

Fiscal Year 2007 Monitoring Report on the
Vocational Rehabilitation and Independent
Living Programs in the State of New York



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Executive Summary

The Rehabilitation Services Administration (RSA) reviewed the performance of the following programs of the Rehabilitation Act of 1973, as amended (the Act) in the state of New York (NY):

- the Vocational Rehabilitation (VR) program, established under Title I;
- the supported employment (SE) program, established under Title VI, Part B;
- the independent living (IL) programs, authorized under Title VII, Part B; and
- the Independent Living Services Program for Older Individuals Who Are Blind (OIB), established under Title VII, Chapter 2.

In NY, the four programs above are the responsibility of the Office of Vocational and Educational Services for Individuals with Disabilities (VESID) and the Commission for the Blind and Visually Handicapped (CBVH).

RSA's review began in the fall of 2006 and ended in the summer of 2007. During this time, RSA's NY state team:

- gathered and reviewed information regarding each programs performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted three on-site visits, and held multiple discussions with state agency staff, State Rehabilitation Council (SRC) members, Statewide Independent Living Council (SILC) members, and stakeholders to share information, identify promising practices and areas for improvement;
- provided technical assistance;
- worked with both VESID and CBVH and their stakeholders to develop goals, strategies, and evaluation methods to address performance and compliance issues; and
- identified the technical assistance that RSA would provide to help improve program performance.

As a result of the review, RSA:

- identified promising practices;
- identified performance and compliance issues;
- collaborated with VESID and CBVH to develop performance and compliance goals and strategies related to selected issues;
- identified the technical assistance that it would provide assist the agencies to achieve the goals identified as a result of the review;
- made recommendations in those instances when VESID or CBVH did not agree with RSA on issues; and
- identified potential issues for further review.

Strengths and Challenges:

VESID

VESID has a very dedicated staff who are committed to assisting individuals with disabilities achieve quality employment and independent living outcomes. The agency is exploring new and creative approaches to improve its performance and is implementing several new initiatives under its *Designing Our Future* initiative aimed at improving the agency's performance across several critical areas.

VESID's two major challenges involve managing its resources more effectively and reversing the steady and significant decline in performance over the past five years.

According to VESID, in FY 2007 the agency will carry over approximately \$70 million or a little more than 57 percent of its federal funding. From FY 2004 (21 percent) thru FY 2006 (33 percent) VESID carried over increasingly larger percentages of its federal grant. The national average for carryover of VR federal grants for FY 2004 through FY 2006 was approximately 13 percent.

From FY 2002 thru FY 2006, VESID processed 19 percent fewer applicants, served almost 13 percent fewer individuals, and produced 11 percent fewer employment outcomes. At the same time, the average wage at closure of VESID's employment outcomes, as measured by comparing the average hourly earnings of its consumers to the state average hour wage, has remained relatively unchanged.

In FY 2006 the agency spent 20 percent more on unsuccessful closures than the national average for general and combined agencies.

CBVH

Strengths and Challenges:

CBVH has a very dedicated staff and good working relations with its service providers. The agency has a clear policy manual and is working to upgrade its case management capabilities.

CBVH's challenges center around its very high utilization of purchased services. Over 65 percent of CBVH's total expenditures go toward purchasing services (the national average for blind agencies is 35 percent). CBVH's policy to purchase such a high percentage of its service places a responsibility on the agency to have a quality assurance process in place that will effectively ensure that the providers meet standards of service delivery that will result in high quality employment outcomes. While CBVH's current quality assurance plan has been in place since 1999, CBVH needs to expand and enhance the plan to ensure that VR consumers achieve high quality employment outcomes.

CBVH's high usage of purchased service practices can adversely affect the involvement of its counselors with VR participants. CBVH must ensure that its counselors have the time and resources they need to impart their expertise to VR consumers.

As recently as FY 2004, 75 percent of CBVH's employment outcomes were homemakers. The agency instituted a policy change in January 2004 and has placed increasingly greater emphasis on competitive employment outcomes since that time. Despite the change in policy, achieving employment outcomes in integrated settings remains a challenge for CBVH. From FY 2002 with 430 employment outcomes to FY 2005 with 319 employment outcomes, CBVH experienced a 20.7 percent decrease in the number of employment outcomes in an integrated setting including Business Enterprise Program and self-employment closures.

In a state as diverse as New York, CBVH has optimal access to individuals from minority backgrounds that need VR services. CBVH has a history of low service rates for individuals from minority backgrounds and needs to carry out additional outreach and culturally competent service delivery approaches to effectively serve more individuals from minority backgrounds.

IL

The IL program in NY is extensive and receives substantial state support in addition to its federal grant. The program's primary challenge is improving communication between CILs and the local staffs of VESID and CBVH in order to further mutual goals and interests.

OIB

The OIB program's challenges are increasing consumer involvement and monitoring the effectiveness of its service delivery providers.

Introduction

Section 107 of the Rehabilitation Act of 1973, as amended, 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 Act to determine whether a state vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under section 101 of the Act and with the evaluation standards and performance indicators established under section 106. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the Supplement for Supported Employment under Title VI of the Act and programs offered under Title VII of the Act are substantially complying with their respective state plan assurances and program requirements.

In order to fulfill its monitoring responsibilities, RSA:

- reviews the state agency's performance in assisting eligible individuals with disabilities to achieve high-quality employment and independent living outcomes;
- develops, jointly with the state agency, performance and compliance goals as well as strategies to achieve those goals; and
- provides technical assistance (TA) to the state agency in order to improve its performance, meet its goals, and fulfill its state plan assurances.

Scope of the Review

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

- the VR program, established under Title I;
- the supported employment (SE) program, established under Title VI, Part B;
- the independent living (IL) programs, authorized under Title VII, Part B; and
- the Independent Living Services Program for Older Individuals Who Are Blind (OIB), established under Title VII, Chapter 2.

In addition, RSA also reviewed both VESID and CBVH's progress on:

- the Corrective Action Plan that was established as a result of findings from RSA's FY 2004 Section 107 monitoring review;
- CBVH's Program Improvement Plan that was established as a result of the fact that they did not meet performance for different standards and indicators since their inception in FY 2000; and
- the assurances that both VESID and CBVH made to RSA in conjunction with their FY 2007 state plans.

For the four programs listed above, this report describes RSA's review of VESID and CBVH, provides information on their performance, identifies promising practices, identifies performance and compliance issues, and identifies the related goals, strategies, and technical assistance that RSA will provide to each to address their issues identified during the review.

New York's Administration of the VR, SE, IL, and OIB Programs

VESID is one of the New York State Education Department's five main branches. The New York State Education Department is the Designated State Agency and VESID is the Designated State Unit for the general disabled population of New York. For the general disabled population in NY, VESID is responsible for VR, SE, and IL part B services, as well as the State's special education program.

CBVH is a part of the New York Department of Family Assistance's Office of Children and Family Services, the Designated State Agency. For the blind and visually impaired population in NY, CBVH is responsible for VR, SE, IL part B and OIB services.

Appreciation

RSA wishes to express appreciation to the representatives of the New York State Education Department, VESID, the Department of Family Assistance's Office of Children and Family Services, CBVH, their SRCs, the SILC, and the stakeholders who assisted the RSA monitoring team in the review of both agencies.

Chapter I: RSA's Review Process

Data Used During the Review

RSA's review of VESID and CBVH began in the fall of 2006 and ended in the summer of 2007. RSA's data collections are finalized and available at different times throughout the year. During this review, RSA and the state agency used the most recent data that was available from the FY 2005 and FY 2006 collections. As a result, this report cites data from FY 2005 and FY 2006.

Review Process Activities

During the review process RSA's NY state team:

- gathered and reviewed information regarding VESID's and CBVH's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted three on-site visits, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, identify promising practices and areas for improvement;
- provided technical assistance to both agencies;
- collaborated with VESID and CBVH to develop goals, strategies, and evaluation methods to address performance and compliance issues;
- made recommendations to VESID and CBVH in those instances when VESID and CBVH and RSA did not agree on issues;
- identified potential issues for further review; and
- identified the technical assistance that RSA would provide to help VESID and CBVH improve its performance.

RSA NY State Team Review Participants

Members of RSA's NY state team included representatives from each of RSA's State Monitoring and Program Improvement's (SMPID's) five functional units. The RSA NY state team was led by RSA's state liaison to the NY, Joe Pepin (chief, data collection and analysis unit) and the following RSA NY team members: William Bethel (chief, fiscal unit); Brian Miller (vocational rehabilitation unit); Joan Ward (data unit); James Billy (technical assistance unit); and Pamela Hodge (independent living unit).

Information Gathering

During FY 2007, RSA began its review of VESID and CBVH by analyzing information including, but not limited to, RSA's various data collections, VESID and CBVH's VR and IL state plans, and VESID's and CBVH's State Rehabilitation Council's (SRC's) Annual Report. After completing its internal review, the RSA team carried out the following information gathering activities with VESID, CBVH, and stakeholders in order to gain a greater understanding of the agencies' strengths and challenges:

- the RSA NY state liaison conducted a series of individual teleconferences with the VESID and CBVH management team as well as stakeholders;
- the RSA NY state team conducted four teleconferences with the VESID and CBVH management;
- the RSA NY state team held two teleconferences with stakeholders;
- RSA conducted three on-site monitoring visits: the first monitoring visit was conducted at both agencies in their Manhattan district offices from March 12 through March 16, 2007. The second and third monitoring visits in Albany were conducted from April 2 through April 6, 2007 and April 16 through April 20, 2007.
- the RSA NY state team held several teleconferences and on-site meetings with the two agencies' SRCs, the SILCs, the IL program stakeholders; and
- the RSA NY state team conducted teleconferences and held on-site meetings with the SILC chairperson as well as potential recruits to the SILC.

Chapter 2: Vocational Rehabilitation and Supported Employment Programs – VESID

Program Organization

VESID is part of the New York State Education Department and is responsible for the needs of individuals with disabilities from early childhood to adult life. It oversees the special education needs of students from ages three to 21 in public and private schools as well as the vocational and rehabilitation services for individuals from age 16 through adult life.

VESID addresses the needs of a large and diverse population of individuals by concentrating its counselors in urban areas and placing itinerant counselors in rural areas. It has offices in all key population areas providing specialized and generalized services. VESID has over 400 service providers and works with other public and private partners throughout the state. In FY 2006 VESID served 56,416 individuals with 12,956 achieving employment.

Table 1 provides fiscal and program data for fiscal years 2002 through 2006. These data provide an overview of the VR program's costs, outcomes, and efficiency. The table identifies the amount of funds used by the agency, the number of individuals who applied, and the number who received services. It also provides information about the quality of the agency's employment outcomes and its transition services.

Comparing employment outcomes and the cost and quality of those outcomes with other agencies and national averages is difficult because of the complexity of organizational structures, methods of service delivery, and disability populations served of various VR agencies.

Table 1: Program Highlights by Year for VESID

Data Element	2002	2003	2004	2005	2006
Total funds used	\$184,445,784	\$178,032,061	\$162,891,511	\$164,826,389	\$197,850,000
Individuals served during year	64,791	66,067	62,783	59,268	56,416
Applicants	53,425	48,650	44,959	43,275	43,157
Closed after receiving services	24,289	26,033	24,656	24,489	22,686
Closed with employment outcomes	14,574	15,010	13,826	13,292	12,956
Employment outcomes without supports in an integrated setting	10,194	10,630	9,823	9,584	9,334
Average cost per individual served	\$2,846.78	\$2,694.72	\$2,594.52	\$2,781.04	\$3,506.98
Average cost per employment outcome	\$12,655.81	\$11,860.90	\$11,781.54	\$12,400.42	\$15,270.92
Employment outcomes per \$million spent	79.02	84.31	84.88	80.64	65.48
Competitive employment outcomes per \$million spent	72.08	77.92	79.82	76.47	62.30

Data Element	2002	2003	2004	2005	2006
Average hourly earnings for paid employment outcomes	\$9.09	\$9.37	\$9.31	\$9.61	\$9.97
Average state hourly earnings	\$22.27	\$22.71	\$23.66	\$24.81	\$26.29
Average hours worked per week for paid employment outcomes	31.91	31.71	31.46	31.34	31.43
Percent of transition age served to total served	22.51	23.88	25.53	28.12	29.28
Employment rate for transition age served	60.51	59.55	56.73	55.58	57.47
Average time between application and closure (in months) for individuals with successful paid employment outcomes	21.20	20.90	21.60	23.00	22.60
Average number of individuals served per total staff	76.95	84.48	80.70	78.29	73.08

Provision of Technical Assistance to the VR and SE Programs During the Review Process

RSA provided technical assistance to VESID in a number of VR and SE program areas during the review process. RSA:

- verified a small number of the agency's RSA 911 case record data for FY 2004, FY 2005, and FY 2006;
- discussed VESID's case management system;
- demonstrated and provided training on how to use RSA's Management Information System (MIS); and
- discussed VESID's FY 2007 state plan.

RSA-911 Case Service Report Verification

The RSA-911 is a data file submitted by Vocational Rehabilitation (VR) Agencies yearly. It includes all VR agency records of consumers' case files closed during a fiscal year. The database includes basic demographic information found on the application for services, disability types, services provided, type and outcomes of closures as well as certain dates – birth date, application date, eligibility date, and closure date.

RSA reviewers performed the verification process to evaluate the reliability of the data contained in agency submittals of their RSA-911 for the cases reviewed. The process compared the information in the case files to the submitted RSA-911 using a custom computer application with the agency's data reported to RSA. RSA analyzed 42 data elements reported on the RSA-911 Case Service Report. The 42 data elements included: the date of application, gender, date of birth, race, ethnicity, source of referral, impairment code and cause of impairment for both primary and secondary impairments, weekly earning at application and closure, hours worked in a week at application and closure, primary source of support at application and closure, level of education attained at application and closure, employment status at application and closure, type

of public support at application and closure, date of eligibility determination, date of individualized plan for employment, date of closure, and type of closure.

RSA reviewed 23 service records obtained from the various offices throughout the state. Of the eight records closed in FY 2006, three were closed with a successful employment outcome, and five were closed unsuccessfully. Of the eight of the records closed in FY 2005, five were closed with a successful employment outcome, and three were closed unsuccessfully. Of the seven records closed in FY 2004, six were closed with a successful employment outcome, and one was closed unsuccessfully. The accuracy rate of the data elements for the cases reviewed was 75.9 percent for FY 2006, 80.7 percent for FY 2005 and 83.3 percent for FY 2004.

The reliability results for the 23 cases reviewed were lower than expected, however the differences were primarily the result of application date variations. The differences between the dates in the file and those reported by VESID in their RSA-911 report were usually small, but there were cases when the differences were large.

Review of VESID's Case Management System

VESID contracted for the development of their in-house "Case Management System" (CaMS) that became operational in FY 2002. CaMS tracks all of the case file information of consumers and prepares the RSA-required forms including the RSA-911.

CaMS captures many more data elements than those in RSA-911. The agency uses this information to generate management reports such as a vendor performance report that compares success rates by vendor and types of service. This is a very useful tool in evaluating vendor services.

All services on the Individualized Plan for Employment (IPE) are automatically authorized and obligated including timelines. All services other than diagnostic go to senior counselor for approval.

VESID is in the process of developing a new VR procurement and payment management system to track consumer services more efficiently and interactively. The new system will improve the agency's capability of determining their obligations for consumer expenditures at any point in time. VESID has already completed a phase 1 analysis of business need and design for this system and is in the process of procuring a vendor to develop the system over the next two years.

Presentation of RSA's Management Information System (MIS)

RSA demonstrated its MIS to VESID staff. Except for the RSA-911, RSA's MIS is the vehicle for grantees, including VR agencies, to submit their required fiscal and program data reports.

RSA described the system's presentation of fiscal and program data, procedures to maneuver through it, report submissions, and information retrieval, including information from other agencies. RSA demonstrated the ad-hoc query function to show how the agency could analyze its information and compare itself to other agencies as well as national averages.

RSA demonstrated how SF-269 (the Office of Management and Budget standard form which accounts for grant expenditures) figures could be queried to compare VESID's grant size in relationship to others, the agency's total outlays, match, and carryover grant funds. Comparative queries were also demonstrated using program data such as the RSA-2 (RSA's financial program form) and the RSA-113 (RSA's form of consumer statuses). The demonstration included a query comparing VESID's administrative cost rate to the rate of other comparably sized state agencies. RSA also demonstrated how both numbers and percentages of cases in various statuses could be computed to comparing VESID to other agencies.

VESID's FY 2008 State Plan

The RSA review team provided input to VESID on its draft FY 2008 state plan while on-site in Albany, including how to build flexibility in VESID's comprehensive system for professional development (CSPD) and fill in staff gaps in rural areas of the state.

VR and SE Issues Identified by VESID and Stakeholders During the Review Process

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

- increasing hourly earnings of consumers;
- improving the quality of services to youth;
- providing greater access to postsecondary education and training;
- shortening process time for service provision;
- providing quicker job placement;
- providing more consumer time with counselors;
- improving collaboration with IL Centers;
- increasing services to minority groups;
- increasing employment outcomes;
- improving payment time for services; and
- increasing availability of self-employment outcomes.

Following compilation and discussion with VESID about the issues, RSA worked with VESID to address as many of these issues as possible either directly or by consolidating the issue into a broader issue area.

VR and SE Performance Issues, Goals, Strategies, and Technical Assistance

RSA and VESID agreed on the following performance goals, strategies to achieve those goals, and technical assistance that RSA would provide to assist VESID achieve each goal. These goals and strategies will be considered for inclusion in VESID's FY 2009 state plan and if they are included, progress on achieving these goals will be reported in VESID's FY 2011 annual state plan submission.

Overview: Improving Performance by Continuing to Evaluate Performance and Implement Program Changes

In recent years, VESID has carried over a significant percentage of its federal grant. Concurrently, its performance on certain key performance indicators has steadily declined, and the quality of its employment outcomes as measured by one key performance indicator - average hourly wage of consumers at closure in comparison to New York State’s average hourly wage (RSA Performance Indicator 1.5) - has not improved. RSA believes that there is a connection between the large carryover and the latter two trends. RSA recognizes that in a system as large and complex as VESID’s, a number of factors are affecting its performance. VESID has recognized this connection as well through *Designing Our Future*, VESID’s comprehensive multi-year evaluation of the New York general vocational rehabilitation system.

While RSA and VESID have identified some of the factors that may be affecting its performance, RSA’s overall recommendation to the issues described below is that VESID continue its ongoing evaluation of its performance initiated under *Designing Our Future*. Many of these factors have also been identified by VESID in its State Plan and its recent Program Improvement Plan. As a result of *Designing Our Future*, VESID has executed management actions and embarked on new initiatives designed to reverse these performance trends. By continuously evaluating the impact of these changes, VESID is refining its management and program decisions and actions. RSA is available to provide technical assistance to support VESID’s efforts to improve its performance.

1. Resource Management

Issue: VESID has extremely high year-end balances of unobligated federal grant funds in the VR Program. Table 2 below provides information related to the amount of unobligated federal funds on September 30 in FYs 2003 - 2006, and compares VESID’s performance during this period with national data for all VR agencies and general VR agencies.

Table 2
VESID VR Program Carryover – FYs 2003 - 2007

FY	VR Program Grant Amount	Total Federal Funds Carried Over	Percent Carried Over	Percent National Average (All VR Agencies)	Percent General Agencies
2003	111,114,785	9,132,902	8.22	9.78	7.85
2004	113,557,118	24,786,451	21.83	11.42	11.25
2005	114,193,377	38,276,563	33.52	13.24	13.84
2006	118,726,654	39,689,098	33.43	13.73	13.71
2007	122,752,758	70,000,000	57.03	unavailable	unavailable

Note: The table's figures are from the SF-269's submitted by for the 4th quarter of each of the years above. Except for the VR Program grant amount, the FY 2007 federal funds carryover figure is a projection by VESID in discussions with RSA.

When compared to the national averages for *all* VR agencies and general agencies, since FY 2004 the federal funds carried over by VESID are considerably higher than both national averages in each fiscal year. In FYs 2005 and 2006, VESID carried over a little more than one-third of its federal grant. VESID projects that the carryover percentage will increase to approximately 57 percent in FY 2007 when VESID will not spend approximately \$70 million in federal funds.

While VR agencies may carryover a small percentage of their VR Program allotment each FY to have sufficient funds available for start-up costs associated in the succeeding fiscal year, or for special projects that the agency may be planning to fund, VESID's carryover percentage far exceeds national averages and is one of the highest in the nation.

According to VESID, the carryover increase is a result of many factors, including:

- loss of more experienced senior staff through attrition;
- State controls on hiring;
- difficulty recruiting VR counselors and other key staff;
- bringing procurement of VR services into compliance with the State Finance Law and other State requirements for competitive procurement; and,
- providing accountability by paying only for services provided, not for capacity.

Goal: Beginning with FY 2008, VESID will reduce the VR Program funds carried over by \$20 million annually until the carryover balance is less than 20 percent of the federal funds made available to the state each FY.

VESID has conducted an analysis and has developed a plan to reduce the VR Program funds carried over each fiscal year to progressively smaller percentages over the next 3 years. VESID plans to reduce the carryover amount include the following new programs:

- transition program with the City University of New York,
- transition programs (Model Transition Programs) with secondary schools, and
- collaborative agreements with the State Department of Corrections and the Department of Parole for ex-offenders.

Strategies:

- VESID will closely monitor its plan for the reduction of carryover funds to meet the 20 percent threshold, with an interim goal of a \$20 million reduction established for the end of FY 2008.
- In addition to the individual costs for each of the new programs listed above, VESID will be spending additional funds to provide VR services for the expected increase in referrals to the agency.

Technical Assistance:

- At least annually, VESID and RSA will evaluate progress made toward achieving the goal and determine the need for future goals related to reducing carryover balances in the VR program.
- Throughout this process, RSA is available to provide program and fiscal guidance to VESID as it implements its carryover expenditure plan.

2. Declining Performance

Issue: From FY 2002 thru FY 2006, the numbers of applicants, individuals served, individuals closed with employment outcomes, and individuals closed with competitive employment outcomes by VESID have decreased significantly.

Table 3 below indicates VESID’s performance in four areas. The decreases in the individuals served and the number of individuals with employment outcomes are most pronounced from FY 2003 to FY 2006 when VESID served 9,651 (14.61 percent) fewer individuals and closed the cases of 2,054 (13.68 percent) fewer individuals with employment outcomes. In addition, from FY 2002 thru FY 2006, the number of applicants decreased by 10,268 (19.22 percent). While the overall number of closures decreased for VESID between FY 2002 and FY 2006 by 7.27 percent, the percentage of competitive outcomes increased from 91.2 percent in FY 2002 to 95.1 percent in FY 2006 for all employment outcomes.

Table 3
The Numbers of Applicants, Individuals Served, Closed with Employment and with Competitive Employment from FY 2002 thru FY 2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	Percent Decrease from FY 2002/2006
Applicants	53,425	48,650	44,959	43,275	43,157	-19.22%
Individuals served	64,791	66,067	62,783	59,268	56,416	-12.93%
Closed with employment outcomes	14,574	15,010	13,826	13,292	12,956	-11.10%
Closed with Competitive Employment Outcomes	13,294	13,873	13,002	12,605	12,327	-7.27%

Source: the above figures are from RSA-911 information submitted to RSA by VESID for the years listed.

Goal: For FY 2007, VESID's goal is to achieve a 3 percent increase in the number of individuals with employment outcomes from FY 2006 performance level.

For FY 2007, VESID's goal is to achieve a 3 percent increase from FY 2006 performance level, which would mean more than 700 additional rehabilitated closures. As described in the Performance Improvement Plan submitted to RSA, VESID may not achieve the 3 percent increase, but will meet the standard for this performance indicator 1.1 by increasing rehabilitated closures above the FY 2006 level of 12,956 individuals. Initial results as of September 30, 2007 indicate that VESID has increased its employment outcomes in FY 2007. VESID has already established targets for all District Offices to increase applications, eligibility determinations and plan development. VESID monitors performance monthly and according to its data, performance is improving. RSA recommends that VESID sustain this focus on increasing the number of individuals served. RSA and VESID agree that this strategy will lead to marked improvement on the RSA Performance Indicators and on the additional measures of VESID's priorities and goals as described in VESID's proposed FY 2008 State Plan.

Strategies:

Some potential strategies are:

- exploring new potential referral sources, including underserved minorities;
- revitalizing communication with traditional referral sources; and
- developing marketing and outreach activities to individuals.

While the declining number of VESID's applicants may be a contributing factor to the decrease in the number of individuals served by the agency, almost certainly other factors may be involved. The number of counselors, the time that counselors have to spend with VR participants, and the skills and abilities of counselors to address the needs of a very diverse participant pool, may be factors affecting the number of individuals that VESID serves. RSA recommends that VESID continue its evaluation of the causes for the reduction in the number of individuals served to determine why it occurred and continue to identify additional strategies to positively affect the trend.

VESID has initiated efforts to streamline paperwork through the CaMS electronic case management system, the planning related to the VR electronic fiscal system, and outreach to minority and underserved populations. VESID has established new initiatives with the City University of New York and with more than 140 school districts through the Model Transition Projects to make sure that VESID is available to all eligible individuals. VESID is working with the NYS Department of Corrections and the Division of Parole regarding serving ex-offenders through a planned cooperative agreement.

Some additional potential strategies are:

- further increasing the number of counselors and other staff;
- improving staff efficiency by streamlining and automating paperwork;

- providing staff with the training and support needed to process VR participants who speak little or no English; and
- mentoring new staff.

The number of cases closed with employment outcomes is a fundamental measure of an agency's performance. VESID's performance on the number of cases closed with employment outcomes went from a high of 15,010 in FY 2003 to a low of 12,956 in FY 2006; a decrease of over 2,000 individuals. An element of the decrease might be the proportional increase in unsuccessful closure outcomes that has occurred. While spending its carryover balance, avoiding unreasonably high carryover balances in the future, and pursuing the personnel-related strategies recommended above should positively affect VESID's performance on this measure, RSA suggests that VESID identify additional strategies to reverse the current downward trend in achieving employment outcomes. As VESID implements the program improvement strategies described in its proposed FY 2008 Amendment to the State Plan and in the Program Improvement Plan that was submitted to RSA, new strategies for program improvement may emerge.

Technical Assistance: RSA will share methods used by VR agencies to expand services as well as any employer-networking practices identified during this fiscal year's monitoring activities or those identified in prior years. VESID has already been actively engaged with the CSAVR and RSA collaboration called "The Net" that is linking VR agencies to national and regional employers.

3. Quality of Employment Outcomes as Measured by Average Hourly Wage (RSA Performance Indicator 1.5)

Issue: From FY 2002 thru FY 2006 VESID's consumer average hourly earnings for paid employment outcomes increased nearly 10 percent while the state average hourly earnings has increased 18 percent during the same period.

Table 4 shows the increases since FY 2000 in hourly wages of VESID consumers achieving competitive employment outcomes compared to the increase in the NY state average hourly wages for a period of seven years. The increases shown below are cumulative since FY 2000. The increases in the hourly wages of competitive employment outcomes for VESID kept up with the state average hourly wage increases until FY 2004 when the difference was 4.35 percent.

From FY 2004 to FY 2006, the percentage increase in the hourly wages of VESID's consumers did not keep up with the percentage increase in state average wages. In FY 2005 the difference between the average state increase (14.81 percent) and the VESID state increase (8.27 percent) for FY 2005 was 6.54 percent. That figure increased in FY 2006 to 9.48 percent as the gap between the increases for state average wages (21.66 percent) to the increase for VESID's consumers (12.18 percent) widened.

It is noteworthy that in FY 2006 more than 23 percent of VESID's employment outcomes are "with supports in integrated settings." This is significantly higher than the nation average (9.1 percent).

Table 4
 VESID Competitively Employed Consumers' Hourly Wage Increases
 Compared to NY State Average Hourly Wage Increases

Fiscal Year	Competitively Employed Consumers' Hourly Wage	VESID Percent Increase from FY 2000	NY State Average Wage	NY State Percent Increase from FY 2000
2000	8.95		21.61	
2001	9.37	4.69 %	22.43	3.79 %
2002	9.27	3.58 %	22.27	3.05 %
2003	9.46	5.70 %	22.71	5.09 %
2004	9.41	5.14 %	23.66	9.49 %
2005	9.69	8.27 %	24.81	14.81 %
2006	10.04	12.18 %	26.29	21.66 %

A possible factor affecting the quality of VESID's employment outcomes is that in FY 2006 VESID was providing postsecondary education services at a significantly lower rate than the national average for general and combined agencies. Table 5, based on VESID's submitted RSA-911 data for FY 2006, shows that VESID's percent of employment outcomes receiving postsecondary education services at 11.8 percent is lower than the national average by almost 3 percent.

In FY 2006 VESID provided postsecondary services to 6.04 percent of its consumers in NY City, or 8.54 percent lower than the percentage of consumers who receive postsecondary services nationwide (14.58 percent).

Table 5 also shows the benefits of postsecondary education services for NY City metropolitan area residents. The average hourly earnings of NY City area residents receiving postsecondary education services is \$14.66 per hour and the average hourly earnings of NY City area residents who do not receive postsecondary education services is \$10.25.

Table 5
VESID Postsecondary Services Data
FY 2006

	<u>Nationally</u>	<u>NY City</u>	<u>Remainder NY State</u>	<u>Total NY State</u>
Percent receiving postsecondary education services	14.58	6.04	14.63	11.82
Average hourly earnings for consumers receiving postsecondary education services	\$11.98	\$14.66	\$11.47	\$12.00
Average hourly earnings for consumers NOT receiving postsecondary education services	\$9.77	\$10.25	\$9.40	\$9.70

Source: The above figures were obtained from RSA's FY 2006 RSA-911 database and from VESID's breakdown of its FY 2006 RSA-911 database.

Goal: Improve the hourly earnings of VESID consumers as described in VESIDs' Program Improvement Plan:

Strategies:

- VESID college policy and procedures were revised April 2007 to promote greater participation in postsecondary education and training leading to higher wage employment;
- VESID is developing a more effective employer database system to work systematically with employers who have a history of hiring VESID consumers. This tracking can help VESID focus on employers who offer job placement in higher paying positions;
- partnerships with school districts and postsecondary institutions should lead to higher wage employment. An agreement was recently signed with CUNY to promote greater collaboration between VESID and CUNY in serving students with disabilities; and
- several VESID offices are collaborating with benefits counseling providers through the SSA WIPA Projects or the IL Centers to provide benefits counseling early in the VR process. This should lead to generally higher wage outcomes for VESID consumers.

Additional Potential Strategies:

- continue to evaluate any additional factors that are affecting the hourly earnings of VESID consumers served to enhance the range of strategies leading to higher-paying employment outcomes;
- emphasize to VESID district managers, supervisors, counselors and other staff the importance the agency places on providing services that lead to jobs and careers with high earnings, as described in the Performance Improvement Plan;

- increase the number of consumers receiving postsecondary education services; and explore the reason for the NY City metropolitan area residents' low postsecondary education service rate, and improve the rate; and
- explore the reason for the NY City metropolitan area residents' low postsecondary education service rate, and improve the rate.

Technical Assistance:

- RSA will work with VESID with their ongoing analysis for identifying factors related to quality outcomes.
- RSA will share effective strategies to improve earnings of consumers as well as any national and state data that VESID would prove helpful in evaluating the quality of their employment outcomes.

4. Quality Assurance (QA) Activities

Issue: Continuing to expand and enhance VESID's QA activities

Quality assurance of service providers

In order to optimize performance, VR agency services must be rendered professionally, provided in a timely fashion, and when purchased, billed in accordance with the rates and costs negotiated for the numbers served as contracted. VR consumer satisfaction with those services is also critically important.

The Department of Education General Administrative Regulations (EDGAR – 34 CFR 80.40) requires that grantees “must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.”

Quality assurance of contract services should include a verification function that ensures that:

- the contract terms agreed upon are followed;
- the contractor is providing the numbers of services agreed upon;
- the contractor is billing for only those services;
- the costs used in those billings are according to the terms of the contract; and
- the process should include steps to ensure the highest service quality according to timeliness stated in the contract agreements.

VESID has over 400 contractors who provide services to their consumers. Of those contractors, 180 provide supported employment services. Approximately 220 contractors provide general services and those contracts fall under a general contracting process call Unified Contract Services (UCS). Quality assurance by VESID of their UCS contracts had not been done from their central office (in the recent past) until this year. The supported employment contracts had been reviewed for evaluating contractor service provision rather than for verifying that consumers had received services agreed upon in a timely manner.

The scope of the VESID's QA activities during FY 2007 involved 25 service providers chosen based on contract size, population, and zip codes. These 25 reviews were referred to as pilots, and the results of these reviews are being used in designing a more formal process in FY 2008.

The QA review process included the following:

- two days onsite and two days at the district office;
- surveys of counselor satisfaction;
- involvement of two or more central office staff;
- global report on all 25 reviews; and
- contracts included those for "fast-track" evaluations for eligibility, vocational assessments, and those for placement services.

Quality Assurance of Casework

The scope of casework reviews for FY 2007 included an agency-wide review of 101 case files in November 2006. Four were to be done in various district offices. The benchmark used for compliance in November's review was 90 percent. Prior to the case review in November 2006, an agency-wide review of case files had not been done since FY 2003.

Goal: Internal and external QA systems will be on-going, rigorous, and useful to both VESID staff and its consumers.

Strategies:

- with a fully staffed QA unit, VESID should develop a QA program to review both VR and SE contractors on a regular schedule;
- incorporate a financial component of monitoring contracts to include verification of the invoices billed as well as the cost development of proposals; and
- develop a case review program that ensures policy and VR program compliance consistently throughout its offices.

Technical Assistance:

- RSA will share the MS-access-based software package it developed to compute case review results.
- RSA will share QA activities of other agencies being monitored this year or in previous years as appropriate.
- RSA will offer VESID access to QA Technical Assistance Consultants.
- RSA will share procedures being performed and protocols being used by state agencies to assure work quality regarding case work and service providers as appropriate.

VR and SE Recommendations

RSA recommends that VESID establish goals and strategies to address the following VR and SE issue.

The Cost of VESID’s Unsuccessful Outcomes

Issue: Compared to the national average, in FY 2006 VESID spent significantly more of its resources on services that lead to unsuccessful employment outcomes.

Table 6 indicates that in FY 2006 VESID spent 20 percent more on unsuccessful closures than the national average for general and combined agencies. VESID spent 65 percent more than the national average on unsuccessful closures in NY City and 8 percent less than the national average in the remainder of NY State. NY City unsuccessful employment outcome expenditures is the reason for the VESID 20 percent additional amount.

Table 6
VESID Cost of Services FY 2006

<u>Consumers receiving all services</u>	<u>Nationally</u>	<u>Remainder Total</u>		
		<u>NY City</u>	<u>NY State</u>	<u>NY State</u>
Cost of successful employment outcomes	4,549	5,694	4,190	4,682
Cost of unsuccessful employment outcomes	2,863	4,711	2,624	3,448

Note: The above figures were obtained from RSA’s FY 2006 RSA-911 database and from VESID’s breakdown of its FY 2006 RSA-911 database.

One possible explanation for these data is that the cost of providing services in NY City is higher than other parts of NY State and the nation. However, if the cost of providing services in NY City were the sole explanation for VESID’s higher than average costs, then one would expect VESID’s costs to deviate from the national average equally for successful and unsuccessful outcomes. As Table 6 indicates, VESID’s cost for successful incomes in NY City is approximately 26 percent higher than the national average. As stated above, VESID’s cost for unsuccessful outcomes is 65 percent higher than the national average. This would suggest that other factors are affecting VESID’s performance in NY City than the cost of providing services in the city.

Recommendation

RSA recommends that VESID implement a goal to monitor and control the cost of services provided to individuals who do not receive an employment outcome. VESID should analyze the reasons why it is spending more than the national average on unsuccessful closures in NY City for FY 2006 by:

- analyzing other years' data to determine whether FY 2006 unsuccessful employment outcomes in NY City is always unusually large;
- analyzing unsuccessful case file service information in NY City to determine whether the high costs were spread evenly over all unsuccessful outcomes or whether they were the result of a relatively small number of cases; and
- reviewing the types of services provided if not the result of those high-cost of providing services wasn't the result of a few individuals.

Chapter 3: Fiscal Review of VESID's VR And SE Programs

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

The data in the following table, taken from fiscal reports submitted by the state agencies, address the overall fiscal performance of the agency. The data related to matching requirements are taken from the fourth quarter of the respective fiscal year's SF-269 report. The maintenance of effort (MOE) requirement data are taken from the final SF-269 report of the fiscal year (two years prior to the fiscal year to which it is compared). Fiscal data related to administration, total expenditures, and administrative cost percentage are taken from the RSA-2.

Table 7

Fiscal Data for VESID for FY 2002 through FY 2006

Fiscal Year	New York (G)				
	2002	2003	2004	2005	2006
Grant Amount	110,364,840	111,114,785	113,557,118	114,193,377	118,726,654
Required Match	29,870,027	30,072,998	30,734,010	30,906,213	32,133,135
Federal Expenditures	108,447,486	101,981,883	88,770,667	75,221,675	79,037,556
Actual Match	67,378,877	70,898,836	57,203,236	60,249,847	75,871,102
Over (Under) Match	37,508,850	40,825,838	26,469,226	29,343,634	43,737,967
Carryover	1,917,354	9,132,902	24,786,451	38,276,563	39,689,098
Program Income	6,677,976	1,739,024	7,517,667	2,712,702	3,285,302
Maintenance of Effort (MOE)	56,670,444	60,045,161	57,096,841	60,244,968	57,143,125
Administrative Costs	15,873,140	16,768,623	23,477,989	15,060,990	17,872,940
Total Expenditures	184,445,784	178,032,061	162,891,511	164,826,389	197,850,000
Percent Admin Costs to Total Expenditures	8.61%	9.42%	14.41%	9.14%	9.03%

Explanations Applicable to the Fiscal Profile Table

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

Match (Non-Federal Expenditures): The non-Federal share of expenditures in the Basic Support Program, other than for the construction of a facility related to a community rehabilitation program, was established in the 1992 Amendments to the Rehabilitation Act at 21.3 percent. As such, a *minimum* of 21.3 percent of the total allowable program costs charged to each year's grant must come from non-Federal expenditures from allowable sources as defined in program and administrative regulations governing the VR Program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

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

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

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

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

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

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

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

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

Provision of Technical Assistance to the VR and SE Programs During the Review Process

- Reviewed SF-269 reports with agency staff, discussed areas of concern, and provided guidance on the areas of the reports that needed closer attention.
- Discussed concerns regarding the increasing level of carryover of federal funds and they continue to exceed their Match and make MOE each year, the level of state funds shown on the final reports of the SF-269 has remained virtually the same. Technical assistance was provided in the use of the RSA MIS to assist the fiscal staff in analyzing their data and comparing their figures to similar state agencies.
- Discussed that their program income earned is 50 percent of the national averages for all VR agencies and combined agencies, and suggested strategies for increasing program income, and its uses.
- Reviewed time distribution documentation requirements and the OMB Circular A-87 semi-annual certification requirement for all staff charged 100 percent to any federal grant program.

VR Program Fiscal Recommendations

RSA recommends that VESID establish goals and strategies to address the following VR fiscal issues.

1. Awarding of Contracts between Not-for-profit and For-Profit for Organizations

Issue: VESID's procedures for evaluation, awarding of points, and selection of service providers under the last Request for Proposals under VESID's "Unified Contract Services" system differed significantly between not-for-profit and for-profit service providers on the cost dimension. For example, contract selection between two not-for-profits with tied scores is decided in favor of the bidder with the highest score in two specific areas (Program Description and Program Plan). When two for-profit bidders are tied, the decision is based on overall lowest cost.

VESID's explanation for the different standards is there is no requirement for a cost per rate from not-for-profits. As a result, the not-for-profits are paid a rate for similar services, but are not required to submit a rate at time of application. This can create a situation where a not-for-profit may be receiving a higher rate of pay than it cost to provide the service. However, the for-profits are required to submit a cost per rate in their proposal and the rationale from VESID that it provides the for-profit an opportunity to bid lower than the maximum flat rate. If applied to not-for-profits, this practice would maximize the level of services for the funds spent and make it consistent to all potential VR providers.

RSA recommends that VESID develop clear and consistent selection criteria for each type of service contract for future contracts. VESID is planning for its next round of RFPs for contacted services with community providers and intends to develop clear and consistent selection criteria for each type of service contract.

2. Program Income

Issue: VESID's level of program income is half the national average for VR programs

Program income for the VR program is predominately comprised of reimbursements from the Social Security Administration (SSA) for employment outcomes of consumers attaining the "Successful Gainful Activity" wage as defined by SSA each fiscal year for at least nine months. VESID's level of program income is half of similar VR programs. The national average of program income to the VR agencies' total grant for FY 2005 was 5.45 percent and 6.00 percent for FY 2006. VESID's figures percentage figures for the same periods were 2.38 percent and 2.77 percent.

Recommendation: VESID should continue to take steps to increase the amount of SSA reimbursement income it receives by practices, policies, and procedures

RSA will work with VESID to share practices of VR agencies that have been able to maximize their SSA reimbursements for its SSI/SSDI recipient consumers.

3. Financial Management - Financial reporting practices

Issue: The accuracy of the VESID's FY 2006 SF-269 and RSA-2 submittals.

Matching funds reported on the SF-269

VESID reported an unusually high (\$21 million) decrease in the 4th quarter state matching funds on the 5th quarter SF-269 for its FY 2006 grant award. The decrease is unusually high because it is nearly 20 percent of VESID's grant amount. Though it is possible that the decrease is the result of the cancellation of unliquidated obligations amounting to \$21million during the 5th quarter, it is more likely that such a large decrease would have been the result of a correction of the prior 4th quarter's SF-269. Historically, VESID's matching funds shown in the first 4th quarter SF-269 of their VR services grants show matching funds that are 15 to 20 percent higher than the final SF-

269's, usually the 12th quarters' submittals. The decrease is ratably slow from the 4th to the final and 12th quarter submittal, not in one quarter.

Generally VESID's state funds are used for consumer services, therefore the decrease would likely have been the cancellation of contracted services. In other words, a modest adjustment is routine when contracted services are adjusted down during the later SF-269 submittals. An adjustment of \$21 million in one quarter requires further review.

Another consideration in this matters is that the matching (or state funds) reported on the SF-269 for the 4th quarter of FY 2006 are unusually high as well; 25% higher than in recent years. In response to RSA's inquiries on this matter, VESID assured RSA that the SF-269 figures agreed with the NY State Education Department's general ledger.

Unusually high increase in FY 2006 expenditures reported on the RSA-2

The total expenditures reported on page 1 of VESID's FY 2006 RSA-2 was 20 percent higher than in recent fiscal years. Total expenditures reported on the RSA-2 had been decreasing since FY 2002. The unusual increase could not have been from the use of federal grant funds because the carryover of the VR grant for FY 2005 and FY 2006 has remained constant at 33 percent.

The 25 percent higher than normal state matching funds reported on the SF-269 for the 4th quarter, as well as the unusually high decrease reported on the SF-269 for the 5th quarter of the FY 2006 grant seem to be related to this 20 percent increase in total expenditures reported on the RSA-2.

RSA recommends that VESID work with NYSED when reports prepared by NYSED, though based on the general ledger, have large variations of amounts in comparison with prior quarters of fiscal years.

4. Obligating Contracted Consumer Services before Their Authorization

Issue: VESID obligates the entire consumer contract amounts when the contracts are awarded rather than when services are authorized. This creates an inflated obligations figure that results in misleading financial management reports, and complicates understanding VESID's spending results and the availability of future funds for planning processes. VESID's 4th quarter unliquidated obligations figures reported on the SF-269s submitted to RSA have on average been 15 percent higher than the final report. VESID staff stated that they are required by the New York State Office of the State Comptroller to obligate all contracts through the end of the funding year or through the end of the contract period, whichever is first.

RSA recommends that VESID work with NYSED fiscal staff to obligate funds when consumer services are authorized rather than unrealistically obligating amounts that historically have been cancelled.

Chapter 4: Vocational Rehabilitation and Supported Employment Programs- CBVH

Program Organization

CBVH provides services to individuals in NY who are legally blind or visually impaired. Legal blindness is defined as having a visual acuity of 20/200 or less in the better or stronger eye with the best correction or a restricted field of vision of 20 degrees or less in the better or stronger eye. CBVH's mission is to enhance employability, to maximize independence, and to assist in the development of the capacities and strengths of those they serve. Many of CBVH's services are provided through contracts for not-for-profit private agencies for the blind. CBVH operates several programs in addition to VR and SE. They also operate the following programs:

- the Business Enterprise Program;
- a children's program;
- a transition program;
- a summer recreation program;
- an equipment loan fund; and
- the IL program.

The following table provides fiscal and program data for fiscal years 2002 through 2006. These data provide an overview of the VR program's costs, outcomes, and efficiency. The table identifies the amount of funds used by the agency, the number of individuals who applied, and the number who received services. It also provides information about the quality of the agency's employment outcomes and its transition services.

Table 8 - Program Highlights by Year for CBVH

Data Element	2002	2003	2004	2005	2006
Total funds used	\$28,044,033	\$29,415,029	\$26,111,786	\$28,472,502	\$30,686,646
Individuals served during year	4,299	4,042	3,561	2,686	2,438
Applicants	2,497	2,304	1,970	1,409	1,413
Closed after receiving services	2,079	1,958	1,821	1,258	1,007
Closed with employment outcomes	1,664	1,537	1,414	948	705
Employment outcomes without supports in an integrated setting	390	328	282	283	319
Average cost per individual served	\$6,523.39	\$7,277.35	\$7,332.71	\$10,600.34	\$12,586.81
Average cost per employment outcome	\$16,853.39	\$19,137.95	\$18,466.61	\$30,034.28	\$43,527.16
Employment outcomes per \$million spent	59.34	52.25	54.15	33.30	22.97
Competitive employment outcomes per \$million spent	15.48	13.56	13.79	12.36	12.32

Data Element	2002	2003	2004	2005	2006
Average hourly earnings for paid employment outcomes	\$13.24	\$13.30	\$14.54	\$15.18	\$15.07
Average state hourly earnings	\$22.27	\$22.71	\$23.66	\$24.81	\$26.29
Average hours worked per week for paid employment outcomes	30.28	31.04	31.11	30.37	31.92
Percent of transition age served to total served	2.89	2.60	3.24	4.85	6.45
Employment rate for transition age served	53.33	62.75	55.93	62.30	49.23
Average time between application and closure (in months) for individuals with successful paid employment outcomes	18.60	18.20	17.40	20.90	31.80
Average number of individuals served per total staff	22.51	21.16	18.64	14.06	12.76

Provision of Technical Assistance to the VR and SE Programs During the Review Process

RSA provided technical assistance to CBVH in a number of VR and SE program areas during the review process. RSA:

- verified a small number of the agency's RSA 911 case record data for FY 2004, FY 2005, and FY 2006;
- explored with the vendor, the new case management system CBVH is in the process of procuring;
- demonstrated and provided training on how to use RSA's MIS;
- discussed CBVH's FY 2008 state plan; and
- suggested changes to training modules, mentoring program for new counselors, and self-employment plans.

RSA-911 Case Service Report Verification

The RSA-911 is a data file submitted by Vocational Rehabilitation (VR) Agencies yearly. It includes all VR agency records of consumers' case files closed during a fiscal year. The database includes basic demographic information found on the application for services, disability types, services provided, type and outcomes of closures as well as certain dates – birth date, application date, eligibility date, and closure date.

RSA reviewers performed the verification process to evaluate the reliability of the data contained in agency submittals of their RSA-911 for the cases reviewed. The process compared the information in the case files to the submitted RSA-911 using a custom computer application with the agency's data reported to RSA. RSA analyzed 42 data elements reported on the RSA-911 Case Service Report. The 42 data elements included: the date of application, gender, date of birth, race, ethnicity, source of referral, impairment code and cause of impairment for both primary and secondary impairments, weekly earning at application and closure, hours worked in a week at application and closure, primary source of support at application and closure, level of

education attained at application and closure, employment status at application and closure, type of public support at application and closure, date of eligibility determination, date of individualized plan for employment, date of closure, and type of closure.

The RSA onsite monitoring team reviewed 27 total service records from the various offices throughout the state. Nine records from each fiscal year were viewed for FYs 2006, 2005 and 2004. Of those nine records, eight were closed successfully and one closed was unsuccessfully. The accuracy rate of the data elements for the cases reviewed was 75.7 percent for FY 2006, 69.8 percent for FY 2005, and 79.1 percent for FY 2004.

The reliability results for the 27 cases reviewed were lower than expected, however, the differences were primarily the result of date variations. The differences between the dates in the file and reported by CBVH in their RSA-911 report were usually small, but there were cases when the differences were large. Recognizing that the number of cases reviewed was very small compared to the total number of service records maintained by CBVH, RSA found these 27 files to be poorly organized. As described below, CBVH's purchase of a case management system was identified as a potential solution to the lower than expected reliability and file organization issues.

Purchase of a Case Management System

CBVH is purchasing a case management system that will replace the outdated and unstable system currently used to collect consumer data for the RSA 911. The system will create electronic case files for all CBVH consumers and will alleviate some problems with the current paper case files. . CBVH also expects that the change to an electronic system will free up time for counselors to spend more time with consumers by automating many routine paperwork functions. RSA attended a demonstration of the system and observed that the system will:

- provide CBVH with useful management reports including computing S&Is;
- generate RSA-required forms including the RSA-911; and
- reduce the time that counselors spend on paperwork.

In addition, the new case management system should improve compliance with CBVH policy, enhance both internal and external quality assurance efforts, provide tools for counselors to use during the assessment process and create greater ease in developing and amending the IPE. The system is completely accessible for users who are blind or visually impaired.

The system is internet-based and will enable counselors to access it remotely, including when working with consumers in their homes using laptops.

Presentation of RSA's Management Information System (MIS)

In Albany, RSA demonstrated its MIS to CBVH staff. Except for the RSA-911, RSA's MIS is the vehicle for grantees, including VR agencies, to submit their required fiscal and program data reports.

RSA's demonstration described the system's presentation of fiscal and program data, procedures to maneuver through it, report submissions, and information retrieval, including information from other agencies. RSA demonstrated the ad-hoc query function to show how the agency could analyze its information and compare itself to other agencies as well as national averages.

RSA demonstrated how SF-269 (the Office of Management and Budget standard form which accounts for grant expenditures) figures could be queried to compare CBVH's grant size in relationship to others, the agency's total outlays, match, and carryover grant funds. Comparative queries were also demonstrated using program data such as the RSA-2 (RSA's financial program form) and the RSA-113 (RSA's form of consumer statuses). The demonstration included a query comparing CBVH's administrative cost rate to the rate of other comparably sized state agencies. RSA also demonstrated how both numbers and percentages of cases in various statuses could be computed to comparing CBVH to other agencies.

VR and SE Issues Identified by CBVH and Stakeholders During the Review Process

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

- improving consistency in policy application among offices, especially upstate vs. downstate;
- increasing agency-based counseling and guidance;
- building stronger relationships with employer community;
- improving services to individuals with multiple disabilities;
- improving marketing of services, especially to employers;
- improving availability of mobility services;
- improving policy training;
- improving services to minorities and non-English-speaking consumers;
- decreasing utilization of service providers to meet consumer needs;
- increasing the number of employment outcomes without supports in an integrated setting; and
- improving the availability of services in rural areas

Following discussions about these issues, RSA worked with the CBVH's management team to address as many of them as possible either directly or by consolidating the issue into a broader issue area.

VR and SE Performance Issues, Goals, Strategies, and Technical Assistance

RSA and CBVH agreed on the following performance goals, strategies to achieve those goals, and technical assistance that RSA would provide to assist CBVH achieve each goal. These goals and strategies will be considered for inclusion in CBVH's FY 2009 state plan and if they are included, progress on achieving these goals will be reported in CBVH's FY 2011 annual state plan submission.

1. Quality of the Services Provided by Contractors

Issue: Expanding and enhancing CBVH's QA activities for contractors who provide VR services.

In order to optimize performance, VR agency services must be rendered professionally, provided in a timely fashion, and when purchased, billed in accordance with the rates and costs negotiated for the numbers served as contracted. VR consumer satisfaction with those services is also critically important.

The Department of Education General Administrative Regulations (EDGAR – 34 CFR 80.40) requires that grantees “must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.”

Quality assurance of contract services should include a verification function that ensures that:

- the contract terms agreed upon are followed;
- the contractor is providing the numbers of services agreed upon;
- the contractor is billing for only those services;
- the costs used in those billings are according to the terms of the contract;
- and the process should include steps to ensure the highest service quality;
- according to timeliness stated in the contract agreements.

CBVH contracts with 17 primary service providers, and their services are contracted on a sole-source basis because of the specialized nature of the services provided. CBVH enters into separate five-year contracts with all of the 17 service providers. The current contracts are uniform and all of them began FY 2004. Use of a uniform contract began in 1998.

CBVH's use of service providers is exceptional in at least one regard, i.e., the extent to which the agency purchases services rather than provides them directly. As Table 9 indicates, in FY 2006 the average percentage of total expenditures funds expended on purchased services for all blind agencies was approximately 35 percent. In FY 2006 CBVH's purchased 65.53 percent of the services it provided.

Table 9
 FY 2006 Comparison of Purchased Services to Total Expenditures for all Blind Agencies

State Name	Total Purchased Services	Total Expenditures	Percent Purchased Service to Total Expenditures
Arkansas	2,043,815	5,256,150	38.88
Connecticut	1,061,690	6,027,972	17.61
Delaware	174,892	1,778,143	9.84
Florida	15,713,050	31,624,898	49.69
Idaho	595,725	2,255,535	26.41
Iowa	1,508,541	8,774,895	17.19
Kentucky	2,517,530	9,270,555	27.16
Maine	1,651,923	3,653,291	45.22
Massachusetts	2,293,580	11,759,070	19.50
Michigan	2,117,760	17,163,830	12.34
Minnesota	4,395,206	10,784,412	40.76
Missouri	4,673,796	10,182,898	45.90
Nebraska	474,258	3,363,290	14.10
New Jersey	4,415,265	14,944,796	29.54
New Mexico	1,479,059	5,226,333	28.30
<u>New York</u>	<u>20,107,642</u>	<u>30,686,646</u>	<u>65.53</u>
North Carolina	5,816,852	17,172,322	33.87
Oregon	1,759,313	6,350,503	27.70
South Carolina	1,651,968	7,814,522	21.14
South Dakota	1,198,544	2,490,257	48.13
Texas	17,237,388	54,194,059	31.81
Vermont	513,328	1,479,320	34.70
Virginia	3,245,342	10,384,242	31.25
Washington	2,333,835	8,088,354	28.85
Totals and average	98,980,302	280,726,293	35.26

Because of CBVH's high utilization of purchased services, CBVH must have a thorough and effective QA process in place to ensure that the service providers are providing effective services that lead to high quality employment outcomes. The high utilization of purchased services has the potential to diminish the time and role that CBVH counselors have with VR consumers, and CBVH must take the necessary steps to must ensure its counselors have the time and resources they need to impart their expertise to VR consumers.

CBVH has had a QA process for service contractors in place since 1999. RSA's assessment of the CBVH's QA process is that it must be significantly expanded and improved in order to be effective. CBVH's current QA process includes the following activities:

- on-site program reviews;
- a written report of the onsite program reviews;

- development of corrective action plans where needed;
- district office monitoring of any corrective action plans;
- consumer surveys sent from Home Office

Goal: Examine existing QA processes to determine improvements needed to expand and enhance quality assurance activities.

Strategies:

- Through a grant provided by RSA to the Region II RRCEP, examine current quality assurance processes and develop approaches to expand and improve quality assurance activities.
- Work with CBVH district offices to increase counselor involvement with consumers during the provision of contracted services.
- Expand evaluation of consumer satisfaction with contract services.
- Communicate the nature and scope of the quality assurance plan to contract agencies.

Technical Assistance:

- RSA will share QA activities of other agencies.
- RSA will support the provision of TA to CBVH to expand and enhance its QA process.

2. Decrease in the Number of Employment Outcomes

Issue: The number of CBVH's employment outcomes have decreased significantly over recent years.

The following tables shows that CBVH's total employment outcomes have decreased 57.63 percent from FY 2002 to FY 2006. CBVH's policy changes in 2004 and 2005 in regard to homemakers account for a portion of this decrease.¹ However, taking into account the reduction in homemaker outcomes, between FY 2002 and FY 2006 CBVH experienced a decrease in a number of employment outcomes statuses, including a 12.90 percent decrease in competitive employment outcomes.

¹ These policy changes were initiated as a carefully planned effort to respond to RSA concerns regarding the high number of homemakers served with VR funds. Both RSA and CBVH were aware that these policy changes would result in a significant decrease to the total employment outcomes for several years.

Table 10

Employment outcomes for CBVH for fiscal years 2002 through 2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	Percent Increase (Decrease) Fys 2002/2006
Employment without Supports in						
Integrated Setting	390	328	282	283	319	-18.21
Self-Employment	31	24	17	20	16	-48.39
Business Enterprise Program (BEP)	9	12	16	5	6	-33.33
Homemaker	1,208	1,130	1,045	589	320	-73.51
Unpaid Family Worker	5	2	2	2	2	-60.00
Employment with Supports in Integrated Setting	21	41	52	49	42	+100.00
Total employment outcomes	1,664	1,537	1,414	948	705	-57.63
Competitive employment outcomes	434	399	360	352	378	-12.90

Source: the above figures are from RSA-911 information submitted to RSA by CBVH for the years listed.

RSA and CBVH management staff discussed the following challenges the agency faces in serving their consumers:

- serving individuals with multiple disabilities;
- counselors using self-employment as an employment goal;
- serving an increasing number of non-English-speaking individuals and developing cultural competencies; and
- addressing transportation and service provider availability issues in rural communities.

Goal: Increase the number of competitive employment outcomes using FY2007 data on the number of competitive employment outcomes as a baseline.

Strategies:

- using information from the Needs Assessment and other sources, identify the reasons for the decrease in employment outcomes;
- continue expanding relationships with employers and business associations to encourage hiring CBVH consumers;

- strengthen partnership with provider networks providing services to individuals with disabilities other than blindness;
- continue to establish linkages with state, local, and community non-profit organizations that provide free services to individuals interested in setting up their own business.

Technical Assistance: RSA will share promising employer-networking practices being implemented by other VR agencies identified during this fiscal year's monitoring activities or those identified in prior years as well as other ways of expanding services.

3. Underserved minority population.

Issue: CBVH underserves the minority disabled blind population.

Indicator 2.1 is the service rate for minority consumers compared to non-minority consumers. The performance level for that indicator is .80. CBVH did not meet indicator 2.1 of Standard 2 of Standards & Indicators in FY 2005 and FY 2006.² In FY 2005, the service rate for the 345 individuals from minority backgrounds who exited the VR program after receiving at least one service under an IPE was 59.8 percent. The service rate of non-minorities who exited the VR program after receiving at least one service under an IPE in FY 2005 was 81.2 percent. The ratio of the two is .736, which is less than the .80 performance level. In FY 2006, the service rate for the 342 individuals from minority backgrounds who exited the VR program after receiving at least one service under an IPE was 60.9 percent. The service rate of non-minorities who exited the VR program after receiving at least one service under an IPE was 77.1 percent. This results in a failing ratio of .789.

Goal: Increase the number of individuals from ethnic and racial minority populations who receive services, beginning with a baseline of data for FY 2007.

Strategies

- Using data from the Needs Assessment, determine which specific populations are unserved/underserved;
- determine what strategies are most likely to reach those populations.
- increase culturally sensitive marketing and outreach activities to those populations, using strategies identified as effective in other locations;
- work with other OCFS divisions to collaborate on initiatives that will expand and increase CBVH's ability to work effectively with individuals from ethnic and racial minority populations;
- work with ethnic minority communities to identify new referral sources as well as potential sources of translators; and
- translate written materials and brochures into other languages in addition to the ones currently available in Spanish, Arabic, Chinese, and Russian.

Technical Assistance:

² CBVH states in their quarterly report of their program improvement plan that they expect to meet the performance level for 2.1 in FY 2007.

RSA will share any promising practices of other agencies dealing with similar problems of serving disabled individuals of various ethnic backgrounds.

VR and SE Recommendations

RSA recommends that CBVH:

Expand strategies for the QA process goal to include:

- establishing programmatic and fiscal performance standards that CVBH expects service providers to achieve;
- setting up teams of individuals from central and district offices whose assignments include activities to monitor service providers fiscally and programmatically at least every other year; and
- developing a formal review protocol using a workgroup of central and regional staff to be used by the teams in their monitoring activities to assess the effectiveness of services being provided as well as verifying the numbers of individuals served and employment outcomes as well as the quality of those outcomes. Include a fiscal component to the review to ensure that both the numbers served and employed are billed according to the contracted rates and that the contracted rates reflect costs with a reasonable markup.

Expand strategies for contracting for service provision to include:

- exploring whether it would be more efficient and effective to increase the number of services being provided in-house, especially mobility and rehabilitation training; and
- exploring the possible advantages of renegotiating service provision to be on a fee-for-service basis and performance-based.

VR Issues for Further Review

CBVH's New Service Record Review Process

CBVH is currently in phase one of a two-phase case service record review redesign initiative. Phase one began in February 2007. RSA will be interested to learn more about the details of the nature and scope of the process. In addition, RSA will be interested to learn how CBVH integrates its new case management program with the service record review process.

Chapter 5: Fiscal Review of CBVH's VR and SE Programs

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

The data in the following table, taken from fiscal reports submitted by the state agencies, speak to the overall fiscal performance of the agency. The data related to matching requirements are taken from the fourth quarter of the respective fiscal year's SF-269 report. The maintenance of effort (MOE) requirement data are taken from the final SF-269 report of the fiscal year (two years prior to the fiscal year to which it is compared). Fiscal data related to administration, total expenditures, and administrative cost percentage are taken from the RSA-2.

Table 11

Fiscal Data for CBVH for FY 2002 through FY 2006

Fiscal Year	New York (B)				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Grant Amount	20,789,308	21,164,721	21,629,927	21,751,119	23,467,798
Required Match	5,626,585	5,728,190	5,854,097	5,886,898	6,351,513
Federal Expenditures	18,362,221	19,450,954	18,433,413	18,607,126	17,328,661
Actual Match	5,626,585	5,728,190	5,854,097	5,886,900	6,351,513
Over (Under) Match	0	0	0	2	0
Carryover	2,427,087	1,713,767	3,196,514	3,143,993	6,139,137
Program Income	854,303	1,188,562	422,019	3,228,613	1,544,372
Maintenance of Effort (MOE)	5,413,250	5,514,511	5,626,585	5,728,190	5,854,097
Administrative Costs	3,506,731	3,343,565	3,252,640	3,342,991	3,658,492
Total Expenditures	28,044,033	29,415,029	26,111,786	28,472,502	30,686,646
Percent Admin Costs to Total Expenditures	12.50%	11.37%	12.46%	11.74%	11.92%

Explanations Applicable to the Fiscal Profile Table

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

Match (Non-Federal Expenditures): The non-Federal share of expenditures in the Basic Support Program, other than for the construction of a facility related to a community rehabilitation program, was established in the 1992 Amendments to the Rehabilitation Act at 21.3 percent. As such, a *minimum* of 21.3 percent of the total allowable program costs charged to each year's grant must come from non-Federal expenditures from allowable sources as defined in program and administrative regulations governing the VR Program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

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

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

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

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

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

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

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

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

Provision of Technical Assistance to the VR and SE Programs During the Review Process

- Reviewed SF-269 reports with agency staff, discussed areas of concern and provided guidance on the areas of the reports that needed closer attention. CBVH stated that the Office of Children and Family Services' fiscal office prepares the report and that CBVH does have input and review the document before it is submitted.
- Discussed concerns regarding the increasing level of carryover of federal funds. Technical assistance was provided in the use of the RSA MIS to assist the fiscal staff in analyzing their data and comparing their figures to similar state agencies.
- Discussed that their program income earned is 50 percent of the national averages for all VR agencies and combined agencies, discussed strategies for increasing program income, and the agency's use of this income.
- Time distribution documentation requirements and the OMB Circular A-87 semi-annual certification requirement for all staff charged 100 percent to any federal grant program were reviewed.

Promising VR and SE Practices Identified by CBVH and Stakeholders During the Review Process

Program Income: CBVH has developed a coordinated process for identifying, tracking, and collecting Social Security reimbursements. In coordination with the SSI Office in Baltimore, CBVH has developed an electronic process of these submittals to avoid duplication or multiple data entries of the same customer or of fiscal data used in determining this avenue of program income.

VR Program Fiscal Recommendations

1. Increasing Carry-over of Funds

Issue: CBVH's carryover of their VR grant funds almost doubled from 14.45 percent in FY 2005 to 26.16 percent in FY 2006.

CBVH recognizes the increase in carry-over and attributes some of it to a more efficient and effective Program Income system, which results in more funds being available for services.

As stated earlier in this report, a national average for carryover by VR agencies is approximately 13 percent. The fact that CBVH carried over 26.16 percent of their federal grant in FY 2006 may be a signal that the agency needs to recalculate its projected needs and engage in more activities to increase the number of individuals served and improve the quality of their employment outcomes.

RSA recommends that CBVH undertake this analysis and take the necessary steps to avoid such a high carryover amount in future years.

Issue: The Older Blind program has carried over grant funds for FY 2004 through FY 2006 as follows:

Table 12
Carryover of Older Blind Grant Funds

Fiscal Year	Grant Amount per Report	Unobligated Funds Qualifying for Carryover	Percent Carryover
2004	\$2,008,398	\$1,839,748	91.6%
2005	\$2,162,635	\$2,162,635	100%
2006	\$2,064,487	\$1,842,154	89.23%

Note: The table's figures are from the SF-269's submitted by CBVH for the Older Blind program grant for the 4th quarter of each of the year's above.

CBVH explained that the large carryover was the result of both serving the older blind population as homemakers in the VR program and the use of approximately \$1 million of state funds for the program before using federal funds. CBVH assured RSA that the funds carried over will be totally used in the future when the older blind program serves all of the older blind population. In the future, the agency expects OIB to be a \$4 million program. When it is, CBVH will be in need of additional funds with the federal grant being approximately \$2 million and state funding being \$1 million. In a related matter, CBVH recently discussed with RSA the propriety of transferring Social Security reimbursement funds to the Older Blind program to meet the additional needed funds.

RSA recommends that CBVH develop a plan to ensure that the trend of carrying over such large percentages of its OIB grant discontinues and to spend the carried over funds appropriately.

Chapter 6: IL Program

Program Organization

New York has an IL presence throughout the state. The state has a combination of Part B and Part C, and state funded centers for independent living. NY has a line item in its state budget designated for independent living services. There are approximately 36 CILs in New York. New York receives Chapter two funds for the Older Individuals who are Blind Program. The OIB funds are administered through CBVH.

Table 13

IL Program Funding Sources:	Amounts
Part B Funds	\$1,088,803
Older Blind	2,064,487
Other Federal Funds	163,456
State Funds	4,660,328
Local Government	0
Private/Other Funds	0
Total	\$7,977,074

Provision of Technical Assistance to the IL Program During the Review Process

RSA provided technical assistance to New York VESID and CBVH in a number of IL program areas during the review process:

- data collection and reporting issues;
- resolving language barriers;
- relations between CILS and local VESID staff; and
- relations between CILs and local CBVH staff.

IL Issues Identified by VESID, CBVH and Stakeholders During the Review Process

RSA's review process solicited input from New York VESID, CBVH and stakeholders about IL performance and compliance issues. The following issues were identified:

- relations between CILS and local VESID staff;
- relations between CILs and local CBVH staff; and the
- lack of services to non-English speaking populations.

Following compilation of this list, RSA worked with VESID and CBVH to address as many of these issues as possible either directly or by consolidating the issue into a broader issue area.

IL Recommendations

1. Relations between VESID, CBVH and CILs

Issue: Communication between local VESID and CBVH counselors and CILS need to be improved.

In order for persons with disabilities to achieve high quality IL outcomes, all parties in the IL service delivery system have to communicate effectively. In NY there appears to be a real need to improve communication at the local level between CILs and their counterparts in VESID and CBVH.

RSA recommends that CILs, and the VR and IL program managers:

- reinforce with their staff the need for frequent and collaborative communication at the local level; and
- identify barriers and explore options for improving communication among the CILS, and VESID and CBVH counselors at the local level.

2. Lack of services to non-English speaking individuals

Issue: The IL program in NY needs to improve serving non-English individuals.

RSA recommends the hiring of non-English-speaking staff in state-operated programs and in Centers for IL.

Chapter 7: OIB Program

Program Organization

New York's OIB Program is administered through CBVH. All services under this program are contracted out to 17 service providers in the state.

Provision of Technical Assistance to the OIB Program During the Review Process

RSA provided technical assistance to CBVH in a number of OIB program areas during the review process. RSA provided TA on:

- case management systems;
- monitoring contracted services;
- completing the 704 report; and
- the importance of consumer satisfaction surveys.

OIB Issues Identified by CBVH and Stakeholders During the Review Process

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

- the lack of consumer involvement;
- the absence of monitoring of contract service providers

Following compilation of this list, RSA worked with CBVH to address the issues.

OIB Recommendations

Based on discussions with CBVH, staff of a service provider, and follow up on stakeholder issues, RSA recommends that CBVH develop goals and strategies regarding the following issues.

1. Consumer satisfaction and involvement

RSA recommends that CBVH management staff should share consumer satisfaction activities and the feedback of consequent results with its service providers.

2. Service contractor monitoring

RSA recommends that CBVH needs to improve their quality assurance process that apply to the OIB service providers.

Chapter 8: Status of VESID's Issues Raised in Previous Reviews

As a result of the RSA review conducted with VESID in FY 2003-2004, the agency developed a Corrective Action Plan (CAP). VESID has not resolved any of the compliance findings. A summary of the progress that VESID has made on the CAP is described below.

Corrective Action Plan

VESID has not resolved the following compliance finding issues identified in the CAP:

- IHE Agreements;

Status: An agreement with the State University of New York system of universities has just been signed and one is about to be completed with the City University system of New York. There are over 30 community colleges in NY State for which VESID has yet to get agreements.

- presumptive eligibility of SSI/SSDI recipients;
- ensuring the proper level of significance of disabilities;

Status: Through the implementation of its CAP, VESID has not resolved compliance findings related to the second and third issues because the one statewide case review they did in November 2006 determined that in the files reviewed they had not met the 90 percent performance level on the two compliance issues. VESID is continuing to train staff on these two issues as well as involving district managers on their importance. VESID is planning a focused case review in early 2008 to determine if compliance has been achieved at the 90 percent level.

- timelines for IPE development

Status: VESID have in place a policy with timelines for the prompt development of an IPE. They had the policy, but not the timelines. VESID informs RSA that the policy will be in place by January 2008.

Program Improvement Plan

VESID did not have a program improvement plan (PIP) in place on which to report results in FY 2004. In FY 2005, VESID did not meet the performance levels of three of the indicators of Standard 1 requiring the joint development of a PIP with RSA that was accepted and set in place as of May 31, 2007.

Chapter 9: Status of CBVH's Issues Raised in Previous Reviews

As a result of the RSA review conducted with CBVH in FY 2003-2004, the agency developed a Corrective Action Plan (CAP). In addition to the CAP, CBVH was subject to a program improvement plan (PIP) as well because it did not comply with 34 CFR 361.82 (b) because it did not meet performance level requirements of at least 3 indicators of standard 1 of Standards & Indicators (S&I) from FY 2000 through FY 2005. A summary of the progress that CBVH has made on the CAP and PIP are described below.

Corrective Action Plan

Through the implementation of its CAP, CBVH has successfully resolved compliance findings related to the following topics:

- write a policy establishing a timeframe for the timely development of IPEs
- revise its PIP,
- revise its homemaker policy requiring the option that competitive employment be discussed,
- revise policies to reflect its waiver policy on VR services, and
- explain reasons for small amount of program income.

CBVH has not successfully resolved compliance findings related to the following topics and continues to work toward their resolution.

- IHE agreements;

Status: CBVH expects to have IHE agreements in place with both the State University system and with the City University of NY's system of universities. The community colleges agreements have to be completed.

- presumption of eligibility for SSI/SSDI recipients;

Status: CBVH will monitor adherence to the policy it has issued on presumption of eligibility for SSI/SSDI recipients through a supervisory case review process implemented in February 2007. The goal is to reach 90 percent compliance.

- writing policies and procedures and necessary training to ensure timelines are identified on IPEs.

Status: CBVH will monitor adherence to the policy for establishing timelines for services on IPEs using the supervisory case review process implemented in February 2007. The goal is to reach 90 percent compliance.

Program Improvement Plan

CBVH has had a PIP in place since September 2002. The agency has not met at least 3 of the indicators in Standard 1 since the inception of S&Is in FY 2000. It has not always failed the same three. Because CBVH did not meet different ones during different years, RSA worked with CBVH to revise their PIP in April 2006. The indicators of Standard 1 of the S&Is for agencies serving the blind and visually impaired are computed using the prior two years. Also, the performance levels for Standard 1's indicators are different than for those of general and combined agencies. The performance level and numbers served for standard 2 are the same for general, combined, and agencies serving the blind and visually impaired.

CBVH's results for standard 1 have been as follows.

Performance Indicator 1.1 – Change in the Number of Employment Outcomes

This indicator is the difference between the number of individuals exiting the VR program who achieved an employment outcome during the current performance period and the number of individuals exiting the VR program who achieved an employment outcome during the previous performance period. In order to pass indicator 1.1, CBVH would have to equal or exceed employment outcomes of the two-year period ended 9/30/04. This did not occur. CBVH's employment outcomes have been dropping since FY 2002.

CBVH has not equaled or exceeded the prior two-year employment outcomes for FY 2006 results either because, in order to pass indicator 1.3 (the percent of competitive employment outcomes), CBVH has moved away from providing homemaker outcomes. Prior to FY 2005, CBVH's employment outcomes were 75 percent comprised of homemaker closures. The percent of homemaker closures dropped to 62 percent in FY 2005 and 45 percent in FY 2006. In FY 2002 CBVH served 1,208 homemaker employment outcomes with a total employment outcome figure of 1,664. In FY 2006, the number of homemaker outcomes dropped to 320 with a corresponding decrease of the total of employment outcomes at 705.

Performance indicator 1.2 - Percent individuals served with an employment outcome

Indicator 1.2 is the percent of all individuals who exit the VR program with an employment to the total individuals receiving services. The performance level for indicator 1.2 is 68.9 percent. CBVH has always passed indicator 1.2 easily. In FY 2001, their percent of individuals served with employment outcomes was 82 percent. It has steadily dropped to 77 percent in FY 2005 to 73 percent in FY 2006. CBVH is currently having difficulties meeting the performance level for FY 2007 because of cases being closed unsuccessfully. The agency indicates that if all cases that are closed as expected, they should also pass this indicator in FY 2007.

Performance indicator 1.3 – Percent of all employment outcomes that were competitively employed

Of all the individuals exiting the program who have achieved an employment outcome after receiving services, the percentage who exit the VR program in employment in integrated settings

with or without ongoing support services, self-employment, or BEP (Business Enterprise Program) employment with hourly rate of earnings equivalent to at least the federal or state minimum wage rate, whichever is higher. The performance level for indicator 1.3 is 35.4 percent.

CBVH made a policy shift from serving homemakers with VR program funds to serving them with OIB program funds in order to pass this indicator. Consequently the agency decreased the number of individuals served, but have been able to pass this indicator in FY 2006, but not in FY 2005 because 62 percent of the agency's closures were homemaker closures. The affect of the policy shift did not occur until FY 2006. The agency's last update of their PIP for the third quarter of FY 2007 states that they are meeting the performance level of this indicator of 35.4 percent.

Performance indicator 1.4 – Percent of individuals with competitive employment outcomes who had a significant disability

The performance level for this indicator is 89 percent. CBVH has always passed this indicator. In FY 2005 CBVH's performance was 94 percent and in FY 2006 it was 96 percent.

Performance indicator 1.5 – Ratio of average hourly VR wage to average state hourly wage

Indicator 1.5 is the ratio of the average hourly earnings of all individuals in competitive employment to the average hourly earnings of all employed individuals in the state. The performance level for indicator 1.5 is .59.

Prior to FY 2003, CBVH had difficulty meeting the performance level of this indicator. Since FY 2003 it has met it. The ratio in FY 2005 was .621 and in FY 2006 it was .597. CBVH indicated that as of the third quarter of FY 2007, the agency was to meeting this indicator and the agency does not expect to meet the performance level at .58 by end of FY 2007.

Performance indicator 1.6 – Difference between percent self-supporting at closure and application

For those individuals with competitive employment outcomes, the difference in the percentage of individuals who at program entry reported their income as the largest single source of support, and the percentage that reported their personal income as the largest single source of support at program exit. The performance level of indicator 1.6 is 30.4.

Except for FY 2001 and FY 2002, CBVH has had difficulty meeting the performance level of this indicator because the number of re-opened cases and "job saves." They did not meet the indicator in FY 2005 at 2.44 and in FY 2006 at 29.04. The third quarter of the PIP update states that they are currently meeting the performance level at 30.99 and expect to do so through the end of the fiscal year.

Standard 2, - Indicator 2.1 – Ratio of minority to non-minority service rate.

This indicator is the ratio of the percent of individuals with a minority background to the percent of individuals without a minority background exiting the program who received VR services. The performance level is .80.

CBVH has not met this indicator in four of the last seven years. In FY 2005, their result was .736; in FY 2006, their result was .789. Their most recent quarterly update of their PIP through the third quarter states that they will meet the required performance level.

Chapter 10: Summary Conclusion

Strengths and Challenges:

VESID

VESID has a very dedicated staff who are committed to assisting individuals with disabilities achieve quality employment and independent living outcomes. The agency is exploring new and creative approaches to improve its performance and is implementing several new initiatives under its *Designing Our Future* initiative aimed at improving the agency's performance across several critical areas.

VESID's two major challenges involve managing its resources more effectively and reversing the steady and significant decline in performance over the past five years.

According to VESID, in FY 2007 the agency will carry over approximately \$70 million or a little more than 57 percent of its federal funding. From FY 2004 (21 percent) thru FY 2006 (33 percent) VESID carried over increasingly larger percentages of its federal grant. The national average for carryover of VR federal grants for FY 2004 through FY 2006 was approximately 13 percent.

From FY 2002 thru FY 2006, VESID processed 19 percent fewer applicants, served almost 13 percent fewer individuals, and produced 11 percent fewer employment outcomes. At the same time, the average wage at closure of VESID's employment outcomes, as measured by comparing the average hourly earnings of its consumers to the state average hour wage, has remained relatively unchanged.

In FY 2006 the agency spent 20 percent more on unsuccessful closures than the national average for general and combined agencies.

Table 14

Summary of RSA's Review

Agency: VESID

Program: VR

Goal

1. Beginning with FY 2008, VESID will reduce the VR Program funds carried over by \$20 million annually until the carryover balance is less than 20 percent of the

Strategies

VESID will closely monitor its plan for the reduction of carryover funds to meet the 20 percent threshold, with an interim goal of a \$20,000,000 reduction established for the end of FY 2008.

Technical Assistance

At least annually, VESID and RSA will evaluate progress made toward achieving the goal and determine the need for future goals related to reducing carryover balances

Agency: VESID
Program: VR

Goal

federal funds made available to the state each FY.

Strategies

In addition to the individual costs for each of the new programs listed above, VESID will be spending additional funds to provide VR services for the expected increase in referrals to the agency.

Technical Assistance
in the VR program.

Also, throughout this process, RSA is available to provide program and fiscal guidance to VESID as it implements its carryover expenditure plan.

2. Goal: For FY 2007, VESID's goal is to achieve a 3 percent increase in the number of individuals with employment outcomes from FY 2006 performance level.

Exploring new potential referral sources, including underserved minorities;

revitalizing communication with traditional referral sources; and

developing marketing and outreach activities to individuals.

increasing the number of counselors and other staff;

improving staff efficiency by streamlining and automating paperwork;
providing staff with the training and support needed to process VR participants who speak little or no English; and

mentoring new staff.

RSA will share any methods used by VR agencies to expand services as well as any employer-networking practices being implemented by other VR agencies identified during this fiscal year's monitoring activities or those identified in prior years. VESID has already been actively engaged with the CSAVR and RSA collaboration called "The Net" that is linking VR agencies to national and regional employers.

3. Goal: Improve the hourly earnings of VESID consumers as described in VESIDs' Program Improvement Plan.

VESID college policy and procedures were revised April 2007 to promote greater participation in postsecondary education and training leading to higher

RSA will work with VESID with their analysis for identifying factors related to quality outcomes.

RSA will share effective

Agency: VESID
Program: VR

Goal

Strategies

wage employment.
VESID is developing a more effective employer database system to work systematically with employers who have a history of hiring VESID consumers. Partnerships with school districts and postsecondary institutions should lead to higher wage employment. Several VESID offices are collaborating with benefits counseling providers through the SSA WIPA Projects or the IL Centers to provide benefits counseling early in the VR process. This should lead to generally higher wage outcomes for VESID consumers.

Technical Assistance

strategies to improve earnings of consumers as well as any national and state data that VESID would prove helpful in evaluating the quality of their employment outcomes.

Additional Potential

Strategies:

continue to evaluate any additional factors that are affecting the hourly earnings of VESID consumers served to enhance the range of strategies leading to higher-paying employment outcomes;

emphasize to VESID district managers, supervisors, counselors and other staff the importance the agency places on providing services that lead to jobs and careers with high earnings, as described in the Performance Improvement Plan;

Agency: VESID
Program: VR

Goal

Strategies

Technical Assistance

	<p>increase the number of consumers receiving postsecondary education services; and explore the reason for the NY City metropolitan area residents' low postsecondary education service rate, and improve the rate;</p> <p>explore the reason for the NY City metropolitan area residents' low postsecondary education service rate, and improve the rate.</p>	
<p>4. Internal and external QA systems will be on going, rigorous, and useful to both VESID staff and its consumers.</p>	<p>fully staff VESID's QA unit and develop a QA program to review both VR and SE contractors on a regular schedule;</p> <p>incorporate a financial component of monitoring contracts to include verification of the invoice amounts being charged as well as their development in proposals; and</p> <p>develop a case-review program that ensures policy and VR program compliance consistently throughout its offices.</p>	<p>RSA will share the MS-access-based software package it developed to compute case review results.</p> <p>RSA will share QA activities of other agencies being monitored this year or in previous years.</p> <p>RSA will offer VESID access to QA Technical Assistant Consultants.</p> <p>RSA will share procedures being performed and protocols being used by state agencies to assure work quality regarding case work and service providers.</p>

VR and SE Recommendations

RSA recommends that VESID implement a goal to monitor and control the cost of

Agency: VESID
Program: VR

Goal

services provided to individuals who do not receive an employment outcome. Possible strategies are as follows:

Strategies

Analyze the reasons for which VESID is spending more than the national average on unsuccessful closures in NY City for FY 2006 by:
analyzing other years' data to determine whether FY 2006 unsuccessful employment outcomes in NY City is always unusually large;
analyzing unsuccessful case file service information in NY City to determine whether the high costs were spread evenly over all unsuccessful outcomes or whether they were the result of a relatively small number of cases;
reviewing the types of services provided if not the result of those high-cost of providing services wasn't the result of a few individuals.

Technical Assistance

RSA will work with VESID on the above analysis if requested.

VR Program Fiscal Recommendations

1. RSA recommends that VESID develop clear and consistent selection criteria for each type of service contract for future contracts.
2. VESID should continue to take steps to increase the amount of SSA reimbursement income it receives by practices, policies, and procedures.
3. RSA recommends that VESID question and work with NYSED concerning reports with large variations of amounts in spite of their being in agreement with NYSED's general ledger.
4. RSA recommends that VESID work with NYSED fiscal staff to obligate funds when consumer services are authorized rather than unrealistically obligating amounts that historically have been cancelled.

CBVH

Strengths and Challenges:

CBVH has a very dedicated staff and good working relations with its service providers. The agency has a clear policy manual and is working to upgrade its case management capabilities.

CBVH's challenges center around its very high utilization of purchased services. Over 65 percent of CBVH's total expenditures go toward purchasing services (the national average for blind agencies is 35 percent). CBVH's policy to purchase such a high percentage of its service places a responsibility on the agency to have a quality assurance process in place that will effectively ensure that the providers meet standards of service delivery that will result in high quality employment outcomes. While CBVH's current quality assurance plan has been in place since 1999, CBVH needs to expand and enhance the plan to ensure that VR consumers achieve high quality employment outcomes.

CBVH's high usage of purchased service practices can adversely affect the involvement of its counselors with VR participants. CBVH must ensure that its counselors have the time and resources they need to impart their expertise to VR consumers.

As recently as FY 2004, 75 percent of CBVH's employment outcomes were homemakers. The agency instituted a policy change in January 2004 and has placed increasingly greater emphasis on competitive employment outcomes since that time. Despite the change in policy, achieving employment outcomes in integrated settings remains a challenge for CBVH. From FY 2002 with 430 employment outcomes to FY 2005 with 319 employment outcomes, CBVH experienced a 20.70 percent decrease in the number of employment outcomes in an integrated setting including Business Enterprise Program and self-employment closures.

In a state as diverse as New York, CBVH has optimal access to individuals from minority backgrounds that need VR services. CBVH has a history of low service rates for individuals from minority backgrounds and needs to carry out additional outreach and culturally competent service delivery approaches to effectively serve more individuals from minority backgrounds.

Agency: CBVH

Program: VR

Goal

1. Examine existing QA processes to identify gaps and determine improvements needed to expand and enhance quality assurance activities.

2. Increase the number of competitive employment outcomes using FY2007 data on the number of competitive employment outcomes as a baseline.

Strategies

Through a grant provided by RSA, work with the Region II, RRCEP to examine current quality assurance processes and develop approaches to expand and improve quality assurance activities.

Work with CBVH district offices to increase counselor involvement with consumers during the provision of contracted services.

Expand evaluation of consumer satisfaction with contract services.
Communicate the nature and scope of the quality assurance plan to contract agencies.

Using information from the Needs Assessment and other sources, identify the reasons for the decrease in employment outcomes;

continue expanding relationships with employers and business associations to encourage hiring CBVH consumers;

strengthen partnership with provider networks providing services to individuals with disabilities other than blindness; strengthen

Technical Assistance

RSA will share QA activities of other agencies.

RSA will support the provision of TA to CBVH to expand and enhance its QS process.

RSA will share employer-networking practices being implemented by other VR agencies identified during this fiscal year's monitoring activities or those identified in prior years as well as other ways of expanding services.

Agency: CBVH
Program: VR
Goal

Strategies

Technical Assistance

	partnership with provider networks providing services to individuals with disabilities other than blindness;	
	continue to establish linkages with state, local, and community non-profit organizations that provide free services to individuals interested in setting up their own business.	
3. Increase the number of individuals from ethnic and racial minority populations who receive services, beginning with a baseline of data for FY 2007.	Using data from the Needs Assessment, determine which specific populations are unserved/underserved; determine what strategies are most likely to reach those populations. increase culturally sensitive marketing and outreach activities to those populations, using strategies identified as effective in other locations; work with other OCFS divisions to collaborate on initiatives that will expand and increase CBVH's ability to work effectively with individuals from ethnic and racial minority populations; work with ethnic minority communities to identify new referral sources as well as potential sources of translators; and	RSA will share any practices of other agencies dealing with similar problems of serving disabled individuals of various ethnic backgrounds.

Agency: CBVH
Program: VR
Goal

Strategies

translate written materials and brochures into other languages in addition to the ones currently available in Spanish, Arabic, Chinese, and Russian.

Technical Assistance

VR and SE Recommendations

RSA recommends that CBVH:

Expand strategies for the QA process goal to include

- Establish the programmatic and fiscal performance standards that CVBH expects service providers to achieve.
- Set-up teams of individuals from central and district offices whose assignments include activities to monitor service providers fiscally and programmatic at least every other year.
- Develop a formal review protocol using a workgroup of central and regional staff to be used by the teams in their monitoring activities to assess the effectiveness of services being provided as well as verifying the numbers of individuals served and employment outcomes as well as the quality of those outcomes. Include a fiscal component to the review to ensure that both the numbers served and employed are billed according to the contracted rates and that the contracted rates reflect costs with a reasonable markup.

Contracting for Service Provision

- explore the efficiency and effectiveness of increasing the number of services being provided in-house, especially mobility and rehabilitation training; and
- explore the advantages of renegotiating service provision to be on a fee-for-service basis rather than in a contractual agreement and ensure that those agreements are performance based – that payments are for definite outcomes.

VR Issues for Further Review

- CBVH's new service record review process

VR Fiscal Recommendations

Goals and strategies should be developed for the following issues:

CBVH's carryover of their VR grant funds has doubled from 14.45 percent in FY 2005 to 26.16 percent in FY 2006.

RSA recommends that CBVH develop a plan to ensure that the trend of carrying over such large percentages of its OIB grant discontinues and to spend the carried over funds appropriately.

RSA will work with CBVH to develop the goals and strategies as requested by CBVH

Program: IL

Recommendations:

RSA recommends that CILs, and the VR and IL program managers:

- reinforce with their staff the need for frequent and collaborative communication at the local level; and
- identify barriers and explore options for improving communication among the CILs, and VESID and CBVH counselors at the local level.

RSA recommends the hiring of non-English-speaking staff in state-operated programs and in Centers for IL.

Program: ILOB

Recommendations

RSA recommends that consumer satisfaction activities and the feedback of consequent results should be shared by CBVH management staff with its service providers.

RSA recommends that CBVH needs to improve their quality assurance process that apply to the OIB service providers.

Please take a moment to participate in a survey about RSA's performance on the FY 2007 monitoring of Vocational Rehabilitation agencies.

Visit <http://www.ed.gov/rschstat/eval/rehab/107-reports/2007/survey.html>