95

APPENDIX C: AGENCY RESPONSE

A. Overview This appendix contains OOD’s responses to recommendations and corrective actions identified in the monitoring, along with OOD’s requests for technical assistance to address them, and RSA’s responses, as appropriate. For corrective actions to improve program and fiscal performance, as well as to improve administration of the VR program, OOD must develop a corrective action plan for RSA’s review and approval that includes specific steps the agency will take to complete each corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the corrective action has been resolved. RSA anticipates that the corrective action plan can be developed and submitted online using the RSA website at rsa.ed.gov within 45 days from the issuance of this report. RSA is available to provide technical assistance to enable OOD to develop the plan and undertake the corrective actions. For recommendations to improve program and fiscal performance as well as to improve administration of the VR program, OOD will report to the review team, on a quarterly basis, progress on the implementation of recommendations. B. Agency Responses RECOMMENDATIONS 2.1 Quality of Employment Outcomes

2.1.1 Develop strategies to identify barriers and opportunities to expand training and career services for adults and youth; and 2.1.2 Evaluate whether the training and career services provided adequately promote the maximization of employment outcomes. Agency Response: OOD believes that the number of individuals who have received training services, in particular post-secondary education, may have been under-reported in the RSA 911. Situations in which the individual receives training services through comparable benefits may not be accounted for as they are not being paid for by OOD, but rather by PELL Grants or other aid programs. With AWARE version 6.4, which is due to be installed in June of 2018, the case management system will have simplified screens that will allow staff to capture all services an individual is receiving, whether the agency is paying for them or they are being obtained by a comparable benefit. This will be in line with 911 expectations and will more accurately capture the scope of individuals taking part in training and post-secondary programs. Technical Assistance: OOD does not request technical assistance.

96

3.1 Individuals Under the Age of 25 Exiting the VR System

3.1.1 Conduct surveys or cold-calls to identify the barriers or factors related to the exit of youth with disabilities without employment after eligibility and before an IPE; 3.1.2 Engage students and youth in the group transition process as described in section 103(b)(7) of the Rehabilitation Act and 34 CFR §361.49(a)(7); and 3.1.3 Continue to distribute case status reports to VR counselors and other CRPs to improve agency performance in the elapsed time from application to eligibility determination for individuals with disabilities under age 25 at exit (0-60 day standard) and the elapsed time from eligibility determination to IPE development for individuals with disabilities under age 25 at exit (90-day standard). Agency Response: OOD’s goal is to maintain engagement with students (and adults) with disabilities throughout all aspects of the VR process. OOD will continue our partnership with the Ohio Department of Education and local school districts to support the engagement of students and families. OOD would like to point out that while the percentage of individuals who exit the program after eligibility but before an IPE is higher than the national average, the number of individuals who exit the program after the IPE is signed but before services have begun is significantly lower than the national average (6.62% vs. 19%). OOD also has a significantly lower percentage of individuals leave the program as an applicant than the national average (6.66% vs. 12.49%). These numbers show that once an individual has signed their IPE and committed to their vocational goal, OOD is doing a good job of keeping these individuals engaged throughout the process. Technical Assistance: OOD does not request technical assistance. 3.2 Employment Rate for Youth with Disabilities under Age 25

3.2.1 Identify and assess barriers to increase the employment rate for youth, particularly those with visual, auditory and communicative, physical, intellectual and learning, psychosocial and psychological disabilities, and develop strategies to improve performance in this area; 3.2.2 Develop and implement a plan to enhance VR counselor skills to assist youth with the aforementioned disabilities; and 3.2.3 Identify strategies to increase training and other services, including postsecondary education, to improve employment outcomes among underrepresented groups of youth with disabilities. Agency Response: OOD’s goal is to maintain engagement with students (and adults) with disabilities throughout all aspects of the VR process. OOD will continue our partnership with the Ohio Department of Education and local school districts to support the engagement of students and families.

97

OOD has implemented several strategies to increase the overall employment rate for students with disabilities, including the employment rate for specific disability populations. OOD’s transition services, including services provided under the Ohio Transition Support Partnership have successfully engaged an increasing number of students with disabilities beginning at age 14. This program model, along with the availability of Pre-Employment Transition Services, is designed to increase outcomes for students. As students served under this model exit from school, they will be able to take advantage of OOD’s enhanced business relations strategies to ensure that they achieve their employment outcomes. Technical Assistance: OOD does not request technical assistance. CORRECTIVE ACTIONS TO IMPROVE PERFORMANCE 2.1 Eligibility Determination Corrective Action Steps: RSA requires that OOD:

2.1.1 Comply with 34 CFR §361.41(b)(1) by making eligibility determinations within the required 60-day period; 2.1.2 Assess and evaluate VR counselor performance and identify effective practices that ensure timely eligibility determinations are made within 60 days from the date of application, including the use of case management tools for, and supervisory review of, timely eligibility determinations; and 2.1.3 Develop procedures for VR counselors and supervisors to track and monitor timely and untimely eligibility determinations. Agency Response: It is important to note, as RSA points out on page 12 of this report, that federal regulations allow for an agreed upon time extension to the 60-day requirement when “exceptional and unforeseen circumstances beyond the control of the designated State unit preclude making an eligibility determination within 60 days unless the designated State unit and the individual agree to a specific extension of time”. OOD has long recognized the importance of timely services to individuals with disabilities served by the Vocational Rehabilitation (VR) program. In December of 2011, OOD held a Lean 6 Sigma Kaizen event to specifically address the time to eligibility, significantly streamlining the process and dramatically reducing the time to eligibility. OOD established a goal at that time to average 30 days from application to eligibility, which was achieved in FFY 2016. OOD has continued to increase the percentage of eligibility decisions made within 60 days in each of the last 3 years. In FFY 2015, 17,887 eligibility decisions were made with 86.4% of those completed in under 60 days. In FFY 2016, that number was 19,443 decisions with 94.1% completed in under 60 days. For FFY 2017, 18,543 eligibility decisions were made with 96.1% completed in under 60 days. It should be noted that these numbers are based on eligibility decisions made in that federal fiscal year, not on the cases closed in that federal fiscal year. In

98

situations where the eligibility is not completed within the 60- day time frame, time extensions are agreed upon with the individual and documented in the case record. OOD has implemented several strategies in order to ensure that eligibility decisions for adults and youth are made timely. AWARE, OOD’s case management system, creates an “Activity Due” as a reminder to the VRCs that an eligibility decision is needed. This “Activity Due” is created 30 days from the date of the application. Supervisors review a monthly staffing report that identifies the number of cases on individual VRCs caseloads that are greater than 30 days from the application date and are still in need of an eligibility decision. These cases are reviewed and discussed with the VRC at a monthly meeting to ensure timely actions are being taken and/or to discuss next steps. Technical Assistance: OOD does not request technical assistance. 2.2 Development of IPEs Not Meeting the 90-Day Time Standard Corrective Action Steps: RSA requires that OOD:

2.2.1 Comply with 34 CFR §361.45(a)(1) and (e) to ensure IPEs are developed within the 90day Federal time frame from date of application; 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; and 2.2.3 Develop goals and strategies to improve VR counselor performance specific to timely IPE development. Agency Response: It is important to note, as RSA points out on page 13 of this report, that federal regulations allow for an agreed upon time extension to the 90-day requirement if “the State unit and the eligible individual agree to the extension of that deadline to a specific date by which the individualized plan for employment must be completed”. Similar to results achieved to reduce the time from application to eligibility, OOD has increased the percentage of IPEs completed within the 90 days in each of the last 3 years. In FFY 2015, 12,902 plans were signed with 63.3% of those completed within 90 days. In FFY 2016, 14,104 plans were signed with 73.9% completed within 90 days. For FFY 2017, 13,491 plans were signed with 76.0% of completed within 90 days. It should be noted that these numbers are based on plans completed within that federal fiscal year, not on the cases closed in that federal fiscal year. In situations where the IPE is not developed within the 90-day time frame, time extensions are agreed upon with the individual and documented in the case record. OOD has implemented several strategies to ensure that IPEs for adults and youth are developed timely. AWARE, OOD’s case management system, creates an “Activity Due” as a reminder to the VRCs that an IPE needs to be completed. This “Activity Due” is created 45 days from the eligibility date. Supervisors review a monthly staffing report that identifies the number of cases

99

on individual VRCs caseloads that are greater than 90 days from the eligibility date that do not have an agreed upon time extension and still need a plan completed. These cases are reviewed and discussed with the VRC at a monthly meeting to ensure timely actions are being taken and/or to discuss next steps. Technical Assistance: OOD does not request technical assistance. 3.1 Availability of Pre-Employment Transition Services to Potentially Eligible Students with Disabilities

Corrective Action Steps: RSA requires that OOD:

3.1.1 Ensure that the agency will comply with 34 CFR §361.48(a)(1), which clarifies that all students with disabilities, regardless of whether or not they have applied or been determined eligible for the VR program, are potentially eligible to receive preemployment transition services; and 3.1.2 Submit the actions that the agency will implement, including timelines, to ensure that its case management system has the ability to track those students who are potentially eligible, pursuant to section 113(a) of the Rehabilitation Act and 34 CFR §361.48(a)(1). Agency Response: As mentioned in Section 3 of this report, at the time of the monitoring visit, OOD was in the final stages of making Pre-Employment Transition Services available to potentially eligible students with disabilities. The following measures were put in place as of October 1, 2017: • A potentially eligible case type was created in AWARE so pre-employment transition services can be authorized to potentially eligible students and data can be collected to comply with RSA 911 reporting requirements; • A draft pre-employment transition services procedure was put in place to be piloted effective October 1, 2017. In March 2018, the draft procedure was updated and began the agency policy approval process; • Contracts were put in place with various local partners for the provision of preemployment transition services; and • Information about available pre-employment transition services, including how to access them, was communicated to schools and the public and posted on OOD’s website. Technical Assistance: OOD does not request technical assistance. 5.1 Prior Approval Requirements Not Met Corrective Action Step: RSA requires that OOD: 5.1.1 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements. Agency Response:

100

OOD has developed, created and published a comprehensive Federal Prior Approval submission packet. This packet was vetted through our RSA contacts and was ostensibly approved for use. OOD used this packet to complete a FFY 2018 submission containing five line items referencing various CFR sections. OOD received approval for 60% of the line items on January 16, 2018. The remaining requests are still under review by RSA as of March 29, 2018. OOD’s internal agency process requires these submissions and requests be funneled through the Division of Finance. Subsequently, the Division of Finance has adjusted its project checklist to include a “Request & Obtain Federal Prior Approval” task that is initiated upon completion of an internal cost projection. OOD will continue to adjust internal processes as additional guidance is received from RSA. Upon receipt of final guidance, OOD will formalize an Agency Policy to ensure it aligns with RSA’s requirements—this policy will include a monitoring component. Technical Assistance: OOD does not request technical assistance. 5. Inaccurate Financial Reporting Corrective Action Steps: RSA requires that OOD: 5.2.1 Revise the affected SF-425 financial reports (namely, H126A170052 – an interim report for reporting period ending 03/31/2017; H126A160052 – all interim reports; H126A150052 – final; and H126A140052 – final) to correct identified reporting errors; and 5.2.2 Implement internal controls to ensure that OOD accurately reports its approved indirect cost rate; and applicable credits are properly processed. Agency Response: Indirect Costs & Program Income – On 1/18/2018, OOD resubmitted and RSA has marked “Complete” the following SF-425 financial reports: H126A170052, H126A160052, H126A150052 and H126A140052, adjusting the amounts reported for program income and indirect costs. OOD will also change the methodology for reporting these items in the future based on RSA’s direction. Line 11 Indirect Costs – Policy Directive RSA-PD-15-05 states on page 12, “11b. Rate: Enter the approved indirect cost rate(s) in effect during the reporting period. For CAPs only, enter 100 percent of the costs attributable to this award.” OOD has a U.S. Department of Education approved indirect cost rate and not a CAP. Since the policy directive states that only CAPs are to report costs attributable to the award, OOD made the assumption that agencies with an indirect cost rate were to report the amount of labor along

101

with the corresponding approved indirect costs for the specific fiscal year of the grant. During RSA’s recent visit, OOD learned that RSA’s interpretation of the directive is to report the amount of labor and indirect costs incurred during the time period of expenditures of the grant funds, including the carry-over year while previous year grant funds are being drawn and expended. Based on actual state accounting data already being used to complete our SF-425 reports, OOD will report indirect costs attributable to that award. So, if OOD begins drawing funds on the current year’s grant in January, then OOD will report labor and indirect costs starting then rather than October 1st. Likewise, if OOD’s last draw on the prior year grant occurred in December, then we will report on Line 11 the labor and indirect costs through that time period. OOD asserts that there are excellent internal controls in place and reporting was based on actual state accounting data and our understanding of the Policy Directive. The issues raised by RSA are related to interpretation of RSA-PD-15-05 and timing. At no time did OOD fail to report any amount of indirect cost applied. Technical Assistance: OOD does not request technical assistance. RSA Response: RSA appreciates the response provided by OOD regarding the reporting of indirect costs. As clarification, the indirect costs reported on the SF-425 include all indirect costs charged to the award during the period of performance. This includes the carryover year for the award, if applicable. There are several references in RSA-PD-15-05 that support RSA’s position that the SF-425 financial data to be reported is only for a single grant award and include the entire period of performance for the award. The instructions on page 7 state that “While the SF-425 report is designed for single grant and multiple grant award reporting, the U.S. Department of Education’s (Department’s) policy is that multiple grant award reporting is not permitted for Department grants.” The SF-425 includes a single grant award number (Line 2) for which reporting is required, the award period beginning and end dates (Line 8), and the reporting period end date (Line 9). RSA maintains this component of finding 5.2 without change.