pre-employment transition services, and if so, how much?

41. Is the VR agency reporting any non-Federal share for reserve purposes in line 12b of the VR SF-425 report? Pre-employment transition services expenditures may only count toward the amount of funds to be reserved if they are incurred with Federal VR funds.

42. Does the VR agency request technical assistance related to the non-Federal share for the amount of funds to be reserved for the provision of pre-employment transition services?

3. Meeting the Requirement to Reserve at least 15 Percent of the VR Allotment for the Provision of Pre-Employment Transition Services

Identify the extent to which the State satisfied the requirement to reserve at least 15 percent of its VR allotment for the provision of pre-employment transition services to students with disabilities for the most recently completed Federal VR award.
Discussion Questions:

43. How does the State monitor its progress toward meeting the reserve requirement on a frequent or ongoing basis?

44. If the State satisfied the requirement to reserve at least 15 percent of its VR allotment for the provision of pre-employment transition services, identify the amount and percentage of Federal expenditures for pre-employment transition services that were actually incurred.

45. If the amount of VR funds reserved for the provision of pre-employment transition services was significantly above the 15 percent minimum, how is the VR agency managing the impact on the provision of VR services to all other eligible individuals?

46. Are VR program resources, as a whole, strained in a manner that the VR agency is concerned with its ability to continue serving all eligible individuals? If so, how is the agency addressing this potential impact given the new requirement to reserve at least 15 percent of the VR allotment for the provision of pre-employment transition services to students with disabilities?

47. If the State did not reserve at least 15 percent of its VR allotment for the provision of pre-employment transition services, identify the amount and percentage of Federal expenditures for pre-employment transition services that was expended.

48. What additional plans or adjustments has the VR agency made to increase its pre-employment transition services expenditures in an effort to meet the State’s reserve requirement?

49. In addition to the Federal VR funds, are other funding sources used to pay for pre-employment transition services? If so, are these State or local funds? Are they reported on the SF-425 report?

50. Does the VR agency request technical assistance with determining whether it met the 15 percent reserve requirement?

**4. Internal Controls for Tracking Expenditures Incurred with the Amount of Funds Reserved for the Provision of Pre-Employment Transition Services**

Discussion Questions:

51. Describe the VR agency’s internal controls for tracking expenditures reported as spent on pre-employment transition services.

52. How does the VR agency pay for pre-employment transition services?

53. Describe how the VR agency treats pre-employment transition services for tracking and accounting purposes, taking into account the following considerations:
a. Are reserve funds and pre-employment transition services treated as a separate cost objective, or tracked through some other mechanism to differentiate these services from other VR services?
b. If purchased through vendors or CRPs, describe and review documentation regarding the internal controls established to track pre-employment transition services expenditures for students with disabilities. For example, does the contract itemize services to determine those that meet reserve purposes and those that do not?
c. If provided by VR agency staff, describe and review documentation regarding the internal controls established to track personnel time, ensuring that only expenditures for VR agency personnel time spent on the provision of pre-employment transition services to students with disabilities is reported for purposes of using the funds reserved for the provision of pre-employment transition services.
d. In instances where an individual may be receiving other VR services, in addition to pre-employment transition services, what mechanisms does the VR agency have in place to ensure only appropriate expenditures are included and reported as being paid for with funds reserved for the provision of pre-employment transition services?
e. How does the VR agency ensure administrative costs associated with the provision of pre-employment transition services are not paid for with the funds reserved under section 110(d)(1) of the Rehabilitation Act for the provision of pre-employment transition services?

54. What are the challenges the VR agency has experienced in the tracking and reporting of expenditures for pre-employment transition services? Does the VR agency need further technical assistance in this area?

55. Is the VR agency providing “authorized” pre-employment transition activities pursuant to section 113(c) of the Rehabilitation Act in an effort to meet its reserve requirement?
   a. Are these activities purchased or conducted by VR agency personnel?
   b. What internal control mechanisms does the VR agency have in place to track VR agency personnel time spent on the provision of “authorized” activities?
   c. How does the VR agency ensure administrative costs associated with the provision of the authorized activities are not paid with the funds reserved under section 110(d)(1) of the Act for the provision of pre-employment transition services?

56. What process does the VR agency, or other entity (e.g., DSA), use to report pre-employment transition services expenditures in line 12b of the VR SF-425 report?
   a. What entity is responsible for reporting and submitting the SF-425 report?
   b. Describe the process in place to gather the pre-employment transition services expenditure data to be reported on the SF-425 report.
   c. What review processes are established for the VR agency to review the SF-425 report (including pre-employment transition services expenditure data) prior to submission to ensure accuracy?

57. Describe how the VR agency monitors and evaluates the provision of pre-employment transition services through:
   a. VR agency staff;
b. Purchased services from vendors; or
c. Third-party cooperative arrangements.

58. Does the VR agency request technical assistance related to establishing internal controls for tracking pre-employment transition services expenditures, or reporting these expenditures on the SF-425 report?

5. Third-Party Cooperative Arrangements

Discussion Questions:

59. Does the VR agency provide pre-employment transition services through third-party cooperative arrangements? If so, do these arrangements include a budget with itemized services or are they flat fee-for-service arrangements?

60. How does the VR agency ensure administrative costs are paid for with regular VR funds, and not paid for with funds reserved for the provision of pre-employment transition services?

61. How is the non-Federal share provided under the third-party cooperative arrangement, if the agency engages in such arrangements?

62. When the non-Federal share is not provided by the cooperating agency in cash, how does the agency ensure that only certified personnel expenditures or other direct expenditures incurred under the contract with the cooperating agency for the direct provision of VR services to recipients under the third-party cooperative arrangement are reported as an allowable source of match, in accordance with §361.28(c)(3)?

63. Does the VR agency request technical assistance related to third-party cooperative arrangements that facilitate the provision of pre-employment transition services to students with disabilities?
V. The State Supported Employment Services Program

A. Overview

The State Supported Employment Services program (Supported Employment program), authorized under title VI of the Rehabilitation Act, as amended by WIOA (Act) provides grants to assist States in developing and implementing collaborative programs with appropriate entities to provide programs of supported employment services for individuals with the most significant disabilities, including youth with the most significant disabilities, to enable them to achieve a supported employment outcome in competitive integrated employment. Grants made under the Supported Employment program, with implementing regulations to be published in 34 CFR part 363, supplement grants issued to States under the VR program, with implementing regulations to be published in 34 CFR part 361.

WIOA made several significant changes to title VI of the Act, which governs the State Supported Employment Services program. All of the amendments to title VI are consistent with those made throughout the Act, namely to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities.

The definition of “supported employment” is found in Part 361, the regulations implementing the VR program, along with several other definitions applicable to the Supported Employment program because the VR program provides supported employment services as well. The regulation in §361.5(c)(53) implements section 7(38) of the Act, as amended by WIOA, and includes new provisions including “customized employment,” defined separately at section 7(7) of the Act, and “working on a short-term basis” toward competitive integrated employment.

§361.5(c)(53) Supported employment. (i) Supported employment means competitive integrated employment, including customized employment, or employment in an integrated work setting in which an individual with a most significant disability, including a youth with a most significant disability, is working on a short-term basis toward competitive integrated employment that is individualized, and customized, consistent with the unique strengths, abilities, interests, and informed choice of the individual, including with ongoing support services for individuals with the most significant disabilities—
A) For whom competitive integrated employment has not historically occurred, or for whom competitive integrated employment has been interrupted or intermittent as a result of a significant disability; and
B) Who, because of the nature and severity of their disabilities, need intensive supported employment services and extended services after the transition from support provided by the designated State unit, in order to perform this work.
(ii) For purposes of this part, an individual with a most significant disability, whose supported employment in an integrated setting does not satisfy the criteria of competitive integrated employment, as defined in paragraph (c)(9) of this section is considered to be working on a short-term basis toward competitive integrated employment so long as the individual can reasonably anticipate achieving competitive integrated employment—
(A) Within six months of achieving a supported employment outcome; or
(B) In limited circumstances, within a period not to exceed 12 months from the
achievement of the supported employment outcome, if a longer period is necessary based
on the needs of the individual, and the individual has demonstrated progress toward
competitive earnings based on information contained in the service record.

Other changes made in the Act, as amended by WIOA, and in the implementing regulations,
include:

- Extending the time frame for the provision of supported employment services from 18
  months to 24 months in the definition of “supported employment services” in the Act in
  section 7(39)(C), and in the implementing VR program regulations 34 CFR
  361.5(c)(54)(iii) and also in the Supported Employment program regulations in
  §363.50(b)(1);
- Requiring in section 602 of the Act, the definition of supported employment in section
  7(38) and the implementing regulation in §363.1 that supported employment must be in
  competitive integrated employment or, if not in competitive employment, in an integrated
  setting in which the individual is working toward competitive integrated employment on
  a short-term basis;
- Requiring in section 603(d) of the Act and §363.22 of the implementing regulations a
  reservation of 50 percent of a State’s allotment under the Supported Employment
  program for the provision of supported employment services, including extended
  services, to youth with the most significant disabilities;
- Requiring in section 606(b)(7)(I) of the Act and the implementing regulations in §363.23
  not less than a 10 percent match for the amount of funds reserved to serve youth with the
  most significant disabilities;
- Reducing in section 606(b)(7)(H) of the Act and the implementing regulations at §363.51
  the amount of funds that may be spent on administrative costs; and
- Removing the definition of “transitional employment” from the implementing regulations
  in 34 CFR 361.5(c), as well as from the definition of “supported employment” in the
  implementing regulations in 34 CFR 361.5(c)(53) and the definition of “ongoing support
  services” from the implementing regulations in 34 CFR 361.5(c)(37) because Congress
  removed the definition of “transitional employment” from section 7 of the Act. We
  believe the removal of this term expressed deliberate Congressional intent to ensure
  people with mental illness, for which transitional employment was most commonly used,
  have full access to competitive integrated employment, as would other individuals with
  the most significant disabilities.

In the course of providing technical assistance in this focus area, RSA will provide technical
assistance to VR agencies in both program specific and fiscal accountability areas related to the
Supported Employment program. Program specific technical assistance refers to the
Rehabilitation Act, and VR and Supported Employment program implementing regulations at 34
CFR 361 and 34 CFR 363, respectively. Fiscal accountability provides technical assistance
regarding compliance with the new fiscal requirements under the program, the Uniform
Guidance, and reporting requirements.
To facilitate the provision of technical assistance in both program and fiscal areas, and in preparation for the on-site visit, RSA and the VR agency will review applicable documentation and resources related to the Supported Employment program, including, but not limited to:

- VR agency policies and procedures related to the provision of supported employment and extended services;
- Third-Party cooperative arrangements and/or cooperative agreements with employers, State Agencies, private nonprofit organizations, and other groups, which fund extended services;
- Third-party cooperative arrangements and/or cooperative agreements with supported employment vendors and associated CRPs;
- Supported Employment Assurances 5, 6, and 7 and descriptions e., j.1.A., k.2.B., l.2., n, o, p, and q and any additional information from the VR Services Portion of the most recently submitted Unified or Combined State Plan;
- Federal Financial Report (SF-425) for the Supported Employment program reporting procedures;
- Supporting documentation for amount of funds reserved, expended and reported on the SF-425 for the provision of supported employment services, including extended services, for youth with the most significant disabilities under the Supported Employment program (reserve expenditures);
- Supporting documentation for amount of non-Federal funds used to provide match and reported on the SF-425 for the provision of supported employment services, including extended services, for youth with the most significant disabilities under the Supported Employment program (match expenditures);
- Updated policies or procedures for tracking expenditures for the provision of supported employment services for purchased services and services provided by VR agency personnel;
- Procedures to exclude administrative costs from reserve expenditures; and
- Performance data related to the number and percentage of individuals with the most significant disabilities receiving supported employment services and achieving supported employment outcomes.

In gathering supported employment related information, RSA may consult:

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

**B. Extended Time Frame for Provision of Supported Employment Services**

Section 7(39)(C) of the Act, as amended by WIOA, extends the time frame for the provision of supported employment services by the VR agency from 18 months to no longer than 24 months,
unless under special circumstances the eligible individual and the rehabilitation counselor jointly agree to extend the time to achieve the employment outcome identified in the IPE. The extension provides additional time for individuals with the most significant disabilities to receive services and supports necessary after placement to achieve an employment outcome in supported employment, either in competitive integrated employment or working on a short-term basis to achieve competitive integrated employment.

Documentation Review: VR agency policies related to the provision of supported employment services and the achievement of supported employment, RSA-911 data describing the provision of supported employment services.

Discussion Questions:

1. At what point in the VR process does the VR agency begin providing supported employment services?

2. What types of supported employment services does the agency provide and how are they determined?

3. Does the agency have data on the average length of time that supported employment services are provided to individuals with the most significant disabilities?

4. How does the VR agency determine when an extension of time is needed to provide supported employment services to an individual with a most significant disability? How is that documented?

5. Does the VR agency have any training and/or technical assistance needs or concerns pertaining to the extended time frame for the provision of supported employment services?

C. Competitive Integrated Employment and Short-Term Basis

Section 7(38) and the implementing regulation in 34 CFR 363.1 require that supported employment be in competitive integrated employment or, if not, in an integrated setting in which the individual is working toward competitive integrated employment on a short-term basis. Short-term basis is defined in §363.1(c) as follows:

**Short-term Basis.** For purposes of this part, an individual with a most significant disability, whose supported employment in an integrated setting does not satisfy the criteria of competitive integrated employment, as defined in 34 CFR 361.5(c)(9), is considered to be working on a short-term basis toward competitive integrated employment so long as the individual can reasonably anticipate achieving competitive integrated employment—

1. Within six months of achieving a supported employment outcome; or,
2. In limited circumstances, within a period not to exceed 12 months from the achievement of the supported employment outcome, if a longer period is necessary based on the needs of the individual, and the individual has demonstrated progress toward competitive earnings based on information contained in the service record.
The six-month short-term basis period, and the additional six months that may be available in limited circumstances, begins after an individual has completed up to 24 months of supported employment services (unless a longer period of time is necessary based upon the individual’s needs) and the individual has achieved a supported employment outcome, meaning that the individual is stable in the supported employment placement for a minimum period of 90 days following the transition to extended services.

Documentation Review: VR agency policies related to the provision of supported employment services and the achievement of supported employment outcome, RSA-911 data describing the provision of supported employment services.

Discussion Questions:

6. How is the VR agency implementing the short-term basis requirement?

7. Has the VR agency developed procedures for tracking the short-term basis period?

8. What expected or actual impact has the short-term basis requirement had on the achievement of competitive integrated employment outcomes in supported employment? What types of activities has the VR agency implemented to ensure competitive integrated employment can be reasonably achieved within six (6) months of achieving an employment outcome in supported employment, or in limited circumstances, within a period not to exceed 12 months from the achievement of the supported employment outcome?

9. How does the VR agency determine and document the need to extend the short-term basis period?

10. What impact has the short-term basis requirement had on the VR counselor’s and the individual’s decision to seek a supported employment outcome?

11. What impact has the short-term basis requirement had on the provision of supported employment services?

12. What training or technical assistance needs does the VR agency have regarding the short-term basis requirement?

D. **Extended Services for Youth with the Most Significant Disabilities**

Prior to the passage of WIOA, VR agencies were not permitted to expend Supported Employment or VR program funds for extended services. Section 604(b)(2) of the Act, as amended by WIOA, mandates that the VR agency make available extended services for youth with the most significant disabilities for a period not to exceed four years. The Act defines “youth with a disability” in section 7(42) as an individual with a disability who is not younger than 14 years of age, and not older than 24 years of age.
This new requirement is contained in the definition of “extended services” in 34 CFR 361.5(c)(19)(v) of the implementing regulations and is an authorized service in in §363.4(a)(2) of the implementing regulations until such time that a youth reaches the age of 25 and no longer meets the definition of a youth with a disability under implementing regulation 34 CFR 361.5(c)(58), or has received up to four years of extended services provided by the VR agency, whichever occurs first. Although the VR agency must discontinue funding extended services once a youth reaches age 25 or has received up to four years of extended services provided by the VR agency, it should explore the availability of funding from other sources.

Documentation Review: VR agency policies related to the provision of supported employment services and the achievement of supported employment outcomes, RSA-911 data describing the provision of supported employment services, Federal Financial Report (SF-425) for the Supported Employment program.

Discussion Questions:

13. To what extent has the VR agency funded extended services for youth with the most significant disabilities since the Act was amended by WIOA?

14. What are the sources of funds for extended services for youth with the most significant disabilities? How does the VR agency leverage other public and private funds to increase resources for extended services and expand supported employment opportunities?

15. Does the VR agency have cooperative agreements with State agencies, private nonprofit organizations, employers or other entities to provide ongoing support services and other appropriate extended services for individuals with the most significant disabilities?

16. Has the VR agency developed or amended any cooperative agreements as a result of the requirement for the VR agency to provide extended services for youth with the most significant disabilities with supported employment or VR Program funds?

17. Has the VR agency encountered challenges in the development, revision or implementation of its extended services cooperative agreements?

18. Does the VR agency have any training and/or technical assistance needs pertaining to the implementation of extended services for youth with the most significant disabilities funded by the VR & Supported Employment programs?

E. Transitional Employment

Congress removed all references to transitional employment from the Act, thus the term has been removed in the implementing regulations, both as a separate definition and from the definitions of “supported employment” and “ongoing support services” in §§361.5(c)(53) and 361.5(c)(37) respectively, of the implementing regulations. Transitional employment may be provided as a VR service that can lead to an employment outcome, but does not constitute a supported employment outcome within the meaning of the definition of “supported employment” in 34 CFR 361.5(c)(53) and §363.1(b) and (c) of the implementing regulations. Therefore, transitional
employment would not be an appropriate placement for employment on a short-term basis or as an employment outcome.

Discussion Questions:

19. What impact has the removal of transitional employment for individuals with the most significant disabilities had on supported employment outcomes? Has transitional employment continued to be offered as a VR service leading to competitive integrated employment?

20. Is the VR agency considering/implementing any new supported employment programs, methodologies or initiatives to promote access to competitive integrated employment for individuals with the most significant disabilities due to mental illness?

F. Requirements for an Employment Outcome in Supported Employment

The four requirements that must be satisfied for a supported employment outcome, consistent with the statutory definition of “employment outcome” in 7(11) of the Act are set forth in §363.54 of the implementing regulations. First, the individual must have completed supported employment services, which may be received for up to 24 months, or longer if the counselor and the individual have determined that such services are needed to support and maintain the individual in supported employment. Any other VR services listed on the individualized plan for employment provided to individuals who are working on a short-term basis toward the achievement of competitive integrated employment in supported employment need not be completed prior to satisfying the achievement of an employment outcome. Second, the individual has transitioned to extended services provided either by the VR agency for youth with the most significant disabilities, or another provider, consistent with the provisions of §§363.4(a)(2) and 363.22 in the implementing regulations. Third, the individual has maintained employment and achieved stability in the work setting for a minimum of 90 days after transitioning to extended services and, finally, the employment must be individualized and customized consistent with the strengths, abilities, interests, and informed choice of the individual.

Documentation Review: VR agency policies related to the provision of supported employment services and the achievement of supported employment outcomes, RSA-911 data describing the provision of supported employment services.

Discussion Questions:

21. What services, if any, does the VR agency continue to provide to individuals who are working on a short-term basis toward the achievement of competitive integrated employment in supported employment?

22. Does the VR agency meet all of the requirements that must be satisfied for an employment outcome in supported employment?
G. Closure of the Supported Employment Service Record

Regulations implementing title VI, specifically §363.55, address when the service record of an individual who has achieved an employment outcome in supported employment may be closed. Separate requirements are specified for different scenarios, depending on whether individuals with the most significant disabilities, including youth with the most significant disabilities, achieve competitive integrated employment or work toward competitive integrated employment on a short-term basis and whether they are receiving extended services and any other VR services from the VR agency or from other service providers.

The service record for an individual with a most significant disability, including a youth with a most significant disability, who has achieved an employment outcome in supported employment in competitive integrated employment is closed at the time the individual achieves the employment outcome and has satisfied the requirements for case closure in 34 CFR 361.56 of the implementing regulations; and is not receiving extended services or any other VR service provided by the VR agency with funds under title I or the Supported Employment program.

The service record of an individual with a most significant disability, including a youth with a most significant disability who is working toward competitive integrated employment on a short-term basis and is receiving extended services from funds other than those allotted under the Supported Employment program and implementing regulations in 34 CFR part 361 will be closed when the individual achieves competitive integrated employment within the short-term basis period established pursuant to implementing regulation §363.1(c); the individual satisfies requirements for case closure in implementing regulation 34 CFR 361.56; and is no longer receiving VR services provided by the VR agency with funds under the implementing regulations in 34 CFR part 361. If an individual does not achieve competitive integrated employment within the short-term basis period, the service record will be closed.

The service record of a youth with a most significant disability who is receiving extended services provided by the VR agency from funds under the Supported Employment program or the VR program will be closed when the youth achieves an employment outcome in supported employment in competitive integrated employment without entering the short-term basis period; and is no longer eligible to receive extended services provided by the VR agency with funds allotted under the Supported Employment program or the VR program because the individual no longer meets age requirements established in the definition of a youth with a disability pursuant to implementing regulation 34 CFR 361.5(c)(58); or has received extended services for a period of four years; or has transitioned to extended services provided with funds other than those allotted under the Supported Employment program or the VR program prior to meeting the age or time restrictions. Additionally, the requirements for case closure in implementing regulation 34 CFR 361.56 must be satisfied; and the individual may no longer be receiving any other VR service from the VR agency provided with title I funds.
The service record of a youth with a most significant disability who is working toward competitive integrated employment on a short-term basis will be closed when the individual achieves competitive integrated employment within the short-term basis period and is no longer eligible to receive extended services provided by the VR agency with funds allotted under the Supported Employment program or the VR program because the individual no longer meets age requirements established in the definition of a youth with a disability; or has received extended services for a period of four years; or has transitioned to extended services provided with funds other than those allotted under the VR or Supported Employment programs prior to meeting the age or time restrictions. Additionally, the requirements for case closure in implementing regulation 34 CFR 361.56 must be satisfied. If a youth does not achieve competitive integrated employment within the short-term basis period, the service record will be closed.

Documentation Review: VR agency policies related to the provision of supported employment services and the achievement of supported employment outcomes, RSA-911 data describing the provision of supported employment services.

Discussion Questions:

24. Does the VR agency understand the different scenarios outlined in the service record closure requirements for youth? For individuals working on a short-term basis?

25. Has the VR agency closed any service records for youth with the most significant disabilities who achieved an employment outcome in supported employment subsequent to receiving extended services funded under the VR or Supported Employment programs?

26. Does the VR agency have particular training and/or technical assistance needs pertaining to when and how the service record for youth with most significant disabilities who have achieved an employment outcome in supported employment may be closed?

H. Fiscal Elements of the Provision of Supported Employment Services

1. Reservation of Supported Employment Funds for the Provision of Services to Youth with the Most Significant Disabilities (§363.22)

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

The reservation of funds for the provision of supported employment services for youth with the most significant disabilities must be resolved at the State level when there are two agencies
(General and Blind). For this reason, RSA encourages agencies to coordinate to ensure State compliance. While RSA recommends that each VR agency, particularly when a State has two, reserve 50 percent of its allotment to facilitate tracking of State compliance of the reservation requirement, there is no statutory requirement that this be done. If one of the two agencies uses more of its funds than the other for reserve purposes, the State would be in compliance so long as the State’s total funds reserved for the provision of supported employment services for youth with the most significant disabilities is 50 percent of the State’s total Federal Supported Employment program allotment, including any additional funds received during reallocation by one or both agencies.

It is critical that each VR agency implement administrative methods and procedures that will ensure proper data collection and financial accountability of these reserved funds, so that the VR agency will be able to complete accurately all required forms, including financial reports, that show the reservation and use of these funds for this purpose, as required by 2 CFR 200.302(a) of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

Documentation Review: Supporting documentation for reserve expenditures reported on the SF-425 for the State Supported Employment Services program, updated policies or procedures for tracking expenditures for the provision of supported employment services:

Discussion Questions:

27. What mechanisms has the grantee employed to track the 50 percent reserve funds and to ensure those funds are only expended for allowable Supported Employment program reserve costs? Please explain the VR agency’s process for tracking the 50 percent reserve funds and for ensuring that these funds are only expended for allowable Supported Employment program reserve costs.

28. Does the grantee plan to relinquish supported employment funds during reallocation in the year of appropriation in the event that a certain amount of funds remain unexpended? What internal controls are in place to ensure only unneeded funds are relinquished?

29. Does the VR agency have any particular training and/or technical assistance needs regarding how to track the 50 percent supported employment reserve for youth with the most significant disabilities?

2. Supported Employment Match (non-Federal share) (§363.23)

Section 606(b)(7)(I) of the Act, as amended by WIOA, and implementing regulation §363.23 require that States must provide non-Federal expenditures in an amount that is not less than 10 percent of total expenditures for youth with the most significant disabilities. Total expenditures means both the Federal reserved funds and the non-Federal share incurred for the provision of supported employment services, including extended services, to youth with the most significant disabilities. Since the required non-Federal share is only applicable to the 50 percent reserved funds for youth with the most significant disabilities, the non-Federal expenditures are required
to be spent on supported employment services, including extended services, to youth with the most significant disabilities. However, the 10 percent non-Federal share cannot count toward meeting the reserve requirements, which apply only to the Federal Supported Employment program award funds. For example, if a State’s total Federal Supported Employment allotment is $2,000,000 and it draws down and expends $1,000,000 (50 percent) for the provision of supported employment services, including extended services, to youth with the most significant disabilities, the State would have to provide a match of $111,111 ($1,000,000 / 0.90) X 0.10) in non-Federal expenditures for the provision of these services as well.

In the event that a State uses more than 50 percent of its allotment under the implementing regulations of part 363 to provide supported employment services to youth with the most significant disabilities, there is no requirement that the State provide non-Federal expenditures to match the Federal funds in excess of the 50 percent of Supported Employment program funds reserved and spent for this purpose. For this reason, RSA encourages agencies (when a State has two VR agencies) to coordinate to ensure State compliance. Assuming all statutory, regulatory and Federal cost principle requirements are met, the State may use non-Federal expenditures to pay for allowable supported employment services, including extended services, to youth with the most significant disabilities, whether paid directly by VR agencies, regardless of whether these funds were obtained by State appropriations, interagency transfers from other public agencies or private donations transferred to the VR agency’s account, or certified expenditures incurred by another State or local public agency under a third-party cooperative arrangement. Third-party in-kind contributions are not an allowable source of match under the Supported Employment program, just as they are not an allowable source of match under the VR program.

The State can carry over to the succeeding fiscal year, only the funds that it has reserved and matched in the fiscal year of appropriation. If it does carry over those reserved funds, it may spend those funds only for supported employment, including extended employment services for youth with the most significant disabilities.

Documentation Review: Supporting documentation for reserve and match expenditures reported on the SF-425 for the State Supported Employment Services program, updated policies or procedures for tracking expenditures for the provision of supported employment services:

Discussion Questions:

30. What fiscal controls has the VR agency put into place to ensure that it has met its requirement to match 10 percent of total Federal and non-Federal expenditures for reserve purposes expended by the end of the year of appropriation?

31. How will the State ensure that its match requirement is met by the end of the year of appropriation, sufficient to fully expend the reserve in the year of appropriation, or carry over unobligated reserve funds for obligation and expenditure into the carryover year?

32. Does the VR agency have any particular training and/or technical assistance needs regarding the Supported Employment program match, including the calculation?
3. Administrative Costs (§603(c))

Under section 606(b)(7)(H) of the Act, as amended by WIOA, and implementing regulation §363.51, a State may not use more than 2.5 percent of its Supported Employment program allotment to pay for administrative costs. Prior §363.51 limited administrative costs to 5 percent of the State’s allotment. With this change, more Supported Employment program funding will be spent on providing direct services to individuals, including youth, with the most significant disabilities. However, just as in previous years, nothing prevents a State from using VR funds to pay for Supported Employment program administrative costs.

Documentation Review: Updated policies or procedures for tracking expenditures for the provision of supported employment services for purchased services and services provided by VR agency personnel; and related procedures to exclude administrative costs from reserve expenditures.

Discussion Questions:

33. How does the grantee track expenditures to ensure that administrative costs do not account for more than 2.5 percent of its Supported Employment program allotment?

34. Does the VR agency have any particular training and/or technical assistance needs regarding the 2.5 percent limitation for the Supported Employment program allotment administrative costs?

4. Supported Employment Related Requirements

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

5. SF-425 Reserve and Match Reporting

Beginning in FFY 2017, supported employment grantees will be required to submit completed SF-425 Federal Financial Reports on a semi-annual basis. Semi-annual reporting is necessary in order for RSA to effectively monitor the matching and reservation of funds requirements under WIOA. The end dates for each reporting period in a fiscal year are 3/31 and 9/30. Semi-annual reports must be submitted no later than 45 days after the end of the reporting period. Final reports must be submitted no later than 90 days after the period of performance. Period of
performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award.


Documentation Review: Supporting documentation for reserve expenditures reported on the SF-425 for the State Supported Employment Services program, updated policies or procedures for tracking expenditures for the provision of supported employment services, updated policies or procedures for tracking expenditures for the provision of supported employment services for purchased services and services provided by VR agency personnel; and related procedures to exclude administrative costs from reserve expenditures

Discussion Questions:

35. Does the VR agency have any training and/or technical assistance needs pertaining to the SF-425 Semi-annual match and reservation reporting requirements?

36. Has the VR agency revised its internal policies and procedures to meet the new match and reserve reporting requirements as outlined above?

37. Describe the process the VR agency utilizes to track and report expenditures for the non-Federal share and 50 percent reserve on the SF-425 report.

38. Does the VR agency have any training and/or technical assistance needs pertaining to SF-425 reserve and match reporting?

6. Further Resources for Supported Employment


- An overview of the specific requirements related to reservation of funds, State match, administrative costs, extended services, and financial management is included as an attachment to the Supported Employment Grant Award Notification, RSA-SE-1, which may be accessed in G5.

- The RSA website now includes a match calculator for both the VR and Supported Employment awards, which is available at https://rsa.ed.gov/match-calculator.cfm.

- The Department website has developed a page for its grantees dedicated to explaining changes associated with the Uniform Guidance. This is available here: http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html.
I. General Questions

39. What policies or activities has the VR agency implemented to assist individuals with the most significant disabilities, including youth with most significant disabilities, to achieve an outcome of supported employment in competitive integrated employment settings?

40. What types of individualized and/or customized work settings have been established to assist individuals with most significant disabilities, including youth with most significant disabilities, to achieve an outcome of supported employment in competitive integrated employment?

41. What comprehensive assessments and/or tools are used to identify consumers’ strengths, abilities, interests, rehabilitation and job needs, informed choices, and ongoing support services?

42. Has the VR agency summarized the results of the needs assessment of individuals with the most significant disabilities, including youth with the most significant disabilities, conducted under section 101(a)(15) of the Act and implementing regulation 34 CFR 361.29(a), with respect to the rehabilitation and career needs of individuals with most significant disabilities and their need for supported employment services? Does the results of this needs assessment address needs relating to coordination?