FEDERAL FISCAL YEAR 2018 MONITORING REPORT ON THE UTAH STATE OFFICE OF REHABILITATION VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

U.S. Department of Education
Office of Special Education and Rehabilitative Services
Rehabilitation Services Administration

October 2, 2019

TABLE OF CONTENTS

Page

Section 1: The Federal Mandate and Scope of the Review 2

Section 2: Focus Area – Performance of the State Vocational Rehabilitation Services Program .. 4

Section 3: Focus Area – Transition Services, Including Pre-Employment Transition Services for Students and Youth with Disabilities..... 18

Section 4: Focus Area – State Supported Employment Services Program..... 24

Section 5: Focus Area – Allocation and Expenditure of State Vocational Rehabilitation Services and State Supported Employment Services Program Funds..... 27

Section 6: Focus Area – Joint Workforce Innovation and Opportunity Act Final Rule Implementation 39

Appendix A: Program and Fiscal Performance Data Tables 51

Appendix B: Data Verification Results 81

Appendix C: Data Verification Results 82

SECTION 1: THE FEDERAL MANDATE AND SCOPE OF THE REVIEW

A. Background

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

Through its monitoring of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the Utah State Office of Rehabilitation (USOR) in Federal fiscal year (FFY) 2018, RSA:

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

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

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from June 19 through 22, 2018, is described in detail in the FFY 2018 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide.

B. Review Team Participants

Members of the RSA review team included Jim Doyle, Christy Cavataio, and Samuel Pierre (Vocational Rehabilitation Program Unit); Craig McManus (Fiscal Unit); Jason Hunter (Technical Assistance Unit); and Rimal Desai (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

C. Acknowledgements

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

SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES PROGRAM

A. Purpose

Through this focus area, RSA assessed the achievement of employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program by conducting an in-depth and integrated analysis of core VR program data and review of individual case service records. The analysis below, along with any accompanying observations, recommendations, or findings, is based on a review of the programmatic data contained in Tables 1 through 9 found in Appendix A of this report. The data used in the analysis are those collected and reported by VR agencies based on Policy Directive 14-01, which was implemented prior to changes in reporting requirements in Section 101(a)(10) of the Rehabilitation Act made by WIOA, as well as the establishment in Title I of WIOA of common reporting requirements and performance indicators for all core programs in the workforce development system, including the VR program.

B. Analysis of the Performance of the VR Program

RSA reviewed USOR's performance for FFYs 2015, 2016, and three quarters of FFY 2017, with particular attention given to the number and quality of outcomes achieved by individuals with disabilities in the State. Additionally, the review addressed the number of individuals who were determined eligible for VR services and who received services through the VR program. The data used in this review were provided by USOR to RSA on the Quarterly Cumulative Caseload Report (RSA-113) and the RSA-911.

The VR Process

Resources: Program Performance Data Table 1 Summary Statistics from RSA 113: FFYs 2015-2017; Program Performance Data Tables 2a, 2b, and 2c Agency Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017; and Program Performance Data Tables 3a, 3b, and 3c Source of Referral—FFYs 2015-2017

The total number of applicants decreased from FFY 2015 through FFY 2017, from 8,763 to 6,021. Although the total number of applicants trended downward, the number of total eligible individuals increased from 7,311 to 8,290 over the same period. USOR reported that the total number of individuals on individualized plans for employment (IPE), receiving services decreased from 15,971 in FFY 2015 to 12,053 by the end of FFY 2017. USOR attributed the agency's recent implementation of an order of selection (OOS) as a major factor that negatively affected new applicants for VR services and resulted in a decrease in the number of eligible individuals who received VR services.

USOR has been operating under an OOS since February 2015 due to a lack of resources. The agency's OOS policies consist of three priority categories based on the individual's functional limitations: eligible individuals with the most significant disabilities (MSD), or priority category

I; eligible individuals with significant disabilities (SD), or priority category II; and eligible individuals with disabilities (D), or priority category III.

Upon implementing the OOS in February 2015, USOR closed all priority categories. USOR reported that the agency had over 15,000 eligible individuals under an IPE receiving VR services when the OOS was implemented. In February 2016, USOR began serving individuals from priority categories I and II and began to serve individuals under priority category III in July 2017. The total number of individuals under the OOS waiting list at the end of the review period decreased from 7,358 to 140.

Based on the RSA-911, from FFY 2015 through the first three quarters of FFY 2017, of all individuals whose service records were closed, the total number of individuals who exited from the VR system as applicants decreased from 1,784 individuals, or 17.8 percent in FFY 2015, to 648 individuals, or 11.3 percent during the first three quarters of FFY 2017. During the same period, the number and percentage of individuals who exited from the OOS waiting list decreased from 540 individuals, or 5.4 percent in FFY 2015, to 265 individuals, or 4.6 percent through the first three quarters of FFY 2017. In addition, the total number of individuals who exited after receiving VR services, both with and without employment, decreased from 5,951 individuals, or 59.3 percent of all individuals served in FFY 2015, to 2,631 individuals, or 46.1 percent for the first three quarters of FFY 2017. During the same period, the number of individuals who exited from the VR system without an employment outcome, after eligibility determination, but before an IPE was signed and VR services provided, increased from 1,753 individuals, or 17.5 percent to 2,171 individuals, or 38 percent. USOR attributed the increased number and percentage of individuals who exited after being determined eligible for VR services but before an IPE was developed to individuals who came off the waiting list and who were no longer interested in services or the agency was unable to locate.

During the same period, for individuals below the age of 25, the total number of individuals who exited from the VR system as applicants decreased from 467, or 21.1 percent in FFY 2015, to 184, or 12.6 percent through the first three quarters of FFY 2017. The number of individuals below the age of 25 who exited from the VR system without an employment outcome, after eligibility determination, but before an IPE was signed and VR services provided, increased from 421, or 19 percent in FFY 2015, to 617, or 42.4 percent during the first three-quarters of FFY 2017.

USOR reported increasing its outreach efforts in recent years to its relationships with stakeholders. The agency is actively taking steps to ensure that stakeholders are aware USOR has opened its priority categories and should continue to make referrals to the agency. Strategies USOR has implemented include strengthening the level of communication with stakeholders, such as sending regular updates and correspondence. Many of the VR counselors also have liaison assignments in their community to further facilitate communication. USOR has also been conducting outreach efforts by using various social media outlets. Although USOR reported an increased focus on outreach efforts, referrals for VR services have not returned to the number of referrals received in FFY 2015, including referrals from stakeholders.

Employment Outcomes

Resources: Program Performance Data Tables 2a, 2b, and 2c Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017

Individuals who exited with employment decreased from 3,502 individuals in FFY 2015 to 1,336 individuals through the first three quarters of FFY 2017. During the same period, USOR's employment rate decreased from 58.8 percent to 50.8 percent and the number of individuals achieving competitive employment outcomes decreased from 3,346 to 1,326 individuals.

From FFY 2015 through the first three quarters of FFY 2017, the median hourly earnings and average hourly earnings for all individuals who obtained employment after receiving VR services remained consistent. During this time, the median hourly earnings for individuals who achieved competitive employment outcomes remained consistent at $10.00 per hour, but the median hours worked decreased from 40 hours to 30 hours per week. As a result, the quarterly median earnings for competitive employment outcomes decreased from $4,940 in FFY 2015, to $4,290 in the first three quarters of FFY 2017. The percentage of competitive employment outcomes meeting SGA decreased from 72.2 percent for FFY 2015 to 58 percent through the first three quarters of FFY 2017.

From FFY 2015 through the first three quarters of FFY 2017, the median hourly earnings for individuals under age 25 who achieved competitive employment outcomes increased from $9.00 to $9.24 per hour. Conversely, the median hours worked for competitive employment outcomes decreased from 40 hours per week in FFY 2015 to 30 hours per week through the first three quarters of FFY 2017. As a result, the quarterly median earnings for competitive employment outcomes for this population decreased from $4,160 in FFY 2015 to $3,445 through the first three quarters of FFY 2017. In addition, the percentage of competitive employment outcomes meeting SGA decreased from 64.1 percent in FFY 2015 to 44.9 percent through the first three quarters of FFY 2017. USOR attributed the decline in median hourly wage and hours worked to the implementation of the OOS, which has affected the agency's relationship with CRPs who work directly with various employers.

VR Services Provided

Resources: Program Performance Data Tables 7a, 7b, and 7c VR Services Provided—FFYs 2015–2017

In terms of training services for the individuals whose service records were closed in the first three quarters of FFY 2017—

- 21 percent received bachelor degree training;
- 9.3 percent received junior or community college training;
- 20.1 percent received occupational or vocational training;
- 1.6 percent received on-the-job training; and
- 0.2 percent received graduate degree training.

For all individuals who received career services, whose service records were closed in the first three quarters of FFY 2017—

- 31.4 percent received vocational rehabilitation counseling and guidance;
- 16.2 percent received job search assistance;
- 15.5 percent received information and referral services; and
- 8.6 percent received on-the-job supports-short term.

In terms of other services provided by USOR to all individuals whose service records were closed in the first three quarters of FFY 2017, the agency reported that—

- 20.5 percent received rehabilitation technology;
- 13.8 percent received maintenance services; and
- 17 percent received "other services."

According to the RSA-911 report, USOR reported that no VR services were provided for several VR service categories in FFY 2016. These categories include vocational rehabilitation counseling, information and referral services, benefits counseling, and customized employment services. USOR attributed the service categories that were reported as not being provided as an internal system error that occurred while migrating its data to its new case management system. Although vocational rehabilitation guidance and counseling increased to 31.4 percent in the first three quarters of FFY 2017, it should be noted that this VR service should be provided to all individuals receiving VR services under an IPE. USOR reported that vocational rehabilitation guidance and counseling is provided to every individual receiving VR services, but it was not always reported in the case management system by the VR counselors. USOR reported that it plans to provide training to VR counselors in order to appropriately report vocational rehabilitation guidance and counseling.

Outcomes by Disability Type

Resources: Program Performance Data Tables 4a, 4b, and 4c Agency Outcomes by Disability Type—FFYs 2015–2017

Of all the individuals USOR served in the first three quarters of FFY 2017, the top three types of disabilities represented consisted of the following:

- Individuals with psychosocial and psychological disabilities (44.4 percent);
- Individuals with intellectual and learning disabilities (26.3 percent); and
- Individuals with physical impairments (19.6 percent).

The top three employment rates for individuals by disability type consisted of the following:

- Individuals with auditory and communicative disabilities (61.5 percent);
- Individuals with intellectual and learning disabilities (54.3 percent); and
- Individuals with psychosocial and psychological impairments (50.0 percent).

For individuals below age 25 served by USOR during the first three quarters of FFY 2017, the top three types of disabilities represented consisted of the following:

- Individuals with intellectual and learning disabilities (44.5 percent);
- Individuals with psychosocial and psychological disabilities (39 percent); and
- Individuals with physical impairments (8.7 percent).

For individuals below age 25, the three highest employment rates for individuals by disability type consisted of the following:

- Individuals with auditory and communicative disabilities (60 percent);
- Individuals with physical impairments (58.8 percent); and
- Individuals with intellectual and learning disabilities (56.5 percent).

Compliance with the Statutory Time Frame for Application to Eligibility Determination

Resources: Tables 5a, 5b, and 5c Number of Days from Application to Eligibility Determination—FFYs 2015–2017

From FFY 2015 through the first three quarters of FFY 2017, the percentage of individuals served who were determined eligible within 60 days from the date of application slightly decreased from 91.0 percent to 89.4 percent while the total number of all individuals determined eligible decreased from 7,500 to 4,530 individuals. USOR reported appropriately granting eligibility extensions in accordance with 34 C.F.R. § 361.41(b)(1)(i) for 78 individuals during the first three quarters of FFY 2017, resulting in an adjusted rate of 90.9 percent.

In terms of serving individuals under age 25, USOR's demonstrated similar performance as for all individuals. From FFY 2015 through the first three quarters of FFY 2017, the percentage of individuals under age 25 who were determined eligible within 60 days from the date of application decreased from 90.7 percent to 86.8 percent, while the total number of individuals determined eligible decreased from 1,588 to 1,104 individuals.

Compliance with the Statutory Time Frame from Eligibility Determination to IPE Development

Resources: Tables 6a, 6b, and 6c Number of Days from Eligibility Determination to IPE—FFYs 2015–2017

From FFY 2015 through the first three quarters of FFY 2017, the percentage of individuals served for whom USOR approved an IPE within 90 days from the date of eligibility decreased from 91.2 percent to 82.1 percent. USOR reported appropriately granting IPE extensions in accordance with 34 C.F.R. § 361.45(e) for 83 individuals during the first three quarters of FFY 2017, resulting in an adjusted rate of 88.8 percent.

In terms of serving individuals under age 25, USOR's performance trended similarly to the performance for all individuals. From FFY 2015 through the first three quarters of FFY 2017, the

percentage of individuals under age 25 who received timely IPEs decreased from 85 percent to 79.1 percent.

Types of Occupational Outcomes for Individuals Who Achieved Employment

Resources: Tables 8a, 8b, and 8c Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Who Achieved Competitive Employment Outcomes at Closure—FFYs 2015-2017

During the first three quarters of FFY 2017, the following occupations included the highest percentages of all individuals whose cases were closed:

- Office and administrative support at 22.6 percent (median hourly wage: $10.00);
- Food preparation and serving related at 9.0 percent (median hourly wage: $8.35);
- Sales and production occupations at 8.0 percent (median hourly wage: $10.00); and
- Transportation and material moving occupations at 7.6 percent (median hourly wage: $10.00).

For individuals under age 25 who exited the VR program during the first three quarters of FFY 2017 with an employment outcome and whose cases were closed, the five highest percentages of all individuals employed by occupation type is presented below:

- Office and administrative support at 25.5 percent (median hourly wage: $9.68);
- Food preparation and serving related at 13.4 percent (median hourly wage: $8.00);
- Transportation and material moving occupations at 10.3 percent (median hourly wage: $9.00);
- Personal care and services occupations at 6.9 percent (median hourly wage: $9.00); and
- Sales and related occupations at 6.9 percent (median hourly wage: $8.50).

Reasons for Exit for Individuals Who Did Not Achieve an Employment Outcome

Resources: Tables 9a, 9b, and 9c Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure—FFYs 2015-2017

The following reasons for exit represent the highest percentages that USOR reported for all individuals who did not achieve an employment outcome through the first three quarters of FFY 2017:

- No longer interested in receiving services or further services (42.0 percent);
- Unable to locate or contact (35.0 percent); and
- No disabling condition – ineligible (9.5 percent).

For individuals under age 25 at the time of exit who did not achieve an employment outcome in FFY 2017, the highest percentages reported were—

- No longer interested in receiving services or further services (44.7 percent);
- Unable to locate or contact (32.8 percent); and

- No disabling condition – ineligible (10.6 percent).

C. Internal Controls

The RSA review team assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurances regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditure of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and mismanagement. They include methods and procedures the grantee uses to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Policies and Procedures

USOR provided RSA with written practices and procedures used for service record internal controls. USOR conducts two types of reviews, a comprehensive monthly case review and targeted case reviews. During the comprehensive monthly case record review, case service records are randomly pulled at the administrative level and assigned to VR supervisors and district directors. The supervising counselors and district directors conduct comprehensive reviews of case records to identify any areas of non-compliance that may require additional training for the VR counselor. USOR also conducts targeted case reviews of multiple case records on a quarterly basis. These cases are pulled at the administrative level and assigned to supervising counselors and district directors. Targeted reviews are designed to examine high risk areas, or areas that are at risk of poor performance, for the purpose of identifying training needs. The information collected from the targeted reviews is also used to shape what data is displayed on the agency's dashboard. USOR developed a dashboard in its case management system for VR counselors and supervisors to view as a strategy to keep individuals moving through the process in a timely manner. USOR reported the dashboard allows supervisors and administrators to monitor the progress of case statuses and relevant trends throughout the State to identify areas of potential training.

As an additional level of internal controls, USOR supervisors review all eligibility decisions and documentation related to the individual's priority category assignment for all counselors at the time of the eligibility determination. Supervisors are also required to sign off on all authorizations and case closures for all VR counselors. An additional review is conducted for the service records of newly hired VR counselors until they demonstrate a clear understanding of USOR's policies and procedures. Reviews also are conducted on cases that have service requests that will cause the total expenditures of a case to exceed $100,000. All reviews must achieve a 90 percent to 95 percent accuracy threshold to avoid a repeat review.

Data Verification Review

RSA conducted a review of 30 service records for individuals who did and did not achieve employment and whose service records were closed. The purpose of this review was to verify

and ensure that the documentation in the case service record was accurate, complete, and, supported the data entered into the RSA-911 with respect to the date of application, the date of eligibility determination, date of IPE, start date of employment in primary occupation at exit or closure, hourly wage at exit or closure, employment status at exit or closure, type of exit or closure, and date of exit or closure. RSA believes the data verification summary accurately represents the scope of the service record review.

Of the 30 service records reviewed—

- 97 percent of the application dates reported on the RSA-911 matched the source documentation;
- 93 percent of the eligibility dates matched the source documentation; and
- 63 percent of IPE dates matched the source documentation.

Additionally, the service record review verified that—

- 68 percent of the start date of employment in primary occupation were accurately recorded or had appropriate documentation;
- 81 percent of employment status at closure were accurately recorded;
- 100 percent of weekly earnings at employment were accurately recorded;
- 100 percent of types of closures were accurately recorded; and
- 70 percent of dates of closures were accurately recorded.

D. Observations and Recommendations

RSA's review of the performance of USOR in this focus area resulted in the identification of the following observation and recommendations to improve performance.

Observation 2.1 Tracking and reporting services provided under an IPE

Based on the RSA-911, USOR reported that vocational rehabilitation guidance and counseling services were provided to 31.4 percent of all individuals in the first three quarters of FFY 2017. The provision of vocational rehabilitation guidance and counseling is necessary to document that informed choice was exercised as an essential component of the VR process. Vocational counseling and guidance must be provided and documented throughout the VR process to assist eligible individuals in understanding the available VR and support services that will enable them to achieve, maintain, or advance in their vocational goals, consistent with their unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice. This service must be documented in the case service record in accordance with 34 C.F.R. § 361.47(a)(7) and manually entered as a VR service in the case management system at the time the service has been provided, in accordance with PD-16-04. USOR indicated all IPEs include this service and believe vocational guidance and counseling is provided to all individuals served, but VR counselors did not consistently report the provision of this service in the case management system.

Recommendations 2.1

RSA recommends that USOR—

2.1.1 Ensure that VR counselors are providing vocational rehabilitation guidance and counseling by conducting random reviews of the documentation within case service records;
2.1.2 Provide training to ensure that VR counselors and their supervisors understand the RSA-911 reporting requirements; and
2.1.3 Verify that VR counselors are accurately recording and reporting all VR services provided to the individual in accordance with the individual's IPE including vocational guidance and counseling.

E. Findings and Corrective Actions

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

2.1 Internal Controls for Case File Documentation

Issue: Did USOR's internal controls ensure that case files adhered to the record of service requirements at 34 C.F.R. § 361.47. Specifically, in fulfilling these requirements, did the internal controls ensure that USOR adheres to the requirements for the development of the IPE pursuant to 34 C.F.R. § 361.45, and the requirements for closing the record of services of an individual who has achieved an employment outcome pursuant to 34 C.F.R. § 361.56.

Requirement: Pursuant to 34 C.F.R. § 361.47(a), VR agencies must maintain for each applicant and eligible individual a record of services that includes, to the extent pertinent, documentation including, but not limited to, the individual's application for VR services, the individual's IPE, and information related to closing the service record of an individual who achieves an employment outcome. Further, VR agencies, in consultation with the State Rehabilitation Council, if the State has such a Council, must determine the type of documentation that the VR agency must maintain for each applicant and eligible individual in order to meet these requirements in accordance with 34 C.F.R. § 361.47(b). Federal regulations at 34 C.F.R. § 361.45 outline the requirements for the development of the IPE and 34 C.F.R. § 361.46 outline the mandatory content of the IPE.

Pursuant to 34 C.F.R. § 361.56, the service records for individuals who have achieved an employment outcome may only be closed if: an employment outcome described in the individual's IPE in accordance with 34 C.F.R. § 3 61.46(a)(1) has been achieved and is consistent with an individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice; the employment outcome is maintained for an appropriate period of time, but not less than 90 days to ensure stability of the employment outcome and the individual no longer needs VR services; the outcome is considered to be satisfactory and agreed to by the qualified rehabilitation counselor employed by the DSU and the individual who must agree that they are performing well in the employment; and the individual has been informed of post-employment services through appropriate modes of communication.

Under 34 C.F.R. § 361.47(a)(15), prior to closing a service record, VR agencies must maintain documentation verifying that the provisions of 34 C.F.R. § 361.56 have been satisfied. More specifically, under 34 C.F.R. § 361.47(a)(9), VR agencies must maintain documentation verifying that an individual who obtains employment is compensated at or above minimum wage and that the individual's wage and level of benefits are not less than that customarily paid by the employer for the same or similar work performed by individuals without disabilities.

Analysis: While on-site, RSA reviewed 30 service records, which included service records of individuals who did, and did not, achieve employment. Of the service records reviewed, 10 records, or 33 percent of all service records had all required documentation, 67 percent included one or more discrepancies, or did not have all required supporting documentation in the case service record. In accordance with chapter 10 of USOR's client service manual, USOR requires that, "in all cases an employment goal can only be assigned with the input and agreement of the client." Once the individual has agreed to and signed the IPE, VR services can be authorized. The development of the plan must be documented in an "IPE Development Case Note." Prior to amending the vocational goal on an approved IPE, the VR counselor must obtain the individual's input and agreement. Furthermore, the process for amending an IPE must include the individual's signature along with the VR counselor or authorizing official with the USOR. Finally, the reason for amending an individual's IPE must be recorded in the case management system. The review of the service records identified 11 cases that had IPEs that were amended, closed as successfully employed, but did not have an amended IPE that was signed by the eligible individuals, thus RSA was not able to determine if the eligible individuals provided consent to have the plan amended. USOR indicated the service records were closed without a signed IPE amendment because no services were purchased. The RSA review team clarified that VR services, provided under IPEs or amended IPEs, must not begin until the eligible individual signs and dates the IPE.

During the case record review, 11 of the 30 service records, or 37 percent of all service records reviewed, included the IPE approval date reported in the case management system that did not match the date that the VR counselor and the eligible individual signed the IPE. In several cases, USOR initiated VR services identified under the draft IPE before the eligible individuals agreed to and signed their IPEs.

USOR must maintain documentation to verify the accuracy of reporting in accordance with Federal requirements. For some of the service records reviewed, USOR did not maintain case files that substantiated these reporting requirements indicating that its internal controls in this area need improvement. Without documentation that the data elements were valid, RSA was unable to verify whether the date of application, the date VR services began under the IPE, and the employment outcomes that USOR reported on the RSA-911 were completely accurate.

Conclusion: As a result of the analysis, RSA determined that USOR's internal controls did not ensure the service record requirements at 34 C.F.R. § 361.47 were met. Specifically, USOR's internal controls did not ensure the following requirements were met: the development and amendment of the IPE pursuant to 34 C.F.R. § 361.45; and the requirements for closing the record of services of an individual who has achieved an employment outcome pursuant to 34 C.F.R. § 361.56.

Corrective Action Steps:

RSA requires that USOR—

2.1.1 Develop internal control policies and procedures to ensure that the provisions of 34 C.F.R. § 361.47 have been met and through service record documentation, the requirements at 34 C.F.R. § 361.45, and 34 C.F.R. § 361.56 are met;
2.1.2 Review current internal control mechanisms for effectiveness and adjust the internal controls as necessary; and
2.1.3 Review current mechanisms used to collect and aggregate the results of these reviews and use the results to inform the training and evaluation of staff.

Agency Response: Contrary to the information reported under section 2, internal controls under heading policies and procedures, monthly reviews are randomly pulled at the administrative level and assigned to Supervising Counselors and District Directors. The targeted quarterly reviews are also pulled at the administrative level and assigned to Supervising Counselors and District Directors. Additionally, only IPEs developed by VRC still on probation are reviewed and approved by supervisors, not all IPEs as described in the report. The Utah State Office of Rehabilitation (USOR) acknowledges the findings and agrees with the recommended corrective action steps listed for Finding 2.1. USOR supports employment outcomes that meet the definition of competitive, integrated employment and will ensure that the client record contains documentation that the criteria in 34 C.F.R. § 361.47 and 34 C.F.R. § 361.56 are met prior to closure. To support development, implementation and review of internal control policies and procedures, USOR has added a new Program Evaluation Coordinator to monitor compliance and assist with data validation.

RSA Response: RSA appreciates clarification provided by USOR in response to this finding. As a result of USOR's comments, RSA has modified the content of the internal control portion of Section 2 of the report to include the information provided by USOR. In addition, RSA has removed reference to VR supervisors reviewing all IPEs prior to approval as opposed to VR supervisors reviewing only those IPEs developed by VR counselors still in a probationary period.

Request for Technical Assistance: USOR requests technical assistance.

2.2 Untimely Development of the IPE

Issue: Did USOR develop IPEs within 90 days from the date of eligibility determination for each individual.

Requirement: In accordance with 34 C.F.R. § 361.45 (a), the VR services portion of the Unified or Combined State plan must assure that an IPE meeting the requirements of this Section and 34 C.F.R. § 361.46 is developed and implemented in a timely manner for each individual determined to be eligible for VR services or, if the DSU is operating under an OOS pursuant to 34 C.F.R. § 361.36, for each eligible individual to whom the State unit is able to provide services; and that services will be provided in accordance with the provisions of the IPE. In addition, under 34 C.F.R. § 361.45(e), the IPE must be developed as soon as possible, but not

later than 90 days after the date of eligibility determination, unless the State unit and the eligible individual agree to the extension of that deadline to a specific date by which the IPE must be completed.

Analysis: As part of the monitoring process, RSA analyzed the length of time it took for USOR to develop IPEs for individuals determined eligible for VR services. In particular, the first three quarters of FFY 2017 data reported by USOR on the RSA-911 show that—

- 82.1 percent of individuals served whose service records were closed had an IPE approved within the Federally required 90-day period;
- 17.9 percent of all individuals served whose service records were closed had IPEs approved beyond the Federally required 90-day period;
- 79.1 percent of individuals under the age of 25 at exit whose service records were closed had an IPE approved within the Federally required 90-day period; and
- USOR approved IPEs for 20.9 percent of individuals under the age of 25 at exit whose service records were closed beyond the federally required 90-day period.

As previously mentioned, USOR reported granting IPE extensions for 83 cases during the first three quarters of FFY 2017. During the on-site portion of the review, RSA randomly reviewed four of the service records in which extensions were granted to verify the IPE extensions were developed in accordance with 34 C.F.R. § 361.45(e). Upon calculating all the service records with an approved IPE extension with the service records that had an approved IPE within the required 90-day time frame, USOR obtained an adjusted rate of 88.8 percent of all individuals served whose service records were closed in the first three quarters of FFY 2017.

Conclusion: As the first three quarters of FFY 2017 performance data demonstrate, USOR did not approve IPEs for each eligible individual whose service record was closed within 90 days following the date of eligibility determination. As a result of the analysis, USOR did not approve IPEs in a timely manner pursuant to 34 C.F.R. § 361.45(a)(1) and within the Federally required 90-day period pursuant to 34 C.F.R. § 361.45(e).

Corrective Action Steps:

RSA requires that USOR—

2.2.1 Comply with 34 C.F.R. § 361.45(a)(1) and (e) to ensure IPEs are approved within the 90-day Federal time frame from the date of eligibility determination;
2.2.2 Assess and evaluate current procedures for tracking and monitoring counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the use of case management tools for, and supervisory review of, timely IPE development;
2.2.3 Develop goals and strategies to improve VR counselor performance specific to timely IPE development; and
2.2.4 Evaluate the effectiveness of the goals and strategies and adjust as necessary.

Agency Response: The Utah State Office of Rehabilitation agrees with the finding and understands the requirements to comply with the time frame to develop an Individualized Plan for Employment (IPE) within 90 days from the date of eligibility determination or release from the Order of Selection waiting list. This includes USOR's adherence to the federal regulation 34 C.F.R. § 361.45 (e) which allow for the client and counselor to enter into an agreed upon, documented extension should circumstances prevent development of an IPE within 90 days.

Since initial implementation of the 90-day requirement, USOR has continually evaluated its performance in order to improve compliance and efficiency. USOR has already developed and partially implemented goals and strategies to improve timely development of IPEs including identification of best practices, staff training, utilization of case management tools, management reports and other internal controls.

Request for Technical Assistance: USOR does not request technical assistance.

F. Technical Assistance

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

- RSA reviewed 2 C.F.R. §200.303 outlining the requirements USOR must follow for internal controls as a non-Federal entity receiving Federal funds.
- The agency does not have an approved customized employment policy though it is currently operating under a Client Service Memorandum that provides its counselors with guidance on customized employment. RSA reviewed 34 C.F.R § 361.5 (c)(11) outlining the requirements USOR must include in the final customized employment policy.
- RSA reviewed 34 C.F.R. § 361.47 outlining the requirements to maintain appropriate documentation in the service records.
- RSA reviewed the agency's policies on Supported Job Based Training (SJBT). USOR reports that SJBT is used to describe a system of support for eligible individuals who require on-going employment support in competitive integrated settings. USOR reported that SJBT is provided to individuals who require additional support to maintain employment, but do not qualify for the Supported Employment program. SJBT includes job preparation, job placement, job coaching, job development, job retention, assistive technology, specialized job training, and individually tailored supervision. USOR has developed a services fee schedule for SJBT similar to its fee schedule for supported employment services. USOR stated this additional level of job support services has proven to be beneficial in assisting eligible individuals to sustain employment.
- USOR's OOS policies indicated that its first priority is given to eligible individuals with the most significant disabilities (MSD), or priority category I; followed by eligible individuals with significant disabilities (SD), or priority category II; and finally, eligible individuals with disabilities (D), or priority category III. The VR counselor determines significance of disability, or priority category, at the time of eligibility determination in accordance with criteria established by USOR. RSA reviewed the policies and provided feedback on USOR's priority category II. USOR's policies governing its OOS include additional subcategories

within priority category II that may cause confusion with the application of the OOS and RSA recommended the subcategories under priority category II be removed.

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

A. Purpose

The Rehabilitation Act, as amended by WIOA, places heightened emphasis on the provision of services, including pre-employment transition services under Section 113, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other VR services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional vocational rehabilitation services, such as transition services. Through this focus area RSA assessed the VR agency's performance and technical assistance needs related to the provision of VR services, including transition services to students and youth with disabilities and pre-employment transition services to students with disabilities; and the employment outcomes achieved by these individuals.

B. Service Delivery Overview

The VR agency must consider various requirements under the Rehabilitation Act and its implementing regulations in designing the delivery of VR services, including pre-employment transition services and transition services. For example, pre-employment transition services provided under Section 113 of the Rehabilitation Act, and 34 C.F.R. § 361.48(a) are available only to students with disabilities. However, transition services provided for the benefit of a group of individuals under Section 103(b)(7) of the Act and 34 C.F.R. § 361.49(a)(7) 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 individualized plan for employment (IPE) under Section 103(a) of the Rehabilitation 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 Rehabilitation Act or may receive pre-employment transition services and/or transition services under an IPE in accordance with Section 103(a)(15) of the Rehabilitation Act. A discussion of USOR's service delivery system and implementation of VR services, including pre-employment transition services and transition services follows.

Structure of Service Delivery

USOR provides pre-employment transition services to students with disabilities ages 14 to 26 who have either applied for services through designated USOR staff having at least a part-time assignment to a transition caseload, to students who are potentially eligible individuals accessing pre-employment transition services through designated pre-employment counselors, or through providers on a fee-for-service basis or contracts. The lower age was 16 but was changed to 14 in October 2016. AS a combined agency, USOR provides VR services to both a general population of persons with disabilities, as well as those who are blind or have visual impairments. USOR has field offices across a largely rural State with a VR counselor assigned to every public and charter school (there are 146 local educational agencies) and describes having positive

relationships with most school districts. Services are provided by pre-employment transition services counselors, transition counselors, six contractors, and on a fee-for-service basis. The average caseload size for pre-employment transition service counselors, and transition counselors, of whom there is a combined 100 staff, is 80 to 110 individuals. There are also an additional 24 supervising counselors who carry "micro-caseloads" to assist with coverage. The final policies covering services to students and youth were implemented January 05, 2017, and incorporated changes made by WIOA. Policies are updated on an ongoing basis with training provided in conjunction with each release.

Outreach and Identification of Students and Youth

Due in part to the effect of the OOS implemented in FFY 2015, USOR expanded and intensified its outreach activities to address apparent misperceptions about the availability of pre-employment transition services and transition services. The Client Assistance Program received some intermittent, misinformed feedback from potentially eligible individuals indicating the belief that the agency was no longer accepting applications, and according to counselor feedback, some schools refrained completely from making referrals to USOR due to a similar belief. In addition, some schools began making referrals solely and directly to the contracted providers, who then determined whether the individual needed pre-employment transition services or transition services.

Presently, USOR's standard outreach activities include the provision of hosted orientations for community partners and schools, ten-week job readiness workshops, and attendance at individualized education program (IEP) and Section 504 meetings. In addition, counselors regularly attend parent-teacher conferences, a transition institute for staff and community partners, as well as mentoring days throughout the state in conjunction with the agency's business relations teams. USOR has also partnered more closely with the Client Assistance Program to ensure that an accurate perception of the current OOS status is being provided to the community. Department of Workforce Development youth providers coordinate with VR staff and increased outreach is being conducted by USOR through juvenile detention centers. Finally, USOR has been using social media and extensive promotional materials to enhance outreach effectiveness.

Provision of Pre-Employment Transition Services

USOR coordinates with its community rehabilitation provider (CRP) network to provide pre-employment transition services. Specific to potentially eligible individuals, USOR has contracted with six providers, each of whom provides the five authorized services in varying areas of the State. The number of contractors is expected to increase and more fully cover the State with the recent release of a request for proposals to provide pre-employment transition services. Although pre-employment transition services currently cannot be tracked back to the individual and specific service on the RSA-911, USOR is working to change the provider contracts to require reporting of the individual and service broken out by specific required activity.

While USOR may not have been implementing pre-employment transition services on a statewide basis at the time of the on-site review based on data and anecdotal information from

VR counselors, the agency is engaging in numerous strategies to address any identified service gaps or limitations. First, in geographic areas where there is a lack of contracts with CRPs, VR staff generally provide some or all of the required services. Additionally, the agency has received approval to hire one transition specialist and five pre-employment transition service trainers who will target any underserved areas. The Workforce Innovation Technical Assistance Center (WINTAC) recommended this hiring strategy through its intensive technical assistance agreement with USOR.

Currently, all pre-employment transition services counselors and transition counselors provide some version of a ten-week job readiness-training program, the curriculum of which can be adapted and modified to meet the specific needs of the students and geographic location. USOR uses a rigorous, multi-step monitoring process for CRPs providing pre-employment transition services and transition services. The process includes the curriculum review of each provider's pre-employment transition services to ensure services are consistent with the required activities agreed upon, on-site monitoring visits by the agency transition coordinator, and CRP satisfaction surveys.

USOR currently is not tracking authorized services and is not counting these activities toward the 15 percent reserve. Rather, these activities are allocated to the remaining funds allotted for the VR program. The agency's comprehensive statewide needs assessment (CSNA) was due from the University of Utah on July 31, 2018, at which point USOR was to review the report and, based on its results, develop a forecasting model to determine the need to include authorized activities if funds are available towards meeting the reserve after the provision of all required activities. USOR requested technical assistance from RSA regarding examples of forecasting models used by other agencies.

Students potentially eligible for VR services who are receiving pre-employment transition services and require or express an interest in receiving VR services are referred to the transition coordinator to facilitate the continuation of services and assist the student with this process.

The previously mentioned new pre-employment transition specialist position will be assisting the transition coordinator specifically in the provision of pre-employment transition services. This individual will also be providing contract oversight related to pre-employment transition services and training to field staff on topical areas of transition interest and need.

State Educational Agency (SEA) Agreement

An updated SEA agreement, effective April 01, 2018 through May 31, 2023, was finalized one week prior to the RSA review team's on-site monitoring visit. The agreement contained all statutory and regulatory requirements specified under WIOA. It had been reviewed by the WINTAC, after which time it was vetted by both the attorneys for USOR and the Board of Education. The agreement was signed by both parties and reviewed by RSA on-site.

While the SEA agreement was undergoing the extensive review process, USOR provided numerous trainings to management and field staff regarding its contents. In addition, USOR's partner transition specialist with the Board of Education disseminated the agreement with the SEA by posting it on the Board's website and announcing it in the Board's newsletter. The

Board's transition specialist is also planning to conduct training for LEAs, whose agreements are implemented consistent with the State fiscal year, July 01 to June 30. Currently, USOR has established agreements with LEAs in every school district. Finally, most LEAs attend an annual transition institute with their VR partner in order to jointly develop individual LEA goals, an activity resulting from the WINTAC Intensive Technical Assistance Agreement.

IPE Development for Students and Youth with Disabilities

There was a significant increase in the percentage of Individuals below age 25 who exited the VR program without an employment outcome after eligibility was determined, but before an IPE was signed or before receiving services. There was an increase from 19.0 percent in FFY 2015 to 42.4 percent through the first three quarters of FFY 2017. USOR attributes this largely to the impact of the OOS, and insufficient outreach activity during this time, which may have counteracted community and partner misperceptions about the availability of VR services. However, it is possible that the agency did not maintain adequate contact with the applicant while on the waiting list. As a result, the percentage of individuals below age 25 exiting with employment decreased from 33.0 percent in FFY 2015 to 22.5 percent through the first three quarters of FFY 2017.

The average hours worked for competitive employment outcomes, median hourly earnings for competitive employment outcomes, median hours worked for competitive employment outcomes, and competitive integrate employment with employer provided insurance all decreased from FFY 2015 through the first three quarters of FFY 2017. USOR attributes this to the belief that students no longer needed medical insurance until age 26 as a result of the Affordable Care Act and can therefore afford to work more than one job, each without sufficient hours for medical care availability.

C. Observations and Recommendations

RSA's review of the performance of USOR in this focus area resulted in the identification of the following observations and recommendations to improve performance.

3.1 Outreach

Observation: Outreach activities were not effectively communicated to stakeholders and referral sources following the implementation of the agency's OOS. Specifically, it was reported that numerous potential referral sources believed USOR was not providing VR services to new applicants or that the waiting list was long enough to deter making an application. As a result, some schools reported that they were not referring potential applicants to VR due to their perception of USOR's implementation of the OOS and the existence of a waiting list.

As a result of an overall decline in individuals applying for services as indicated by the RSA-113, there has been a resulting reduction in the number of individuals under age 25 served. According to the data reported through the RSA-911 report, the number of total individuals under age 25 exiting with or without employment after receiving services decreased from 1,155 individuals in FFY 2015 to 589 individuals during the first three quarters of FFY 2017. This

reduction may represent a lack of communication with constituents, CRPs, and school districts that provide a significant portion of USOR's referrals.

Recommendation 3.1: Outreach

RSA recommends USOR—

3.1.1 Develop strategies to expand outreach activities to inform referral sources, including schools, regarding the accurate status of USOR's implementation of the OOS and any existing waiting list;
3.1.2 Develop a system to maintain regular and consistent communication with all individuals on a waiting list to ensure the eligible individual remains engaged in the system; and
3.1.3 Identify and coordinate with other stakeholders, including the Client Assistance Program, to ensure consistent information is provided to all potential referral sources regarding the status of the agency's OOS.

3.2 Employment Outcomes

Observation: The number of employment outcomes for individuals who are below the age of 25 at closure have decreased, while the quality indicators for employment outcomes have primarily declined.

- The number and percentage of individuals under age 25 who exited with employment decreased from 731 individuals, or 33.0 percent in FFY 2015, to 262 individuals, or 22.5 percent through the first three quarters of FFY 2017;
- The employment rate for these individuals decreased from 63.3 percent in FFY 2015 to 55.5 percent through the first three quarters of FFY 2017;
- Although the median hourly wage for individuals under 25 increased from $9.00 in FFY 2015 to $9.24 through the first three quarters of FFY 2017, the median hours worked decreased from 40 hours to 30 hours, resulting in a decreased quarterly median earning for competitive employment outcomes from FFY 2015 through the first three quarters of FFY 2017, from $4,160 to $3,445;
- The percentage of individuals under 25 who achieved competitive employment meeting SGA decreased from 64.1 percent to 44.9 percent from FFY 2015 through the first three quarters of FFY 2017; and
- The three most common occupational classification and median hourly wage for employment outcomes achieved by individuals under 25 during the first three quarters of FFY 2017 were office and administrative support occupations at 25.5 percent ($9.68), food preparation and serving related occupations at 13.4 percent ($8.00), and transportation and material moving occupations at 10.3 percent ($9.00), which account for 49.2 percent of all employment outcomes for all individuals below the age of 25 at exit.

Recommendation 3.2: Employment Outcomes

RSA recommends that USOR—

3.2.1 Develop strategies to ensure counselors are providing essential labor market information and guidance to youth under age 25 to improve the quality of employment;
3.2.2 Identify career pathways available for individuals under age 25 at exit to explore work-based learning experiences while they are still enrolled in an educational program; and
3.2.3 Analyze the provision of VR services needed to ensure individuals are prepared for occupations that enable them to receive quality earnings and benefits based on the market analysis.

D. Findings and Corrective Actions

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

E. Technical Assistance

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

Technical Assistance Provided

- RSA provided technical assistance regarding cost allocation when a specific service incorporates pre-employment service components that are allowable along with components that are not allowable.
- RSA reviewed USOR's executed interagency agreement with the SEA to ensure that all content requirements under the Rehabilitation Act were satisfied.
- RSA met with the regional WINTAC representative, who was present during most of the on-site visit sessions and discussed strategies for coordinating USOR's current and future technical assistance needs and requests.
- RSA provided technical assistance on the development of forecasting models to determine the number of students with disabilities who are potentially eligible to receive pre-employment transitions services within the State, including the general process and steps for developing a forecasting model and an example of a forecasting model recently developed by a VR agency reviewed by RSA after seeking the other VR agency's approval.

Technical Assistance Requested

- USOR requested technical assistance regarding coordination activities that can be allocated to the 15 percent reserve.
- RSA will be consulted if technical assistance needs extend beyond those already covered under the agency's Intensive Technical Assistance Agreement with the WINTAC.

SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM

A. Purpose

WIOA made several significant changes to Title VI of the Rehabilitation Act that governs the Supported Employment program. The amendments to Title VI are consistent with those made throughout the Rehabilitation Act to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities. Through this focus area RSA assessed the VR agency performance and technical assistance needs related to the provision of supported employment services to individuals with the most significant disabilities and extended services for youth with the most significant disabilities; and the employment outcomes achieved by these individuals.

B. Overview of Service Delivery and Performance of the Supported Employment Program

Delivery of Supported Employment Services

USOR provides supported employment services on a CRP fee-for-service milestone payment schedule up to 24 months in order to maintain employment. USOR requires VR counselors to facilitate clear, open, and cooperative communication between the supported employment team, which includes the client, the job coach, the supported employment coordinator, or mental health worker and the VR counselor.

USOR has expanded the supported employment service delivery options for individuals seeking outcomes through the following models: customized employment, individual placement and support, and traditional supported employment. The process is similar for each model and includes movement through the following stages: identification of services, job development, training and supports, stabilization, and on-going support. USOR has been committed to individuals achieving competitive integrated employment through supported employment and the agency has worked closely with CRPs and other providers on securing employment outcomes in competitive integrated settings.

USOR has agreements with each provider of services and payment is authorized and invoiced as each individual attains a milestone along the continuum of services. The last payment represents the completion of the case and transition to ongoing extended services, agreed to by all parties and funded in accordance with the supported employment fee schedule. Extended services are funded by other agencies in the State. Approximately 75 CRPs are available throughout Utah to provide supported employment services under the traditional model.

The customized employment services model is designed primarily for individuals connected with the Division of Services for People with Disabilities (DSPD) and the Division of Substance Abuse and Mental Health (DSAMH) to provide a person-centered individualized determination of the strengths, needs and interests of the individual and is designed to meet the specific abilities

of the individual and the business needs of the employer. USOR has worked closely with CRPs to develop capacity in providing customized supported employment services throughout Utah.

In addition, USOR is a partner in the "School to Work" pilot which utilizes a customized employment approach to assist students transitioning from secondary educational institutions to competitive integrated employment prior to graduation. The "School to Work" pilots have expanded from 3 initial sites to 5 in the 2018 school year. USOR has liaisons assigned to every LEA so counselors can connect students with services both internally and through information and referral to community resources.

The individualized placement and supports model is closely integrated with mental health treatment. USOR counselors are assigned to work with mental health providers through a separate agreement with the DSPD and the DSAMH to provide a smooth transition from VR or Supported Employment program funding to extended services.

Through a cooperative relationship between USOR and DSPD, supported employment services have been expanded to a targeted population through the provision of long-term funding from the Utah State Legislature (H.B. 29 Public Employees Long-term Disability Act Amendments). Also, USOR's supported employment coordinator collaborates with CRPs and DSPD to ensure compliance with the Employment First program, which is a DOL Office of Disability of Employment (ODEP) initiative that includes policies, legislation, coordination of resources, and system change to facilitate increased integrated employment options for people with the most significant disabilities.

USOR is working with Utah State University's Center for Persons with Disabilities to complete the new Comprehensive Statewide Needs Assessment (CSNA), which was expected to be completed by July 2018.

Performance of the Supported Employment Program

A summary analysis of the performance of the Supported Employment program (Appendix C: Supported Employment Program Profile) revealed the following information:

- The number of individuals who achieved a supported employment outcome decreased from 79 individuals in FFY 2015 to 2 individuals in the first three quarters of FFY 2017; and the percentage of competitive employment outcomes for individuals in supported employment increased from 82.3 percent in FFY 2015 to 100 percent in the first three quarters of FFY 2017;
- The services most often provided to individuals in competitive supported employment in FFY 2017 included: on-the-job supports – supported employment (100 percent); assessment (50 percent); job search assistance (50 percent); and job placement assistance (50 percent);
- In FY 2017, the average hours worked per week by individuals who achieved competitive supported employment outcomes was 9.5 hours per week, and the median hourly earnings for these individuals was $7.96 per hour; and

- The two occupations achieved by individuals who achieved competitive supported employment outcomes during the first three quarters of FFY2017 included building and grounds cleaning and maintenance and office and administrative support occupations.

C. Observations and Recommendations

RSA's review of USOR's performance in this focus area resulted in the identification of the following observation and recommendations to improve performance.

4.1 Reporting of Supported Employment Outcomes

Observation: USOR reported providing supported employment services. However, due to coding and reporting errors, the performance data reflected low numbers and percentages of supported employment outcomes, specifically two individuals during the first three quarters of FFY 2017.

During the pre-onsite calls, USOR stated its downward trend in Supported Employment outcomes was due to an OOS that was initiated in February 2015. However, USOR management indicated during on-site discussions with RSA that there were errors in the reporting and coding of supported employment services and closures within its case management system.

Recommendation 4.1: Reporting of Supported Employment Outcomes

RSA recommends that USOR—

4.1.1 Develop procedures to ensure the internal controls processes identify any coding and reporting errors prior to the submission of the RSA-911 report; and
4.1.2 Provide the necessary training on internal controls procedures that ensure accurate and complete data collection and reporting as well as financial accountability.

D. Findings and Corrective Actions

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

E. Technical Assistance

- RSA provided technical assistance related to the changes in the supported employment program under the Rehabilitation Act, as amended by Title IV of WIOA, to ensure that the updates to policies and procedures under development by USOR would incorporate all of the new requirements. USOR finalized its supported employment policies and procedures in August 2018.
- RSA reviewed the fee-for-service schedule/milestone model that USOR has developed for the provision of supported employment services. RSA provided technical assistance with respect to the development of internal controls to ensure that only supported employment services are charged to allowable expenditures with Supported Employment program Title VI funds.

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

A. Purpose

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure that: funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; available resources are maximized for program needs; and funds support the achievement of employment outcomes for individuals with disabilities, including youth with disabilities and individuals with the most significant disabilities.

B. Overview and Analysis

During the Federal Fiscal Years (FFY) covered under this review, USOR experienced a reorganization of its DSA as well as the implementation of an OOS and waiting list. The level of non-Federal share appropriated and spent on the VR program has remained constant across the three-year review period spanning FFYs 2015 through 2017. However, the agency received a maintenance of effort (MOE) penalty in FFY 2016 due to a FFY 2015 MOE deficit in expenditures from non-Federal sources compared to those expended in FFY 2013.

In contrast to the non-Federal share, the amount of Federal award funds spent in the year of appropriation has decreased during the review period, and the carryover amount has risen from a low of $7,523,739 (18.5 percent of the net award) in FFY 2015, to $28,755,824 (87.7 percent of the net award) in FFY 2017, despite a reduction in received VR reallotment funds from a high of $9,000,000 in FFY 2015 to a low of $0 in FFY 2017. Additionally, $1,159,340 was deobligated at the time of the FFY 2016 VR award grant closeout, representing matched Federal VR funds the agency was unable to expend for VR purposes.

C. Findings and Corrective Actions

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

Finding 5.1 Prior Approval Not Obtained

Issue: Does USOR obtain prior written approval from RSA before purchasing items requiring prior approval in accordance with 2 C.F.R. §§ 200.407 and 200.439.

Requirement: The Uniform Guidance at 2 C.F.R. § 200.407 includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or nonallocability. For example, 2 C.F.R. § 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal

awarding or pass through entity. The Uniform Guidance provisions at 2 C.F.R. §§ 200.62(a) and 200.303(a) also require that the agency have a process, and establish and maintain effective internal control over the Federal award, which provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 C.F.R. Part 200 (Federal Register notice 80 FR 67261). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on grant award notifications for Federal fiscal year (FFY) 2015 awards necessitating implementation of these requirements in FFY 2016. The special clause stated, in pertinent part, "that the prior approval requirements listed in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. Part 200) are applicable to this award… Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 C.F.R. Part 200 subpart E)." In addition, information regarding the requirements in 2 C.F.R. part 200 was communicated to grantees via RSA's listserv on September 23, 2015.

Analysis: RSA requested the agency's written policies, procedures, or processes that ensure the agency was meeting the prior approval requirements. USOR did not have prior approval policies or procedures consistent with those identified in Uniform Guidance at 2 C.F.R. § 200.407 that require approval from RSA as the Federal awarding agency. To determine whether the lack of processes resulted in non-compliance with the prior approval requirements, RSA discussed USOR expenditures during the on-site visit and established that USOR had been purchasing equipment that exceeded the capitalization threshold. The items purchased met the definition of equipment in accordance with 2 C.F.R. §§ 200.33 and 200.439, exceeding the State's capitalization threshold of $5,000. As a result, it was determined that the agency required prior approval from RSA as the Federal awarding agency before purchasing the equipment, but prior approval was not sought or obtained. In addition, without written policies the agency does not have a process to determine the allowability of such costs as is required in 2 C.F.R. § 200.302(b)(7).

Conclusion: As a result of the analysis, USOR did not meet the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407) or the requirement to have written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles within Uniform Guidance (2 C.F.R. § 200.302(b)(7)).

Corrective Action Steps:

5.1.1 RSA requires that USOR develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements, including those in RSA Technical Assistance Circular (TAC)-18-02.

Agency Response: The Utah State Office of Rehabilitation does not agree with RSA's interpretation of 2 CFR §200.439(b)(1) to mean that all capital expenditures require prior written approval from RSA for the following reasons:

(a) 2 CFR §200.439(b)(1) states that "capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal Awarding or pass through entity." 2 CFR §200.48 defines "general purpose equipment." The examples that are part of the definition seem to refer to equipment used to administer a program, not client service expenditures or payments to individuals who are beneficiaries of the Federal program. USOR's understanding of the requirement's intent is that the Federal awarding agency should not pay to purchase equipment and then pay again as the entity administering the program seeks reimbursement for depreciation on the same piece of equipment. Since client equipment purchases do not seek reimbursement for depreciation, USOR believes this is a misinterpretation of the intent of the requirement.

(b) Related to the requirement to obtain approval for all improvements to capital assets regardless of costs (as has been explained to USOR in email correspondence with the USOR fiscal liaison), USOR does not understand how RSA is arriving at this conclusion. USOR has been instructed that when USOR purchases improvements to any building or vehicle that USOR must request prior approval regardless of the cost of the improvement and regardless of the value of the building or vehicle which is being improved. 2 CFR § 200.13 states "Capital expenditures means expenditures ... to make additions, improvements, modifications ... renovations or alterations to capital assets that <u>materially</u> increase their value or useful life" (emphasis added). The term materially implies that a cost threshold should be considered. In addition, 2 CFR §200.33 states that "Equipment means tangible personal property having a useful life of more than one year and a per-unit acquisition costs which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or $5,000." The State of Utah's financial statement capitalization level for equipment is $5,000; therefore, to meet the Uniform Guidance definition of "equipment" the per-unit cost needs to exceed $5,000 otherwise it is considered supplies. Also, even the provision RSA cites for requiring "prior written approval"—§200.439(b)(3)—states, "Capital expenditures for improvements to land, buildings, or equipment which <u>materially</u> increase their value or useful life are unallowable as a direct cost except with prior written approval…" (emphasis added). Again, the term *materially* implies a cost threshold should be considered. The guidance in §200.33 essentially establishes the threshold at $5,000 and a useful life of more than one year. USOR does not believe that prior approval should be required if the vehicle or other asset being improved is valued at less than $5,000, and USOR believes that a cost threshold can/should be considered when determining if an improvement materially increases the value of an asset.

However, USOR does understand the requirement put forth by RSA for prior approval in RSA Technical Assistance Circular (TAC)-18-02 and USOR began complying with the requirement in September 2018. USOR has since submitted approval requests using the RSA streamlined submission process as well as individual requests for capital asset improvement expenditures.

RSA Response: RSA sought clarification after the implementation of Uniform Guidance about the applicability of prior approval requirements on the purchase of equipment purchased for VR consumer use under an IPE. The Department confirmed that all equipment purchased using the Federal VR award funds are subject to prior approval, regardless of the purpose or retention of title.

USOR's comments regarding capital improvements in 2 C.F.R. § 200.439(b)(3) appears to be confusing the requirements identified in the definition of "*Equipment"* at 2 C.F.R. § 200.33, also referenced in 2 C.F.R. § 200.439(b)(1). The definition of "*Equipment"* at 2 C.F.R. § 200.33 means tangible property having a useful life of over one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-Federal entity, or $5,000. This capitalization threshold is specific to equipment. Capital improvements to land, buildings, or equipment, referenced at 2 CFR §200.439(b)(3), as opposed to equipment itself, are not subject to the capitalization threshold. USOR appears to be suggesting that the current market value of a capital asset would be compared against the capitalization threshold to determine whether prior approval is applicable. However, the capitalization threshold for equipment applies to the per-unit acquisition cost, not the current market value of a capital asset. TAC-18-02 permits States to submit an aggregate streamlined prior approval request for several cost categories, including general purpose equipment. However, the TAC does not extend that provision to capital improvements, and States must submit those to RSA for prior approval on an individual basis, regardless of cost. For these reasons, RSA maintains the finding as written.

Request for Technical Assistance: USOR does not request technical assistance.

Finding 5.2 Internal Control Deficiencies

Issue: Does USOR maintain effective internal control over the Federal award to provide reasonable assurance that the agency is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

Requirement: A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. These methods of administration (i.e., the agency's internal controls) must include procedures to ensure accurate data collection and financial accountability (34 C.F.R. § 361.12).

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

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

In addition, the Uniform Guidance at 2 C.F.R. § 200.62(a)(3) defines "internal control over compliance requirements for Federal awards" as a process implemented by a grantee that provides reasonable assurance that, among other things, that transactions are accurately recorded

and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with the Uniform Guidance, 2 C.F.R. § 200.303, among other things, requires a non-Federal entity to—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards; and
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit finding.

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

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

Furthermore, provisions at 2 C.F.R. § 200.302(b)(4) require that the financial management system of each non-Federal entity must ensure—

- Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

In its guidance "The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds," the U.S. Department of Education (Department) made clear to grantees that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting.

Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to noncompliance with Federal and State requirements.

Analysis: RSA found areas of concern, listed below, that fall within the internal control focus area.

A. Insufficient Pre-Employment Transition Services Contract Monitoring

The VR agency implemented six contracts for the provision of pre-employment transition services to students with disabilities, beginning in FFY 2017. All six of the contracts were developed as not-to-exceed contracts spanning two years, with a contract termination date of December 31, 2018. Five contracts are structured based upon an estimated number of students and an identified fee per student for the contractor to provide the services under the contract. Language in two sections of the contracts identifies the amount not to be exceeded, the estimated number of students, and the fee per student, as is evidenced in section 5 (Contract Costs), as well as in Attachment B (Scope of Work), Section IV: Compensation Of Programmatic Activities. One contract is structured based on an hourly reimbursement rate. Despite the identification of a fee-for-service structure for five of the six contracts, two of the contractors submitted invoices to USOR based on quarterly, individualized line item costs, including salary, fringe, mileage, and other operational/administrative costs (e.g., professional insurance, supplies, building maintenance). USOR reviewed and approved these costs despite the discrepancies between the contract fee structure requirements and the quarterly line item invoices submitted. In addition, the agency indicated it had not completed forecasting to spend reserve funds on authorized activities (CSNA completion expected in July 2018). However, two contracts included community outreach as an objective paid for with reserve funds, including the provision of seminars and presentations to LEAs, which is beyond the scope of required activities.

RSA learned that USOR was included in an internal DSA audit in FFY 2017 that also identified deficiencies in pre-employment transition services contract monitoring. As part of those corrective actions, USOR has been actively working with the WINTAC and the University of Utah to strengthen and improve the contract monitoring process. A review of documents provided as part of the review process indicated contract monitoring activities were conducted, including the use of a spreadsheet that serves as the pre-employment transition services contract monitoring template. The document includes questions related to the required activities provided, fiscal and reporting elements, as well as eligibility and additional data. However, discussions with the agency indicated there were no written instructions or parameters in determining how contracts passed or failed the elements identified within the monitoring effort.

B. Insufficient Tracking of Contract Obligations, Period of Performance and Financial Reporting

A USOR fiscal staff member has developed a spreadsheet workbook that functions as the internal control mechanism for tracking obligations and expenditures through activity codes that identify both the program and the FFY award to which non-Federal and Federal funds are assigned. The workbook is programmed to populate portions of the Federal financial reports including the SF-425 and the RSA-2, based on the data the workbook pulls from the case management system. On-site, RSA learned that authorizations for VR services are

included in the workbook, which identifies the date, program and fund source of the obligation. However, unliquidated obligations for pre-employment transition services contracts are not tracked by the workbook and have not been included in the SF-425. This represents an underreporting of unliquidated obligations. In addition, contract expenditures for pre-employment transition services are not included in the RSA-2 report on Schedule III.

For the VR award, which has a matching requirement, a State agency may carry over VR funds into the FFY following the FFY of appropriation only to the extent certain requirements are met. The State VR agency must ensure—

- The award has an unobligated balance of Federal funds at the end of the FFY of appropriation; and
- It has satisfied the applicable non-Federal share requirement for the—
  - Federal funds obligated or liquidated during the FFY of appropriation; and
  - Unobligated balance of Federal funds to be carried over to the subsequent FFY.

As a result of the underreported unliquidated Federal obligations, the Federal unobligated balance has been overstated on the SF-425 report, which is one of the information sources RSA uses to assess whether an agency's award has met carryover requirements and an extension of the period of performance.

In addition to the previously referenced underreported unliquidated Federal obligations, RSA's review of the manner in which the VR agency's costs are generally paid revealed that the agency initially pays for costs with State funds. Since the authorization of purchased client service costs does not differentiate between non-Federal or Federal funds within the case management system, costs originally paid with State funds that were later reimbursed with Federal funds have not been reported on the SF-425 consistently.

C. Rates of payment for VR services

During the on-site visit, RSA discussed USOR's rates of payment for VR services. Chapter 12 in the Utah Client Service Manual addresses authorization of goods and services, including appendices that outline the internal approval requirements for VR counselors based on dollar or service hour thresholds, as well as the approved client service fee schedule. During the on-site visit, RSA and USOR discussed the VR regulation at 34 C.F.R § 361.50 that addresses requirements for written policies governing rates of payment for all VR services. Discussions with the agency indicated that there was an informal process the agency used to determine rates of payment for VR services that were included in the policy manual appendices. However, it was determined that USOR had not implemented a written policy governing the determination of rates of payment for VR services for the three years covered within the monitoring review period. USOR indicated that the agency was working on efforts to review its fees for services and developing a written policy slated for completion after the on-site week. RSA suggested building in a review component periodically, or triggers that would result in reviewing the rates of payment to determine whether adjustments were necessary.

Federal regulations require USOR to establish procedures that enable it to administer the VR program in an efficient manner that ensures it can carry out all functions properly (34 C.F.R. § 361.12). Furthermore, 2 C.F.R. § 200.303(b) requires USOR to have internal controls that ensure the agency complies with Federal requirements. USOR also must establish and maintain written policies that govern the rates of payment for all purchased VR services (34 C.F.R. § 361.50(c)(1)). The Federal cost principles require that for costs to be allowable, they must be reasonable, necessary and allocable to the program (2 C.F.R. §§ 200.403 through 200.405). To be allocable to a program, the cost must be relative to the benefit received by that program (2 C.F.R. § 200.405(a)). Since USOR did not have a written policy in place governing rates of payment for VR services, USOR cannot ensure that all expenditures incurred for the provision of purchased VR services and pre-employment transition services are reasonable and necessary for the operation of the VR program, or are allowable under the VR program. As such, USOR cannot assure that it is administering the VR program in a proper and efficient manner and ensuring financial accountability. For these reasons, USOR has not complied with the internal control requirements set forth at 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303(b).

Conclusion: USOR does not maintain effective internal controls over the Federal awards that provide reasonable assurances that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303. Specifically, an internal control deficiency for contract monitoring was identified with respect to the discrepancy between contract language for billing and the invoices submitted to the agency. USOR did not satisfy the requirements in 34 C.F.R. § 361.12, 34 C.F.R. § 76.702, and 2 C.F.R. § 200.302 to establish sufficient internal controls to accurately account for and report the financial results of all Federally-assisted activities, because the agency was not accurately tracking and reporting unliquidated obligations and unobligated funds on the SF-425 reports, necessary for RSA to accurately determine whether the Federal award met requirements to carry over Federal funds. Additionally, USOR did not demonstrate the agency has established and maintained written policies that govern the rates of payment for all purchased VR services, as required by 34 C.F.R. § 361.50(c)(1), to ensure that fees are allowable, reasonable, necessary, and allocable, as required by Federal cost principles in Uniform Guidance.

Corrective Action Steps:

RSA requires that USOR—

5.2.1 Develop and implement contract monitoring policies and internal controls to ensure that costs for purchased client services through contracts are billed and approved for payment consistent with the written contract requirements;

5.2.2 Update and implement policies and procedures to accurately report Federal and non-Federal unliquidated obligations on the SF-425 report, and, as appropriate, revise and resubmit the SF-425 reports for FFYs 2015 through 2017 to accurately report Federal and non-Federal unliquidated obligations and unobligated balances of funds;

5.2.3 Update and implement policies and procedures to accurately report pre-employment transition services contract expenditures on the RSA-2 report; and

5.2.4 Develop or revise, if needed, and implement written policies or procedures governing the manner in which USOR will set fees for purchased VR services and pre-employment transition services that are based on reasonable costs established by the agency, as required by 34 C.F.R. § 361.50(c)(1).

Agency Response: The Utah State Office of Rehabilitation acknowledges the findings and agrees with the recommended corrective action steps identified for Finding 5.2. To address requirement 5.2.1, USOR has recently developed new policies for developing, approving, and monitoring new contracts.

Regarding requirement 5.2.2, the guidance that was provided during the RSA monitoring visit in June 2018 pertaining to the unliquidated obligations for pre-employment transition services contracts on the SF-425 reports was incorporated into the preparation of each SF-425 submitted since that time. This guidance does not affect the FFY2015 SF-425 reports as there were no pre-employment transition services contracts at that time. The SF-425 reports for FFYs 2016 and 2017 can be revised and resubmitted as necessary. However, we question the usefulness of such revisions at this point in time as both awards have come to a close, final reports submitted, and unspent funding relinquished. Also, the monitoring report indicates that this information is used in assessing whether an agency has met the carryover requirements in order to extend the period of performance. The SF-425 reports previously submitted for FFYs 2016 and 2017 show that the non-Federal share requirement was met. In addition, funds being relinquished at the close of both awards indicate that funds were available at the end of each FFY of appropriation which could be carried over into the subsequent FFY.

Regarding requirement 5.2.3, contrary to what was reported in Finding 5.2.B of the FFY 2018 monitoring report, contract expenditures for pre-employment transition services have been included in Schedule I of the RSA-2 reports. We have not previously had sufficient information from our contractors to include the expenditures in Schedule III of the RSA 2 report; however, the monitoring of new contracts is supported by a new process by which the contract provider will enter all potentially eligible students and pre-employment transition services provided directly in the Management Information System, AWARE, so these expenditures can be included on future RSA-2 reports.

Regarding 5.2.4., contrary to the report, USOR does has a method for assigning reasonable rates for goods and services and a published fee schedule that is reviewed annually. The policy currently contains procurement policy for goods and services not specifically assigned a rate on the fee schedule listed in Chapter 12 Appendix B. These goods and services are purchased through the state procurement process to ensure that they are obtained at a reasonable cost. This process is described in the policy outlined in section 12.5 of the client services manual.

Goods and Services that are assigned a set fee are found in Chapter 12 Appendix B. USOR agrees with the assessment that USOR does not currently maintain a policy that describes procedure for assigning fee schedule rates and the review process for assigned rates.

RSA Response: RSA acknowledges that USOR has implemented a fee schedule for some VR services (Appendix 12-B of Chapter 12), and that it follows procurement requirements established by the State when applicable (Section 12.5 of Chapter 12). However, the

requirements in 34 C.F.R. § 361.50 are to develop and maintain written policies covering the nature and scope of each VR service, as well as to establish and maintain written policies to govern the rates of payment for all purchased VR services. While the requirements permit VR agencies to establish a fee schedule, the process by which the agency determines those fees/rates must be documented and maintained in written policy to ensure costs are reasonable for all purchased VR services. For this reason, RSA maintains the finding as written.

Request for Technical Assistance: USOR does not request technical assistance.

Finding 5.3 Unallowable Supported Employment Fund Expenditures

Issue: Does USOR spend supported employment award funds on allowable supported employment services in accordance with Sections 7(38) and (39) of the Rehabilitation Act.

Requirement: Supported employment award funds are meant to support and maintain an individual with a most significant disability in employment. Therefore, the provision of supported employment services may not be provided prior to an individual being placed into an employment position requiring supported employment services. Section 7(39) of the Rehabilitation Act defines "supported employment services" as "ongoing support services, including customized employment, needed to support and maintain an individual with a most significant disability in supported employment…" Section 7(38) of the Rehabilitation Act defines supported employment:

> "(38) Supported employment.— The term 'supported employment' means competitive integrated employment, including customized employment, or employment in an integrated work setting in which individuals are working on a short-term basis toward competitive integrated employment, that is individualized and customized consistent with the strengths, abilities, interests, and informed choice of the individuals involved,…"

Since the use of supported employment award funds can begin only when an individual with a most significant disability is placed in an employment position requiring supported employment services, this means that all Federal expenditures for that individual that occur prior to the individual's placement into supported employment, must be provided with VR funds. If the individual is a youth with a most significant disability, the expenditures, since they are made with VR, rather than supported employment award funds, do not count toward the 50 percent reserve requirement. Additionally, any non-Federal funds expended on VR services provided to an individual who is a youth with a most significant disability prior to his or her placement into a supported employment position do not qualify as supported employment services, and may not be counted as non-Federal share for the 50 percent supported employment award reserve requirement for the provision of supported employment services, including extended services, to youth with the most significant disabilities.

Analysis: During the on-site visit, RSA and USOR discussed Chapter 30 (Supported Employment) in the Client Service Manual. RSA reviewed the Supported Employment Fee Schedule section of the chapter and learned that supported employment services fees are broken down into five primary steps or milestones. The third milestone is a $2,000 placement fee that is issued after the consumer has successfully worked on the job and completed all required entrance

paperwork and expectations. Discussions with the agency during the on-site visit indicated that this milestone combines a job placement payment with five days of job coaching, all of which is charged to the supported employment award funds. In accordance with the definitions of "supported employment" and "supported employment services," any portion of this cost that represents payment to the CRP or provider for job placement activities is not an allowable cost under the supported employment award funds. However, USOR may pay for the job coaching with supported employment funds as an ongoing support service provided to an individual.

Conclusion: USOR has not ensured that supported employment award funds are used solely for allowable supported employment activities, as required by Sections 7(38) and (39) of the Rehabilitation Act. Specifically, supported employment award funds were used to pay for costs that included reimbursement for job placement efforts of CRPs, a cost that must be paid with VR funds.

Corrective Action Steps:

RSA requires that USOR—

5.3.1 Review, revise and implement revised policies and procedures, including supported employment milestones, to ensure that supported employment award funds are only spend on services to support and maintain an individual with a most significant disability in supported employment;
5.3.2 As appropriate and allowable within State accounting requirements, make necessary accounting adjustments to VR and supported employment funds to ensure only allowable supported employment costs are charged to the supported employment award; and
5.3.3 Revise, as needed, the SF-425 reports affected by accounting adjustments to ensure accurate reporting of supported employment award funds.

Agency Response: The Utah State Office of Rehabilitation understands Finding 5.3. and USOR has discontinued paying for any placement expenses with Supported Employment funds. USOR will follow the corrective actions described for 5.3.

Request for Technical Assistance: USOR does not request technical assistance.

D. Technical Assistance

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

- RSA clarified SF-425 reporting instructions with USOR. Specifically, in certain circumstances line 10.e (Federal expenditures) may be larger than 10.a (Cash Receipts/Drawdowns) of 10.b (Cash Disbursements from Drawdowns), such as accounting changes that result in reassignment of expenditures from non-Federal to Federal sources for a reporting period.
- RSA discussed with USOR the benefit of including cues or instructions in its obligation/expenditure spreadsheet workbook to ensure that continuity of internal controls and Federal financial report development is maintained due to unavailability of the staff member who developed and maintained the workbook.

- RSA provided clarification to DWS and USOR that MOU operational budget costs to operate one-stop centers should include a separation of infrastructure costs under the IFA, and additional costs, both of which are included in the operational budget of the one-stop center itself.
- RSA discussed program income requirements (34 C.F.R. § 361.63) with the VR agency. RSA clarified flexibility in the use of program income, including the ability to use accounting adjustments to remove the program income from the books and assigned to expenditures prior to requesting additional funds from a Federal award. RSA and USOR discussed flexibility in reassigning obligations from the year of appropriation to available carryover funds to permit the drawdown of carryover funds until program income earned in the year of appropriation is disbursed. RSA discussed the ability to transfer, or use, Social Security Administration reimbursement program income earned in the VR program to carry out other eligible Federal programs, including the Client Assistance Program, Supported Employment program, and Independent Living program (under title VII of the Rehabilitation Act), in accordance with 34 C.F.R § 361.63(c)(2).
- RSA reviewed the FFY 2018 Supported Employment program grant award notification attachments and discussed the requirement to maintain balance in the award allotments and expenditures between the H187A and H187B awards. This included discussion of the reallotment language further describing the requirement to maintain the 50 percent reserve for the provision of supported employment services, including extended services, to youth with the most significant disabilities.

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

A. Purpose

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

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

In FFY 2018, the Employment and Training Administration in the U.S. Department of Labor, the Office of Career, Technical, and Adult Education, and RSA developed the WIOA Shared Monitoring Guide. RSA incorporated its content into the FFY 2018 monitoring of the VR program in this focus area. RSA assessed the VR agency's progress and compliance in the implementation of the Joint WIOA Final Rule through this focus area.

B. Implementation of WIOA Joint Final Rule

This focus area consists of the following topical areas: WIOA Partnership; Governance; One-Stop Operations; and Performance Accountability. To gather information pertinent to these topics, RSA staff reviewed a variety of documents including the Program Year (PY) 2016 Unified or Combined State Plan; Memoranda of Understanding (MOUs) including the One-Stop Center Operating Budget and Infrastructure Funding Agreement (IFA) related to the one-stop service delivery system; and other supporting documentation related to the four topical areas.

WIOA Partnership

WIOA requires States and local areas to enhance coordination and partnerships with local entities and supportive service agencies for strengthened service delivery, including through Unified/Combined State Plans. Beyond the partnerships reflected in the Governance and One-Stop Operations sections of this focus area, Federal partners thought it was important for Federal agencies to inquire about the broader partnership activities occurring to implement many of the approaches called for within WIOA, such as career pathways and sector strategies. These require robust relationships across programs and with businesses, economic development, education, and training institutions, including community colleges and career and technical education local entities and supportive service agencies. Exploring how these activities are led and sustained may be useful in assessing how these initiatives are progressing within a State.

USOR describes a high level of collaboration among the workforce partners at all levels. Utah began the process of creating a State Workforce Development Board (SWDB) in July 2015. During the initial meeting, SWDB staff informed the chair of the vision and goals of WIOA and discussed the opportunities the new law presented for Utah. The chair and core partner staff presented the goals and vision of WIOA at the September 2015 SWDB meeting. All the members of the SWDB and key support staff joined committees to begin the process of discussing the content of Utah's Unified plan. Utah's plan was developed through the work of the committees from September 2015 through January 2016. The SWDB actively participated in the development, approval and public comment process of the plan, which was officially approved in August 2017. The SWDB leads the development and continuous improvement of the workforce development system in Utah through its committees.

To support and maintain these partnerships, the State partners have established a memorandum of understanding and established five committees, following the passage of WIOA, which serves as the coordinating group for a variety of interagency activities:

- Youth Committee;
- Services to Individuals with Disabilities Committee;
- Career Pathways Committee;
- Apprenticeships Committee; and
- Operations Committee.

The committees work to implement innovative strategies by focusing on employer engagement; improve system alignment and connections; build career pathways and industry and sector partnerships; support skills development programs; access local labor market analysis; define requirements and assess one-stop career centers; engage community systems by convening, brokering and leveraging with business, community, education and agency partners; and evaluate performance measures designed to measure the effectiveness and continuous improvement of the service delivery systems.

Governance

SWDBs and Local Workforce Development Boards (LWDBs), which should include representation from all six core programs, including the VR program, set strategies and policies for an aligned workforce development system that partners with the education continuum, economic development, human services, and businesses. The VR representative on the SWDB must be an individual who has optimum policy making authority for the VR program, and each LWDB is required to have at least one representative from programs carried out under Title I of the Rehabilitation Act of 1973 (other than Section 112 or Part C of that title).

SWDB

The Utah SWDB supports its vision, mission and commitment to all customers through its partnership of State and local government, business, economic development, and community organizations. The SWDB guides the strategic alignment of programs, resources, and services with employer needs creating a stronger workforce development system for Utah. The SWDB

members are appointed by the governor and operate according to Utah statutory requirements and board bylaws. Organizationally, the board is housed under the Utah Department of Workforce Services (DWS).

The director of USOR represents the VR program on the SWDB. Her participation includes quarterly meetings and representations on several WIOA work groups.

LWDB

Utah is a single-area state, so the State does not have a LWDB.

One-Stop Operations

The one-stop delivery system brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

Utah has three comprehensive American Job Center (AJC) sites with plans for a fourth in the near future and 32 affiliate sites across the State. USOR reported that all workforce partners work together to ensure that participants are co-enrolled so its customers can benefit from multiple programs and services with the goal of helping them achieve employment. USOR's staff are trained to refer customers to the programs and resources that best fit the consumer needs. The AJC operations staff from all of the core and required partners received cross-training in June 2017, to prepare for implementing the comprehensive one-stop center goals. The staff learned about all of the WIOA core and required partners program services and referral processes.

During the monitoring review, USOR reported that the DWS, the DSA for the Vocational Rehabilitation program, maintains a cost allocation plan approved by its Federal cognizant agency, the U.S. Department of Health and Human Services. DWS houses the majority of the one-stop required partners, including the VR program, that are co-located in the comprehensive one-stop centers and to varying degrees in the affiliate sites. The mechanism identified in the MOU and IFA to allocate infrastructure costs is the proportion of full-time equivalent (FTE) staff of the required partners at the State level. These statewide FTE percentages are used to allocate costs at the individual one-stop locations throughout the State.

Discussions with DWS and VR staff on-site indicated that infrastructure cost categories (e.g., rent costs per square foot) and partner FTE proportions vary across one-stop locations, but these location-specific data are not used to develop budgets or allocate infrastructure costs down to the individual one-stop locations. Discussions with the Utah staff and review of the IFA indicate these data are available. Without using data individualized to each cost allocation, Utah is effectively averaging averages that do not measure proportionate use and relative benefits received at the individual sites.

RSA learned Utah's AJCs developed an approach to ensure accessibility and inclusion of all customers, including those with disabilities, to all facilities, programs, and services. Physical and programmatic accessibility are continuously evaluated by the Services to Individuals with Disabilities and Operation committees for improvements when needed. Also, Utah has an Americans with Disabilities Act (ADA) coordinator housed in DWS who ensures accessibility of state offices for both the public and employees.

USOR reported that the WIOA core partners collaborated to develop policies, procedures, and best practices to facilitate the integration of services to ensure job seekers' needs were being met and referrals to other resources were successful. Co-enrollment was encouraged to coordinate consistent services that complemented and strengthened the services offered by each individual program. Local management teams, representing partner agencies at the AJCs, collaborated to ensure that services provided were coordinated and non-duplicative. Customer flow, shared resources, co-enrollment, special initiatives, programs, and area workforce needs were addressed collectively. USOR reported that the State partners have a mechanism to track co-enrollment across programs, in accordance with 34 C.F.R. § 677.160, which is the UWORKS system. The UWORKS system interfaces with other systems (e.g., eligibility systems, state welfare systems, education systems, and economic development systems) that connect employment and training efforts at local levels. The UWORKS system provides standardized collection of data required for reporting purposes while allowing community partnerships operating flexibility.

All AJCs, as reported by USOR, use common universal design with printed materials. All posters, flyers, brochures, use common principles throughout the design. The outreach and marketing materials developed for distribution from the AJCs to partners, job seekers, and employers contained notice of the availability of auxiliary aids and services for needed accommodations to access programs and services and each AJC location employs appropriate signage identifying the services available to customers.

Performance Accountability

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served in the workforce development system. WIOA requires that these requirements apply across all six core programs, with a few exceptions. RSA reviewed the VR agency's progress and implementation of performance accountability measures and data sharing and matching requirements.

In Utah, State partners hold regular meetings to discuss performance accountability topics. Under the leadership of the operations committee, they met in July 2018 to define the performance accountability measures and sources of data, and how the information will be used for improvements. Utah will use previous performance measures as base measurements.

The operations committee convened the data subcommittee and the DWS communications team to develop a dashboard report of all core partner performance measures to be shared with community stakeholders, including the SWDB, SRC, and Utah State Board of Education (USBE). The dashboard will be updated with performance data quarterly as it becomes available

for federal reporting. The operations and the data subcommittee meet as needed to review and refine the dashboard reporting procedure.

The core partners annually are expected to self-evaluate their outcomes at a State and economic service area and take measurable actions to improve data/service outcomes. Annually each of the core partners works with the operations committee to create a report for the SWDB on successes and a plan defining program improvement. UI wage records are currently used and shared with appropriate partners as a source for workforce and labor market information consistent with Federal and State law.

USOR has submitted common performance measures for the first and second quarters of program year 2017. USOR will continue to submit performance data as it becomes available for post exit measures employment second and fourth quarter, median wages second quarter, and credential attainment one year after program exit. The data collected for performance measures in PYs 2017 and 2018 will set a baseline for negotiation of program accountability measures in PYs 2019 and 2020.

C. Observations and Recommendations

RSA's review of USOR's performance in this focus area did not result in the identification of any observations and recommendations to improve performance.

D. Findings and Corrective Actions

RSA's review of the performance of the VR program in this focus area resulted in the identification of the following finding and corrective action to improve performance:

6.1 One-Stop Infrastructure Costs Not Consistent with Requirements

Issue: Whether USOR's process for funding the VR program's proportionate amount of the one-stop system's infrastructure costs satisfies 34 C.F.R. § 361.13 and 34 C.F.R. §§ 361.715 and 361.755.

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

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

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

Infrastructure costs are non-personnel costs necessary for the general operations of the one-stop centers (34 C.F.R. § 361.700(a)). These costs may be funded under either the local funding mechanism or the State funding mechanism (34 C.F.R. § 361.710). Under the local funding mechanism, the Local Workforce Development Board (LWDB), chief elected officials, and one-stop partners negotiate in an effort to determine the method(s) of calculating amounts each partner will contribute toward one-stop infrastructure funding, consistent with 34 C.F.R. § 361.715. The amount to be contributed by each partner must be included in the Memorandum of Understanding (MOU) (34 C.F.R. § 361.715(a)(2)). In addition, partner shares must be periodically reviewed and reconciled against actual costs incurred, and adjusted to ensure that actual costs charged to any one-stop partners are proportionate to the use of the one-stop center and relative to the benefit received by the one-stop partners and their respective programs or activities (34 C.F.R. § 361.715(a)(4)).

Pursuant to 34 C.F.R. § 361.755, each local area's MOU (described in 34 C.F.R. § 361.500) must include an infrastructure funding agreement (IFA), regardless of whether the one-stop centers' infrastructure costs are funded under the local funding mechanism or the State funding mechanism. The MOU must identify an infrastructure and shared services budget that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to its use of the one-stop center and relative benefit received, and that complies with 2 C.F.R. part 200 (34 C.F.R. § 361.755(b)). The U.S. Departments of Education and Labor provided extensive guidance regarding the funding of the one-stop system's infrastructure costs in both the joint one-stop regulations (Federal Register notice 81 FR 55791), published August 19, 2016, and in technical assistance circular (RSA-TAC-17-03), published January 18, 2017.

Analysis: Utah is organized as a single-area State, so the State operates as one local workforce area and all one-stop partners and chief elected officials negotiate the MOU and infrastructure costs for the entire State. The Utah Department of Workforce Services (DWS) is the one-stop operator, but also houses the vast majority of one-stop partners, including the VR program, that are physically co-located in one-stop centers throughout the State. The cost allocation methodology that is used to allocate one-stop infrastructure costs for those partners housed under DWS is the Federally-approved Public Assistance Cost Allocation Plan (PACAP). Two additional agreements are used to allocate costs for the small minority of one-stop partners not under the purview of DWS that are also physically present in the one-stop centers. Those partners not physically present have costs allocated through a separate direct linkage calculation.

During the on-site monitoring visit and throughout communication with DWS and USOR after the on-site visit, RSA learned about the methodology to allocate costs within the PACAP and understands that the PACAP has been the mechanism to allocate one-stop operating costs for many years, including prior to the passage of WIOA. One-stop centers throughout the State are included in the general category of "facilities" within the PACAP. The allocation basis for these facilities is linked to the full-time equivalent (FTE) staff of programs housed under DWS. RSA understands that these costs are allocated at a higher level based on the percentage of FTEs for each one-stop partner program, as opposed to the specific FTE percentage of each partner in each

of the one-stop locations. As a result, costs are not representative of proportionate use and relative benefit received of each partner because variances in costs are not taken into account for each one-stop location but are averaged across all partners at the State level. In addition, while one-stop centers are included in the overall category of Facilities within the PACAP, there is no mechanism to disaggregate the details and FTE specific to one-stop facilities from all facilities across the State in aggregate, including those that are not one-stop centers. Therefore, this mechanism does not permit one-stop partners the ability to compare and review costs and fluctuations in the FTE allocation basis within each one-stop location to ensure infrastructure cost contributions are properly allocated based on proportionate use and relative benefits received by partners within each center. While the agency provided RSA the MOU, the MOU did not contain an infrastructure or shared services budget or a final IFA identifying the infrastructure costs of one-stop partners, including USOR, as required by 34 C.F.R. § 361.755. Rather, for purposes of the VR program, the MOU included a section on infrastructure costs that attempted to create a proxy for the infrastructure costs charged to one-stop partners, but DWS confirmed that these costs are not representative of the actual allocation charged to the partners, because this process is addressed at the higher level within the PACAP. As such, there is not sufficient information to determine whether USOR paid its proportionate share of the costs.

Moreover, DWS confirmed that due to the higher level nature of the cost allocation within the PACAP, there is no mechanism that permits one-stop partners to periodically reconcile budgeted costs to actual costs (34 C.F.R. § 361.715(a)(4)) to determine, and as necessary make adjustments to, the infrastructure costs charged to ensure that actual costs charged to any one-stop partners are proportionate to the use of the one-stop center and relative to the benefit received by the one-stop partners. Additionally, the MOU that RSA reviewed was signed by the Executive Director of DWS, the designated State agency (DSA) for USOR, not USOR itself. Federal requirements indicate that USOR is the entity designated in the State to administer the VR program on behalf of DWS. As such, USOR must remain solely responsible for the expenditure and allocation of VR funds. Furthermore, USOR must remain solely responsible for its role as a one-stop partner. None of these functions may be delegated to another entity or individual, including the head of DWS (34 C.F.R. § 361.13(c)). Since USOR did not perform its function as a one-stop partner by negotiating the IFAs or MOUs, as it was required to do under the local funding mechanism, USOR is not in compliance with the non-delegable functions of a DSU for the VR program set forth in 34 C.F.R. §§ 361.13(b)(1)(v) and 361.13(c).

At all times, USOR must remain responsible for determining how much it will contribute toward the infrastructure costs and negotiating what costs will be included in the total infrastructure costs. Only then can USOR ensure it is retaining sole responsibility for the allocation and expenditure of VR funds and for its role as a one-stop partner, as required by 34 C.F.R. §§ 361.13(b)(1)(v) and 361.13(c)(1)(iv) and (v). Given the transfer of funds made in accordance with the MOU, it is unclear whether USOR maintained responsibility for its non-delegable functions as a DSU.

Conclusion: As a result of this analysis, USOR did not meet the joint one-stop requirements in 34 C.F.R. part 361, subpart F, related to MOU and infrastructure cost requirements, because it did not ensure that the cost allocation methodology used to allocate one-stop infrastructure costs would allocate costs to each partner program on the basis of proportional use and relative benefit received by the partner at the one-stop centers, as required, but rather was based on a cost

allocation methodology that included many more facilities in the State than which housed VR program staff. In addition, USOR did not satisfy the non-delegable functions as the DSU for the VR program, as set forth in 34 C.F.R. § 361.13.

Corrective Action Steps:

RSA requires that USOR—

6.1.1 Retain sole responsibility for its non-delegable functions as a DSU, as required by 34 C.F.R. § 361.13(c), particularly with respect to the VR program's participation as a partner in the one-stop service delivery system pursuant to 34 C.F.R. § 361.13(c)(1)(v) and (2) and the VR program's role with respect to negotiating, developing, executing, and signing the one-stop system MOU in accordance with 34 C.F.R. § 361.500; and

6.1.2 Be able to determine, of the costs allocated for all DWS facilities in the State in the PACAP, which facilities costs appropriately should be allocated to one-stop centers within the one-stop service delivery system and, thus, which amount reflects the VR program's proportional use and relative benefit received by the centers or, in the alternative, develop a separate cost allocation methodology for the one-stop centers that reasonably determines the costs for each partner program, and can be reconciled with actual costs to ensure allowability and allocability, in accordance with the requirements set forth at 34 C.F.R. part 361 subpart F.

Agency Response: The Utah State Office of Rehabilitation disagrees with the conclusion in Finding 6.1 that USOR does not meet the joint one-stop requirements in 34 C.F.R. part 361, subpart F. USOR has retained responsibility for its non-delegable functions as a DSU. Although the USOR Director did not sign the MOU, the USOR Director was involved in the negotiation of the MOU which identifies how costs will be allocated to the WIOA partners and the USOR Director agreed to the mechanism whereby each partner's infrastructure costs will be determined.

In the MOU, the core partner programs administered by DWS, including VR, agreed that the federally-approved public assistance cost allocation plan (PACAP) for the Department of Workforce Services is the mechanism whereby each program's infrastructure costs will be determined. Under the PACAP, infrastructure costs are captured in a cost center and are allocated to all benefiting programs administered by the department, including state-funded programs, based on FTEs. The cost allocation process ensures that the actual costs charged to core one-stop partners at DWS are proportionate to the relative benefit received by the one-stop partners and their respective programs or activities.

Utah is a single area state where all core partner programs except Adult Education are housed within DWS and DWS is the operator for all one stop centers. Considering this unique structure, the method of allocating infrastructure costs, as delineated in the PACAP, ensures that all partner programs pay an equitable share of infrastructure costs. While this method does not disaggregate costs at the individual one-stop level, USOR disagrees that there is not sufficient information to determine whether USOR paid its proportionate share of the costs. The proportionate share is determined for all programs based on the approved cost allocation methodology and the partners

have agreed to this methodology in the MOU as being reflective of proportionate use and relative benefit received. Further, costs incurred by the individual partners and programs through the allocation process are determined using actual costs on a quarterly basis.

More importantly, the MOU, which contains the infrastructure cost agreement, was reviewed and approved by the Department of Labor in 2018. The Departments of Education and Labor issued a final WIOA joint rule governing the implementation of Title I of WIOA. Therefore, both Education and Labor have the same regulations in place regarding the funding of one-stop infrastructure costs. Since the MOU, including the infrastructure cost agreement, has already been approved by the Department of Labor, RSA should approve as well.

Furthermore, since there is no basis to suggest that any alternative methodology for allocating facilities costs incurred in the department's PACAP would produce a significantly different result, the concept of de minimis non curat lex clearly suggests that Utah's methodology for allocating facilities costs is both reasonable and appropriate.

USOR believes the PACAP to be equitable in its allocation of overall infrastructure costs and USOR believes that total costs allocated to USOR through this plan are proportionate to the use by VR of DWS facilities and relative to the benefit received by USOR to the programs within USOR. Because USOR believes that, in aggregate, costs allocated to USOR through the cost allocation plan are appropriate and proportional, USOR also believes that using this method of allocating infrastructure costs in each one-stop location is also reasonable, fair and appropriate. USOR believes that, in aggregate, all costs allocated by DWS to USOR and other core partners are equitable and proportionate.

RSA Response: While RSA understands the position USOR presents in its response to Finding 6.1 above, RSA disagrees.

First, 34 C.F.R. § 361.13(b)(1)(ii) makes clear the DSU for the VR program must have a full-time director who is responsible for the day-to-day operations of the VR program. Among those day-to-day operations, are certain critical functions that must be carried out solely by the DSU and may not be delegated to any other entity or individual, which would include the head of the DSA. Pursuant to 34 C.F.R. §§ 361.13(c)(1)(i), (1)(iv), (1)(v), and (2) of the VR program regulations, some of those critical day-to-day-functions that must be performed solely by the DSU include—

- Decisions related to the provision of VR services;
- The allocation and expenditure of VR funds; and
- The VR program's participation as a partner in the one-stop service delivery system.

Regulations in 34 C.F.R. §§ 361.500(b)(1) and (2) of the joint WIOA regulations make clear that the MOU must contain a description, among other things, of the services to be provided through the one-stop service delivery system and an agreement on funding the costs of the services and the operation of the one-stop system. As such, the negotiations, development, and execution of the MOU fall squarely within the non-delegable functions of the DSU as set forth in 34 C.F.R. §

361.13(c). To be clear, these functions must be performed by only the DSU – in Utah, that would be USOR – and no other entity, including DWS as the DSA (34 C.F.R. § 361.13(c)(2)).

According to the MOU that RSA reviewed, the DWS Executive Director signed on behalf of all five programs[1] housed within DWS, including USOR. In USOR's response to the Finding, the agency acknowledged that the USOR director did not sign the MOU that incorporated the cost allocation methodology that would be used to determine each of the partner program's proportionate share of the one-stop centers' infrastructure costs. However, the USOR director was involved in the negotiations of the MOU. Despite USOR's assertions in its Response above, there is no evidence in the MOU, such as a signature would confirm, to demonstrate that the USOR director or other appropriate USOR official was actively involved in the negotiations or the execution of the MOU, as he or she was required to be pursuant to 34 C.F.R. §§ 361.13(c)(1)(v) and 361.500(a). Moreover, 34 C.F.R. § 361.500(d) requires that the MOU, when fully executed, must contain the signatures of the one-stop partners. This would require a USOR signature on behalf of the VR program since USOR is solely responsible for the VR program's participation as a partner in the one-stop system pursuant to 34 C.F.R. § 361.13(c)(1)(v). As such, DWS cannot sign the MOU on behalf of the VR program. Therefore, reading 34 C.F.R. § 361.500(a) and (d) in conjunction with 34 C.F.R. § 361.13(c)(1)(v), USOR has not satisfied its non-delegable function of 34 C.F.R. § 361.13(c)(1)(v) and (2) by not signing the one-stop service delivery system MOU on behalf of the VR program.

Second, RSA is not persuaded by USOR's assertions that the cost allocation methodology agreed upon in the MOU is reasonable, fair, equitable, and appropriate because—

(1) It has been approved by the U.S. Department of Health and Human Services (HHS);[2]
(2) USOR agreed to it during negotiations;
(3) The cost allocation plan incorporates all programs housed within DWS, including both State- and Federal-funded programs; and
(4) The PACAP is based on full-time equivalents (FTEs) and, thus, has a direct correlation to each program.

While ordinarily a grantee's use of a Federally-approved cost allocation plan would be persuasive, in this case, the PACAP was approved long before WIOA was signed into law and the VR program became a core partner in the one-stop service delivery system. With the signing of WIOA into law, it is essential that USOR and the other one-stop partners negotiate and execute a MOU that includes a funding agreement that meets all of the requirements of 34 C.F.R. part 361, subpart F.

With respect to USOR's role in the negotiation process, as stated above, there is no evidence to demonstrate USOR's involvement. Given the facts as they exist in Utah, specifically that USOR

[1] DWS houses these five core partner programs: the Adult, Dislocated Worker, and Youth programs, authorized under Title I of WIOA and administered by DOL; the Employment Services program, authorized under the Wagner-Peyser Act as amended by Title III of WIOA and administered by DOL; and the VR program. The Adult Education and Family Literacy Act program, authorized under Title II of WIOA and administered by ED, is the only core partner program not housed within DWS in Utah.
[2] In its response, USOR referred to DOL as the Federal agency that approved the cost allocation plan, PACAP. However, the cognizant agency that approved PACAP was HHS.

is housed within the agency that houses four other core partner programs and which is also the one-stop operator, it is essential that there be hard evidence of USOR's active negotiation and participation in the development and negotiation of the MOU and infrastructure funding agreement to ensure arm's length negotiations occurred on behalf of the VR program. Only with such evidence would there be reason to believe that an approved cost allocation methodology is reasonable.

With respect to the approach of the PACAP, namely that it includes all programs housed within DWS and is based on FTEs, we agree that, on the surface it would appear that this could be a reasonable methodology. However, when we analyzed it beyond the surface, we realized its flaws and significant potential for disproportionately charging costs to the VR program. When we questioned USOR further about this possibility and whether costs were or could be disaggregated to the one-stop center level or reconciled with actual one-stop center costs, USOR responded that disaggregation was not possible and USOR's response above confirmed that as well.

Basically, the problem with the PACAP and its applicability to the one-stop center infrastructure costs is that the PACAP's cost allocation methodology includes all facilities used by all of DWS programs, the vast majority of which are not used as one-stop centers. Therefore, the "facilities" costs in the PACAP is disproportionately skewed to the detriment of the one-stop partner programs because most of those costs charged in the PACAP are for non-one-stop center costs. As such, those facilities costs are not allowable or allocable to the one-stop center programs, including the VR program, since they don't represent use by the partner programs (34 C.F.R. § 361.3 and 2 C.F.R. §§ 200.403 through 200.405).

Furthermore, the MOU must include an agreement for funding the infrastructure costs of the one-stop centers of the one-stop service delivery system (34 C.F.R. § 361.500(b)(2)(i)); however, it is important to note that infrastructure costs are specifically defined under the WIOA joint regulations. Pursuant to 34 C.F.R. § 361.700(a), infrastructure costs are non-personnel costs necessary for the general operation of the one-stop centers. In other words, these costs are not generic facilities costs. Therefore, it is not appropriate to use the generic "facilities" line item in the PACAP for allocating infrastructure costs for the one-stop centers in Utah.

In calculating each partner program's proportionate share of the infrastructure costs under a local funding agreement as was done in Utah, the partners must satisfy the requirements of 34 C.F.R. § 361.715(a). Specifically, for purposes of this discussion, the local funding agreement must ensure that—

> ****
> (3) The one-stop partner program's proportionate share of funding must be calculated in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200 based upon a reasonable cost allocation methodology whereby infrastructure costs are charged to each partner in proportion to its use of the one-stop center, relative to benefits received. Such costs must also be allowable, reasonable, necessary, and allocable;

> (4) Partner shares must be periodically reviewed and reconciled against actual costs incurred, and adjusted to ensure that actual costs charged to any one-stop partners are proportionate to the use of the one-stop center and relative to the benefit received by the one-stop partners and their respective programs or activities.
> ****

As stated above and confirmed by USOR's own response, the PACAP is not able to allocate costs among the one-stop partner programs for the one-stop centers, but rather allocates costs across all of DWS's programs and facilities, the vast majority of which are unrelated to the one-stop service delivery system. For that reason, RSA continues to have serious concerns that DWS is not able to disaggregate the facilities costs to break out the costs incurred by each of the one-stop centers. RSA is further concerned that DWS is not able to reconcile with actual costs incurred by the one-stop partners at each of the one-stop centers, as required by 34 C.F.R. § 361.715(a)(4) to ensure allowability and allocability to the programs in accordance with 2 C.F.R. §§ 200.403 through 200.405.

For the foregoing reasons, RSA sustains its Finding above and Corrective Action. USOR must work with its one-stop partners to develop a MOU and infrastructure funding agreement that satisfies all Federal requirements imposed by the joint WIOA regulations and consistent with the Uniform Guidance or, at a minimum, modify the existing cost allocation methodology so that it satisfies Federal requirements in 34 C.F.R. part 361, subpart F.

Request for Technical Assistance: USOR does not request technical assistance.

E. Technical Assistance

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

- RSA provided technical assistance regarding USOR's MOU and IFAs related to the one-stop service delivery system in accordance with 34 C.F.R. §§ 361.500 and 361.755.
- RSA differentiated between the infrastructure costs and additional career services costs, as USOR had included both cost categories in the IFA. RSA indicated while both sets of costs compose the one-stop operator costs, only infrastructure costs should be included in the IFA.

APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES

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

Table 1. Utah Combined Agency Summary Statistics from RSA 113: FFYs 2015-2017

Row	Performance category	2015	2016	2017
1	Number of total applicants	8,763	5,878	6,021
2	Number of total eligible individuals	7,311	6,355	8,290
3	Agency implementing order of selection (Yes/No)	Yes	Yes	Yes
4	Number of individuals on order of selection waiting list at year-end	7,358	2,705	140
5	Percent eligible of individuals had IPE who received no services	31.4%	42.1%	31.7%
6	Number of individuals in plan receiving services	15,971	10,464	12,053

Data source: RSA-113

Table 2a. Utah Combined Agency Case Status Information, Exit Status, and Employment Outcomes for All Individuals at Closure-FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017 Percent
1	Exited as applicants	1784	17.8	1065	13.8	648	11.3
2	Exited from trial work experience	1	0.0	0	0.0	0	0.0
3	Exited with employment	3502	34.9	1968	25.5	1336	23.4
4	Exited without employment	2449	24.4	2018	26.1	1295	22.7
5	Exited from OOS waiting list	540	5.4	573	7.4	265	4.6
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	1753	17.5	2099	27.1	2171	38.0
7	Employment rate*		58.8		49.4		50.8
8	Competitive employment outcomes	3346	95.5	1949	99.0	1326	99.3
9	Average hourly earnings for competitive employment outcomes**	$11.93		$11.65		$11.98	
10	Average hours worked for competitive employment outcomes	33.1		31.5		30.0	
11	Median hourly earnings for competitive employment outcomes	$10.00		$10.00		$10.00	
12	Median hours worked for competitive employment outcomes	40		36		30	
13	Quarterly median earnings for competitive employment outcomes***	$4,940.00		$4,550.00		$4,290.00	
14	Competitive employment outcomes meeting SGA	2416	72.2	1,151	59.1	769	58.0
15	Competitive employment outcomes with employer- provided medical insurance	780	23.3	512	26.3	331	25.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

Table 2b. Utah Combined Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	467	21.1	273	15.2	184	12.6
2	Exited from trial work experience	0	0.0	0	0.0	0	0.0
3	Exited with employment	731	33.0	471	26.2	327	22.5
4	Exited without employment	424	19.1	314	17.4	262	18.0
5	Exited from OOS waiting list	175	7.9	140	7.8	66	4.5
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	421	19.0	602	33.5	617	42.4
7	Employment rate*		63.3		60.0		55.5
8	Competitive employment outcomes	693	94.8	461	97.9	321	98.2
9	Average hourly earnings for competitive employment outcomes**	$10.11		$10.28		$10.23	
10	Average hours worked for competitive employment outcomes	31.7		30.4		27.5	
11	Median hourly earnings for competitive employment outcomes	$9.00		$9.25		$9.24	
12	Median hours worked for competitive employment outcomes	40		32		30	
13	Quarterly median earnings for competitive employment outcomes***	$4,160.00		$3,900.00		$3,445.00	
14	Competitive employment outcomes meeting SGA	444	64.1	263	57.0	144	44.9
15	Competitive employment outcomes with employer- provided medical insurance	130	18.8	86	18.7	68	21.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

Table 2c. Utah Combined Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	1317	16.9	787	13.4	463	10.9
2	Exited from trial work experience	1	0.0	0	0.0	0	0.0
3	Exited with employment	2771	35.5	1497	25.3	1009	23.7
4	Exited without employment	2025	25.9	1704	28.8	1033	24.3
5	Exited from OOS waiting list	365	4.7	433	7.3	199	4.7
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	1332	17.1	1497	25.3	1554	36.5
7	Employment rate*		57.8		46.8		49.4
8	Competitive employment outcomes	2653	95.7	1488	99.4	1005	99.6
9	Average hourly earnings for competitive employment outcomes**	$12.41		$12.08		$12.54	
10	Average hours worked for competitive employment outcomes	33.4		31.9		30.8	
11	Median hourly earnings for competitive employment outcomes	$10.50		$10.50		$11.00	
12	Median hours worked for competitive employment outcomes	40		40		35	
13	Quarterly median earnings for competitive employment outcomes***	$5,200.00		$4,680.00		$4,680.00	
14	Competitive employment outcomes meeting SGA	1972	74.3	888	59.7	625	62.2
15	Competitive employment outcomes with employer- provided medical insurance	650	24.5	426	28.6	263	26.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number*

Table 3a. Utah Combined Agency Source of Referral for All Individuals at Closure-FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017* Percent
1	Educational Institutions (elementary/secondary)	7.2	9.2	10.9
2	Educational Institutions (post-secondary)	4.9	4.3	4.7
3	Medical Health Provider (Public or Private)	6.7	5.9	5.8
4	Welfare Agency (State or local government)	3.4	2.4	1.6
5	Community Rehabilitation Programs	9.6	8.2	5.4
6	Social Security Administration (Disability Determination Service or District office)	1.0	1.2	1.1
7	One-stop Employment/Training Centers	2.8	2.6	2.0
8	Self-referral	29.2	27.5	27.3
9	Other Sources	13.8	11.2	9.0
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.1	0.2
12	Child Protective Services	0.4	0.3	0.5
13	Consumer Organizations or Advocacy Groups	0.2	0.3	0.4
14	Employers	0.1	0.2	0.2
15	Faith Based Organizations	1.0	0.9	1.1
16	Family/Friends	6.6	8.6	11.8
17	Intellectual and Developmental Disabilities Providers	0.1	0.3	0.5
18	Mental Health Provider (Public or Private)	3.5	5.1	6.2
19	Public Housing Authority	0.1	0.1	0.2
20	State Department of Correction/Juvenile Justice	7.4	8.9	8.0
21	State Employment Service Agency	0.7	1.0	0.5
22	Veteran's Administration	0.2	0.2	0.2
23	Worker's Compensation	0.4	0.3	0.3
24	Other State Agencies	0.6	0.8	1.7
25	Other VR State Agencies	0.2	0.3	0.5
26	Total Identified Referral Sources	100.0	100.0	100.0
27	Other Referral Sources (unknown)	0.0	0.0	0.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3b. Utah Combined Agency Source of Referral for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	29.4	34.1	38.0
2	Educational Institutions (post-secondary)	10.6	9.9	9.9
3	Medical Health Provider (Public or Private)	4.1	3.9	2.2
4	Welfare Agency (State or local government)	1.9	1.2	0.6
5	Community Rehabilitation Programs	7.4	5.2	2.7
6	Social Security Administration (Disability Determination Service or District office)	0.4	0.2	0.3
7	One-stop Employment/Training Centers	1.3	1.2	0.9
8	Self-referral	14.4	11.7	8.9
9	Other Sources	11.6	6.8	6.5
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.2	0.1
12	Child Protective Services	0.3	0.4	0.8
13	Consumer Organizations or Advocacy Groups	0.1	0.4	0.2
14	Employers	0.0	0.3	0.1
15	Faith Based Organizations	0.5	0.7	0.7
16	Family/Friends	8.0	11.9	14.9
17	Intellectual and Developmental Disabilities Providers	0.2	0.6	0.7
18	Mental Health Provider (Public or Private)	3.0	3.5	5.4
19	Public Housing Authority	0.1	0.1	0.0
20	State Department of Correction/Juvenile Justice	4.9	6.1	4.4
21	State Employment Service Agency	0.7	0.6	0.1
22	Veteran's Administration	0.0	0.1	0.0
23	Worker's Compensation	0.1	0.0	0.0
24	Other State Agencies	0.6	0.7	1.9
25	Other VR State Agencies	0.3	0.4	0.8
26	Total Identified Referral Sources	100.0	100.0	100.0
27	Other Referral Sources	0.0	0.0	0.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3c. Utah Combined Agency Source of Referral for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	1.0	1.7	1.6
2	Educational Institutions (post-secondary)	3.2	2.6	2.9
3	Medical Health Provider (Public or Private)	7.5	6.6	7.1
4	Welfare Agency (State or local government)	3.8	2.8	1.9
5	Community Rehabilitation Programs	10.2	9.1	6.3
6	Social Security Administration (Disability Determination Service or District office)	1.2	1.5	1.4
7	One-stop Employment/Training Centers	3.2	3.0	2.3
8	Self-referral	33.4	32.4	33.6
9	Other Sources	14.4	12.6	9.8
10	American Indian VR Services Program	0.0	0.0	0.0
11	Centers for Independent Living	0.0	0.1	0.2
12	Child Protective Services	0.5	0.3	0.5
13	Consumer Organizations or Advocacy Groups	0.2	0.3	0.4
14	Employers	0.1	0.2	0.2
15	Faith Based Organizations	1.1	0.9	1.2
16	Family/Friends	6.2	7.7	10.7
17	Intellectual and Developmental Disabilities Providers	0.1	0.2	0.4
18	Mental Health Provider (Public or Private)	3.7	5.6	6.6
19	Public Housing Authority	0.1	0.1	0.3
20	State Department of Correction/Juvenile Justice	8.1	9.8	9.2
21	State Employment Service Agency	0.7	1.1	0.6
22	Veteran's Administration	0.3	0.2	0.3
23	Worker's Compensation	0.5	0.5	0.4
24	Other State Agencies	0.6	0.8	1.6
25	Other VR State Agencies	0.2	0.2	0.4
26	Total Identified Referral Sources	100.0	100.0	100.0
27	Other Referral Sources	0.0	0.0	0.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4a. Utah Combined Agency Outcomes by Disability Type for All Individuals at Closure who had received services - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	103	1.7	58	1.5	77	2.9
2	Visual - Employment rate		63.1		37.9		40.3
3	Auditory and Communicative - Individuals served	306	5.1	141	3.5	104	4.0
4	Auditory and Communicative - Employment rate		72.2		73.0		61.5
5	Physical - Individuals served	1248	21.0	443	11.1	515	19.6
6	Physical - Employment rate		52.6		46.7		47.6
7	Intellectual and Learning disability - Individuals served	1412	23.7	1,003	25.2	691	26.3
8	Intellectual and Learning disability - Employment rate		63.7		54.1		54.3
9	Psychosocial and psychological- Individuals served	2882	48.4	1,950	48.9	1,168	44.4
10	Psychosocial and psychological- Employment rate		57.6		47.0		50.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
Note. In FY 2016, 391 individuals served coded primary disability 0000 which could not be classified to any disability group. In FY 2017, 76 individuals served coded primary disability 0000 which could not be classified to any disability group.

Table 4b. Utah Combined Agency Outcomes by Disability Type for Individuals below Age 25 at Closure who had received services - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	14	1.2	6	0.8	14	2.4
2	Visual - Employment rate		57.1		16.7		42.9
3	Auditory and Communicative - Individuals served	32	2.8	24	3.1	25	4.2
4	Auditory and Communicative - Employment rate		75.0		87.5		60.0
5	Physical - Individuals served	85	7.4	54	6.9	51	8.7
6	Physical - Employment rate		65.9		55.6		58.8
7	Intellectual and Learning disability - Individuals served	483	41.8	339	43.2	262	44.5
8	Intellectual and Learning disability - Employment rate		67.5		62.8		56.5
9	Psychosocial and psychological- Individuals served	541	46.8	344	43.8	230	39.0
10	Psychosocial and psychological- Employment rate		58.6		56.1		53.9

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Note. In FY 2016, 18 individuals served coded primary disability 0000 which could not be classified to any disability group. In FY 2017, 7 individuals served coded primary disability 0000 which could not be classified to any disability group.

Table 4c. Utah Combined Agency Outcomes by Disability Type for Individuals Age 25 and Older at Closure who had received services - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	89	1.9	52	1.6	63	3.1
2	Visual - Employment rate		64.0		40.4		39.7
3	Auditory and Communicative - Individuals served	274	5.7	117	3.7	79	3.9
4	Auditory and Communicative - Employment rate		71.9		70.1		62.0
5	Physical - Individuals served	1,163	24.2	389	12.2	464	22.7
6	Physical - Employment rate		51.7		45.5		46.3
7	Intellectual and Learning disability - Individuals served	929	19.4	664	20.7	429	21.0
8	Intellectual and Learning disability - Employment rate		61.7		49.7		52.9
9	Psychosocial and psychological- Individuals served	2,341	48.8	1,606	50.2	938	45.9
10	Psychosocial and psychological- Employment rate		57.4		45.1		49.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
Note. In FY 2016, 373 individuals served coded primary disability 0000 which could not be classified to any disability group. In FY 2017, 69 individuals served coded primary disability 0000 which could not be classified to any disability group.

Table 5a. Utah Combined Agency Number of Days from Application to Eligibility Determination for All Individuals at Closure for individuals for whom an eligibility determination was made - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017* Percent
0 – 60 days	7,500	91.0	5,953	89.4	4,530	89.4
More than 60 days	744	9.0	705	10.6	537	10.6
Total eligible	8,244	100.0	6,658	100.0	5,067	100.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5b. Utah Combined Agency Number of Days from Application to Eligibility Determination for Individuals below Age 25 at Closure for individuals for whom an eligibility determination was made - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	1,588	90.7	1,358	88.9	1,104	86.8
More than 60 days	163	9.3	169	11.1	168	13.2
Total eligible	1,751	100.0	1,527	100.0	1,272	100.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5c. Utah Combined Agency Number of Days from Application to Eligibility Determination for Individuals Age 25 and Older at Closure for individuals for whom an eligibility determination was made - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	5,912	91.1	4,595	89.6	3,426	90.3
More than 60 days	581	8.9	536	10.4	369	9.7
Total eligible	6,493	100.0	5,131	100.0	3,795	100.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 6a. Utah Combined Agency Number of Days from Eligibility* Determination to IPE for All Individuals Served at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	405	91.2	653	86.4	749	82.1
More than 90 days	39	8.8	103	13.6	163	17.9
Total served	444	100.0	756	100.0	912	100.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
**Eligibility occurred on or after July 22, 2014*

Table 6b. Utah Combined Agency Number of Days from Eligibility* Determination to IPE for Individuals Served below Age 25 at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	51	85.0	154	84.6	200	79.1
More than 90 days	9	15.0	28	15.4	53	20.9
Total served	60	100.0	182	100.0	253	100.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
**Eligibility occurred on or after July 22, 2014*

Table 6c. Utah Combined Agency Number of Days from Eligibility* Determination to IPE for Individuals Served Age 25 and Older at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	354	92.2	499	86.9	549	83.3
More than 90 days	30	7.8	75	13.1	110	16.7
Total served	384	100.0	574	100.0	659	100.0

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
**Eligibility occurred on or after July 22, 2014*

Table 7a. Utah Combined Agency VR Services Provided for All Individuals Served* at Closure – FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.4	0.2	0.2
2	Training- Bachelor degree training	16.5	18.3	21.0
3	Training- Junior or community college training	9.4	11.1	9.3
4	Training- Occupational or vocational training	21.3	21.4	20.1
5	Training- On-the-job training	1.7	0.8	1.6
6	Training- Apprenticeship training	0.3	0.1	0.0
7	Training- Basic academic remedial or literacy training	7.0	8.6	6.8
8	Training- Job readiness training	4.4	3.2	5.1
9	Training- Disability-related skills training	0.8	1.9	1.4
10	Training- Miscellaneous training	3.9	6.1	6.9
11	Career- Assessment	72.3	64.8	66.2
12	Career- Diagnosis and treatment of impairment	63.6	45.6	47.3
13	Career- Vocational rehab counseling and guidance	64.2	0.0	31.4
14	Career- Job search assistance	15.8	12.4	16.2
15	Career- Job placement assistance	3.3	0.9	3.1
16	Career- On-the-job supports-short term	10.3	8.0	8.6
17	Career- On-the-job supports-SE	1.4	3.7	3.5
18	Career- Information and referral services	11.5	0.0	15.5
19	Career- Benefits counseling	3.2	0.0	2.2
20	Career- Customized employment services	0.5	0.0	0.1
21	Other services- Transportation	39.6	40.7	36.3
22	Other services- Maintenance	19.1	16.4	13.8
23	Other services- Rehabilitation technology	11.3	24.0	20.5
24	Other services- Reader services	0.3	1.1	0.2
25	Other services- Interpreter services	1.1	1.3	1.1
26	Other services- Personal attendant services	0.3	0.2	0.1
27	Other services- Technical assistance services	0.5	0.1	0.2
28	Other services- Other services	16.8	15.3	17.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.*

*** VR Services include both those provided and purchased by the VR agency as well as those provided by comparable service providers*

Table 7b. Utah Combined Agency VR Services Provided for Individuals Served* below Age 25 at Closure- FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.1	0.0	0.0
2	Training- Bachelor degree training	16.5	16.7	16.8
3	Training- Junior or community college training	6.9	11.2	9.3
4	Training- Occupational or vocational training	19.2	18.6	19.0
5	Training- On-the-job training	1.8	0.3	2.4
6	Training- Apprenticeship training	0.3	0.0	0.2
7	Training- Basic academic remedial or literacy training	9.3	7.1	6.6
8	Training- Job readiness training	8.8	7.1	11.4
9	Training- Disability-related skills training	1.7	2.0	2.9
10	Training- Miscellaneous training	6.8	8.7	10.4
11	Career- Assessment	71.5	65.9	65.5
12	Career- Diagnosis and treatment of impairment	52.2	32.1	36.2
13	Career- Vocational rehab counseling and guidance	65.0	0.0	31.7
14	Career- Job search assistance	22.3	20.6	24.4
15	Career- Job placement assistance	2.9	1.4	4.1
16	Career- On-the-job supports-short term	18.4	13.6	14.1
17	Career- On-the-job supports-SE	2.5	4.7	5.9
18	Career- Information and referral services	14.5	0.0	17.0
19	Career- Benefits counseling	2.1	0.0	2.2
20	Career- Customized employment services	0.3	0.1	0.0
21	Other services- Transportation	28.7	26.4	22.6
22	Other services- Maintenance	11.8	7.3	7.3
23	Other services- Rehabilitation technology	5.0	9.2	6.8
24	Other services- Reader services	0.3	0.5	0.2
25	Other services- Interpreter services	0.4	1.1	0.5
26	Other services- Personal attendant services	0.5	0.4	0.2
27	Other services- Technical assistance services	0.3	0.0	0.0
28	Other services- Other services	11.1	10.4	8.3

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.*

*** VR Services include those provided and purchased by the VR agency.*

Table 7c. Utah Combined Agency VR Services Provided for Individuals Served* Age 25 and Older at Closure - FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training- Graduate degree training	0.5	0.2	0.3
2	Training- Bachelor degree training	16.5	18.7	22.2
3	Training- Junior or community college training	10.1	11.1	9.3
4	Training- Occupational or vocational training	21.7	22.1	20.4
5	Training- On-the-job training	1.6	0.9	1.3
6	Training- Apprenticeship training	0.3	0.1	0.0
7	Training- Basic academic remedial or literacy training	6.4	9.0	6.9
8	Training- Job readiness training	3.3	2.3	3.3
9	Training- Disability-related skills training	0.6	1.8	1.0
10	Training- Miscellaneous training	3.3	5.4	5.9
11	Career- Assessment	72.5	64.5	66.4
12	Career- Diagnosis and treatment of impairment	66.3	48.9	50.5
13	Career- Vocational rehab counseling and guidance	63.9	0.0	31.2
14	Career- Job search assistance	14.3	10.4	13.9
15	Career- Job placement assistance	3.4	0.7	2.8
16	Career- On-the-job supports-short term	8.4	6.6	7.0
17	Career- On-the-job supports-SE	1.1	3.4	2.8
18	Career- Information and referral services	10.8	0.0	15.1
19	Career- Benefits counseling	3.5	0.0	2.2
20	Career- Customized employment services	0.5	0.0	0.1
21	Other services- Transportation	42.2	44.2	40.2
22	Other services- Maintenance	20.9	18.7	15.7
23	Other services- Rehabilitation technology	12.8	27.7	24.4
24	Other services- Reader services	0.3	1.2	0.1
25	Other services- Interpreter services	1.2	1.4	1.2
26	Other services- Personal attendant services	0.2	0.1	0.0
27	Other services- Technical assistance services	0.6	0.1	0.2
28	Other services- Other services	18.2	16.5	19.5

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.*

*** VR Services include those provided and purchased by the VR agency.*

Table 8a. Utah Combined Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for All Individuals Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations			1.0	$17.50	0.9	$17.95
2	Arts, Design, Entertainment, Sports, and Media			1.4	$12.00	2.2	$12.00
3	Building and Grounds Cleaning and Maintenance			7.0	$9.00	6.3	$8.66
4	Business and Financial Operations Occupations			2.0	$13.13	1.4	$14.00
5	Community and Social Services Occupations			3.1	$12.00	3.4	$12.26
6	Computer and Mathematical Occupations			1.4	$12.50	2.3	$14.25
7	Constructive and Extraction Occupations			3.8	$14.75	3.5	$13.05
8	Education, Training, and Library Occupations			3.8	$11.83	4.4	$12.63
9	Farming, Fishing, and Forestry Occupations			0.2	$9.00	0.4	$11.00
10	Food Preparation and Serving Related Occupations			9.4	$8.50	9.0	$8.35
11	Healthcare Practitioners and Technical Occupations			2.3	$15.50	3.9	$15.80
12	Healthcare Support Occupations			3.9	$11.00	2.8	$11.20
13	Installation, Maintenance, and Repair Occupations			4.0	$11.05	4.5	$12.00
14	Legal Occupations			0.2	$13.00	0.1	$13.50
15	Life, Physical, and Social Science Occupations			0.4	$14.00	0.9	$14.10
16	Management Occupations			3.2	$15.00	2.4	$12.75
17	Military Specific Occupations			0.0	$0.00	0.0	$0.00
18	Office and Administrative Support Occupations			20.9	$10.00	22.6	$10.00
19	Personal Care and Service Occupations			6.3	$9.00	5.2	$10.00
20	Production Occupations			7.7	$10.50	8.0	$10.00
21	Protective Service Occupations			0.8	$10.30	1.4	$10.50
22	Randolph-Sheppard vending facility clerk*			0.0	$0.00	0.0	$0.00
23	Randolph-Sheppard vending facility operator*			0.0	$0.00	0.1	$14.42
24	Sales and Related Occupations			9.3	$9.25	6.9	$9.65
25	Transportation and Material Moving Occupations			8.1	$10.88	7.6	$10.00
26	Total competitive employment outcomes				$10.00		$10.00

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
*RSA specific occupational classifications
Note. Aggregation for FY15 cannot be provided due to invalid SOC codes being submitted. There are 32 cases SOC coded as 000000, unclassified in FY 2016. There are 7 cases SOC coded as 000000, unclassified in FY 2017

Table 8b. Utah Combined Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals below Age 25 Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations			0.0	$0.00	0.3	$37.50
2	Arts, Design, Entertainment, Sports, and Media			0.4	$15.75	1.2	$14.94
3	Building and Grounds Cleaning and Maintenance			6.6	$8.00	6.5	$8.00
4	Business and Financial Operations Occupations			1.1	$10.00	1.2	$10.78
5	Community and Social Services Occupations			1.3	$12.14	1.9	$10.00
6	Computer and Mathematical Occupations			0.7	$10.00	1.6	$15.35
7	Constructive and Extraction Occupations			2.0	$14.00	2.8	$11.50
8	Education, Training, and Library Occupations			2.6	$11.17	3.4	$10.00
9	Farming, Fishing, and Forestry Occupations			0.4	$10.50	0.6	$11.00
10	Food Preparation and Serving Related Occupations			12.6	$8.05	13.4	$8.00
11	Healthcare Practitioners and Technical Occupations			0.9	$13.88	1.9	$12.00
12	Healthcare Support Occupations			3.7	$10.50	3.4	$10.60
13	Installation, Maintenance, and Repair Occupations			5.7	$10.00	4.4	$11.75
14	Legal Occupations			0.0	$0.00	0.0	$0.00
15	Life, Physical, and Social Science Occupations			0.0	$0.00	0.6	$10.00
16	Management Occupations			3.1	$13.25	1.2	$14.26
17	Military Specific Occupations			0.0	$0.00	0.0	$0.00
18	Office and Administrative Support Occupations			23.8	$9.25	25.5	$9.68
19	Personal Care and Service Occupations			8.6	$8.50	6.9	$9.00
20	Production Occupations			7.7	$11.00	5.9	$10.00
21	Protective Service Occupations			0.7	$8.71	0.0	$0.00
22	Randolph-Sheppard vending facility clerk*			0.0	$0.00	0.0	$0.00
23	Randolph-Sheppard vending facility operator*			0.0	$0.00	0.0	$0.00
24	Sales and Related Occupations			10.8	$8.53	6.9	$8.50
25	Transportation and Material Moving Occupations			7.3	$9.50	10.3	$9.00
26	Total competitive employment outcomes				$9.25		$9.24

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
*RSA specific occupational classifications
Note. Aggregation for FY15 cannot be provided due to invalid SOC codes being submitted There are 7 cases SOC coded as 000000, unclassified in FY 2016.

Table 8c. Utah Combined Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Age 25 and Older Who Achieved Competitive Employment Outcomes at Closure- FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations			1.4	$17.50	1.1	$17.60
2	Arts, Design, Entertainment, Sports, and Media			1.6	$11.50	2.5	$12.00
3	Building and Grounds Cleaning and Maintenance			7.2	$9.00	6.2	$8.90
4	Business and Financial Operations Occupations			2.3	$13.53	1.4	$15.65
5	Community and Social Services Occupations			3.6	$12.00	3.9	$13.22
6	Computer and Mathematical Occupations			1.6	$13.50	2.5	$14.00
7	Constructive and Extraction Occupations			4.3	$15.00	3.7	$14.00
8	Education, Training, and Library Occupations			4.2	$12.00	4.7	$13.00
9	Farming, Fishing, and Forestry Occupations			0.1	$9.00	0.3	$10.00
10	Food Preparation and Serving Related Occupations			8.5	$8.58	7.6	$9.00
11	Healthcare Practitioners and Technical Occupations			2.8	$16.00	4.5	$16.00
12	Healthcare Support Occupations			4.0	$11.00	2.6	$11.27
13	Installation, Maintenance, and Repair Occupations			3.4	$11.34	4.5	$12.00
14	Legal Occupations			0.2	$13.00	0.1	$13.50
15	Life, Physical, and Social Science Occupations			0.5	$14.00	1.0	$15.00
16	Management Occupations			3.2	$15.00	2.8	$12.25
17	Military Specific Occupations			0.0	$0.00	0.0	$0.00
18	Office and Administrative Support Occupations			20.0	$10.00	21.6	$10.00
19	Personal Care and Service Occupations			5.6	$9.39	4.6	$10.00
20	Production Occupations			7.7	$10.50	8.7	$10.00
21	Protective Service Occupations			0.8	$11.22	1.8	$10.50
22	Randolph-Sheppard vending facility clerk*			0.0	$0.00	0.0	$0.00
23	Randolph-Sheppard vending facility operator*			0.0	$0.00	0.1	$14.42
24	Sales and Related Occupations			8.8	$9.50	6.9	$10.00
25	Transportation and Material Moving Occupations			8.3	$11.03	6.7	$11.00
26	Total competitive employment outcomes				$10.50		$11.00

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
*RSA specific occupational classifications
Note. Aggregation for FY15 cannot be provided due to invalid SOC codes being submitted. There are 25 cases SOC coded as 000000, unclassified in FY 2016. There are 7 cases SOC coded as 000000, unclassified in FY 2016.

Table 9a. Utah Combined Agency Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure- FFYs 2015-2017

Row	Reason for Closure	2015 Number	2015 Percent	2016 Number	2016 Percent	2017*Number	2017* Percent
1	Unable to locate or contact	1,017	15.6	2,008	34.9	1,531	35.0
2	Disability too significant to benefit from VR services - ineligible	36	0.6	33	0.6	25	0.6
3	No longer interested in receiving services or further services	2,657	40.7	2,262	39.3	1,840	42.0
4	Death	70	1.1	80	1.4	48	1.1
5	Transferred to another agency	31	0.5	22	0.4	19	0.4
6	No disabling condition – ineligible	1099	16.8	638	11.1	414	9.5
7	No impediment to employment - ineligible	470	7.2	285	5.0	165	3.8
8	Transportation not feasible or available	6	0.1	7	0.1	9	0.2
9	Does not require VR services - ineligible	5	0.1	80	1.4	68	1.6
10	All other reasons	934	14.3	323	5.6	153	3.5
11	Extended employment		0.0	1	0.0	0	0.0
12	Individual in institution other than a prison or jail	11	0.2	0	0.0	12	0.3
13	Individual is incarcerated in a prison or jail	185	2.8	15	0.3	93	2.1

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9b. Utah Combined Agency Reason for Exit for Individuals below Age 25 Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Unable to locate or contact	246	16.5	464	34.9	370	32.8
2	Disability too significant to benefit from VR services - ineligible	4	0.3	9	0.7	12	1.1
3	No longer interested in receiving services or further services	593	39.9	538	40.5	505	44.7
4	Death	9	0.6	4	0.3	8	0.7
5	Transferred to another agency	11	0.7	5	0.4	8	0.7
6	No disabling condition - ineligible	299	20.1	174	13.1	120	10.6
7	No impediment to employment - ineligible	104	7.0	56	4.2	38	3.4
8	Transportation not feasible or available	1	0.1	1	0.1	4	0.4
9	Does not require VR services - ineligible		0.0	28	2.1	21	1.9
10	All other reasons	186	12.5	48	3.6	28	2.5
11	Extended employment	0	0.0	0	0.0	0	0.0
12	Individual in institution other than a prison or jail	4	0.3	0	0.0	4	0.4
13	Individual is incarcerated in a prison or jail	29	2.0	2	0.2	10	0.9

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9c. Utah Combined Agency Reason for Exit for Individuals Age 25 and Older Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Unable to locate or contact	771	15.3	1,542	34.9	1,161	35.7
2	Disability too significant to benefit from VR services - ineligible	32	0.6	24	0.5	13	0.4
3	No longer interested in receiving services or further services	2,064	41.0	1,723	39.0	1,335	41.1
4	Death	61	1.2	76	1.7	40	1.2
5	Transferred to another agency	20	0.4	17	0.4	11	0.3
6	No disabling condition - ineligible	800	15.9	463	10.5	293	9.0
7	No impediment to employment - ineligible	366	7.3	229	5.2	127	3.9
8	Transportation not feasible or available	5	0.1	6	0.1	5	0.2
9	Does not require VR services - ineligible	5	0.1	52	1.2	47	1.4
10	All other reasons	748	14.8	275	6.2	125	3.8
11	Extended employment	0	0.0	1	0.0	0	0.0
12	Individual in institution other than a prison or jail	7	0.1	0	0.0	8	0.2
13	Individual is incarcerated in a prison or jail	156	3.1	12	0.3	83	2.6

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Fiscal Data Tables

Table 6.1 Utah-Combined (UT-C) VR Resources and Expenditures—FFYs 2015–2017

VR Resources and Expenditures	2015	2016	2017
Total program expenditures	$51,707,707	$39,597,526	$34,674,231
Federal expenditures	$40,690,616	$28,436,234	$23,657,136
State agency expenditures (4th quarter)	$11,018,539	$11,221,650	$11,017,703
State agency expenditures (latest/final)	$11,017,091	$11,161,292	$11,017,095
Federal formula award amount	$31,690,616	$32,465,380	$32,774,675
MOE penalty from prior year	$0	$5,288,188	$0
Federal award amount relinquished during reallotment	$0	$0	$0
Federal award amount received during reallotment	$9,000,000	$2,000,000	$0
Federal funds transferred from State VR agency	$0	$0	$0
Federal funds transferred to State VR agency	$0	$0	$0
Federal award amount (net)	$40,690,616	$29,177,192	$32,774,675
Federal award funds deobligated	$0	$1,159,340	$0
Federal award funds used	$40,690,616	$28,017,852	$32,774,675
Percent of formula award amount used	128.40%	86.30%	100.00%
Federal award funds matched but not used	$0	$1,159,340	$0

Table 6.1 Utah-Combined - VR Resources and Expenditures—Descriptions, Sources and Formulas

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

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

Table 6.2 Utah-Combined (UT-C) Non-Federal Share and Maintenance of Effort—FFYs 2015–2017

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2015	2016	2017
Match required per net award amount	$11,012,835	$8,009,983	$8,870,401
Match provided (actual)	$11,017,091	$11,161,292	$11,017,095
Match difference**	-$4,256	-$3,151,309	-$2,146,694
Federal funds matched (actual)	$40,690,616	$41,239,140	$40,706,356
Percent Federal funds matched	100.00%	100.00%	100.00%
MOE required	$16,305,279	$11,161,273	$11,017,091
MOE: Establishment/construction expenditures	$0	$0	$0
MOE actual	$11,017,091	$11,161,292	$11,017,095
MOE difference**	$5,288,188	-$19	-$4

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

Table 6.2 Utah-Combined - Non-Federal Share and Maintenance of Effort—Descriptions, Sources and Formulas

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Match required per net award amount	Non-Federal funds required based upon the net amount of the Federal award. **Source/Formula**: (Table 6.1 Federal award amount net divided by 0.787) multiplied by 0.213
Match provided (actual)	Amount of match (non-Federal share) provided, by the agency. **Source/Formula**: SF-425 line 10j lesser of the 4th quarter or latest/final
Match difference**	The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. **Source/Formula**: SF-425 lesser of the 4th quarter or latest/final: ((Federal formula award amount divided by 0.787) multiplied by 0.213) minus SF-425 line 10j
Federal funds matched (actual)	Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. **Source/Formula:** (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. **Source/Formula:** Federal funds matched divided by Federal award amount net
Maintenance of Effort (MOE) required	Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State's non-Federal expenditures two years prior, i.e. Recipient Share of Expenditures. **Source/Formula**: (For FFY two year prior) SF-425 4th quarter or latest/final report: line 10j minus line 12a. If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE required. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.
MOE: Establishment / construction expenditures	Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes. **Source/Formula:** SF-425 latest/final report: line 12a

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

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

Table 6.3 Utah-Combined (UT-C) Program Income and Carryover—FFYs 2015–2017

Program Income and Carryover	2015	2016	2017
Program income received	$836,331	$515,380	$3,244,018
Program income disbursed	$836,331	$515,380	$3,244,018
Program income transferred	$0	$0	$0
Program income used for VR program	$836,331	$515,380	$3,244,018
Federal grant amount matched	$40,690,616	$29,177,192	$32,774,675
Federal expenditures 9/30	$31,552,520	$10,258,635	$16,924
Federal unliquidated obligations 9/30	$1,614,357	$0	$3,583,546
Carryover amount	$7,523,739	$19,336,938	$28,755,824
Carryover as percent of award	18.49%	66.27%	87.74%

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

Table 6.3 Utah-Combined - Program Income and Carryover—Descriptions, Sources and Formulas

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

Table 6.4 Utah-Combined (UT-C) RSA-2 Expenditures—FFYs 2015–2017*

RSA-2 Expenditures	2015	2016	2017
Total expenditures	$86,119,560	$67,867,286	$68,352,918
Administrative costs	$9,668,792	$25,681,452	$2,478,316
Administration as Percent expenditures	11.23%	37.84%	3.63%
Purchased services expenditures	$30,224,580	$18,777,900	$21,417,894
Purchased services as a Percent expenditures	35.10%	27.67%	31.33%
Services to groups	$525,266	$391,264	$0
Services to groups percentage	0.61%	0.58%	0.00%

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

Table 6.4 Utah-Combined - RSA-2 Expenditures—Descriptions, Sources and Formulas*

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

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

APPENDIX B: DATA VERIFICATION RESULTS

Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	29	1	97%	3
Date of Eligibility Determination	28	2	93%	7%
Date of IPE	19	11	63%	37%
Start Date of Employment in Primary Occupation at Exit or Closure	11	5	68%	31%
Weekly Earnings at Exit or Closure	16	0	100%	0%
Employment Status at Exit or Closure	13	3	81%	19%
Type of Exit or Closure	30	0	100%	0%
Date of Exit or Closure	21	9	70%	30%

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	10	33%
Files with documentation for four or more data elements examined	29	97%
Files with no required documentation	0	0%

APPENDIX C: SUPPORTED EMPLOYMENT PROGRAM PROFILE

2017 Utah Combined
Supported Employment Program Profile

Summary Statistics – Supported Employment Outcomes						
Performance category	**2015 Number**	**2015 Percent**	**2016 Number**	**2016 Percent**	**2017 Number**	**2017 Percent**
Supported employment (SE) outcomes	79		16		2	
Competitive employment outcomes	65	82.3	15	93.8	2	100.0
Median hourly earnings for competitive employment outcomes	$8.00		$7.50		$7.96	
Average hours worked for competitive employment outcomes	22.9		13.7		9.5	

Data source: RSA-911
Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.
**Using RSA-911: Total number of individuals who exited with supported employment outcomes divided by total number of individuals who exited with an employment outcome multiplied by 100.*
***Using RSA-911: Total number of individuals who exited with competitive supported employment divided by total number of individuals who exited with supported employment outcomes multiplied by 100.*

Top Five Services Provided to Individuals in Competitive Supported Employment	
Services Provided	**2017 Percent**
On-the-job Supports – Supported Employment	100.0
Assessment	50.0
Job Search Assistance	50.0
Job Placement Assistance	50.0

Data source: RSA-911
Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.

Top Five Occupations by Percentages of Employment Outcomes with Median Hourly Earnings for All Individuals Who Achieved Competitive Supported Employment Outcomes at Closure for FFY17		
SOC Code	**2017 Percent**	**2017 Median Hourly Wage**
Building and Grounds Cleaning and Maintenance Occupations	50.0	$8.66
Office and Administrative Support Occupations	50.0	$7.25

Data source: RSA-911
Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.