

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



**U.S. Department of Education
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Contents

	Page
EXECUTIVE SUMMARY	3
INTRODUCTION	5
CHAPTER 1: REVIEW PROCESS	7
CHAPTER 2: VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS.....	9
CHAPTER 3: FISCAL REVIEW	20
CHAPTER 4: INDEPENDENT LIVING PROGRAMS.....	27
CHAPTER 5: INDEPENDENT LIVING FOR OLDER BLIND PROGRAM	30
CHAPTER 6: STATUS OF ISSUES RAISED IN PREVIOUS REVIEWS	32
CHAPTER 7: SUMMARY CONCLUSION.....	33

Executive Summary

The Rehabilitation Services Administration (RSA) reviewed the performance of the following programs established pursuant to the Rehabilitation Act of 1973, as amended (the Act), in the state of Tennessee:

- the Vocational Rehabilitation (VR) program, established under Title I;
- the State Supported Employment (SE) Services 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 Tennessee, the Tennessee Department of Human Services, Division of Rehabilitation Services (TDRS) is the state agency that is responsible for the administration of the four programs cited above.

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

- gathered and reviewed information regarding each program's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, identify effective practices and areas for improvement;
- provided technical assistance;
- worked with TDRS and 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 performance and compliance issues;
- worked with TDRS to develop performance and compliance goals and strategies related to selected issues;
- identified the technical assistance that it would provide to assist the agency to achieve the goals developed as a result of the review;
- made recommendations; and
- identified issues for further review.

Strengths

TDRS' has a capable staff, strong leadership, and a commitment to continuous improvement. TDRS benefits from its emphasis upon quality assurance and data-driven decision-making. The agency's outreach and cooperation with other stakeholders in the VR process are also yielding successes.

Challenges

TDRS' management of its waiting list and its successful implementation of the regulatory requirements for Comprehensive System of Personnel Development (CSPD) pose its biggest challenges. If TDRS is able to reduce the size of the waiting list, serve more consumers, and increase the level of training for its counselors, it will significantly improve vocational rehabilitation services and outcomes.

Introduction

Section 107 of the Act requires the Commissioner of 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 reviewed the performance of the following programs of the Act:

- the VR program, established under Title I;
- the State Supported Employment (SE) Services 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 TDRS' progress on the assurance that TDRS made to RSA in conjunction with its FY 2007 VR State Plan.

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

The State of Tennessee Administration of the VR, SE, IL, and OIB Programs

TDRS is located within the umbrella of the Tennessee Department of Human Services (DHS), the designated state agency. TDRS administers a combined program that serves individuals who are blind as well as individuals with other disabling conditions. All four programs, the VR program, the state SE Program, the IL programs and the OIB program are administered under the management of TDRS.

Appreciation

RSA wishes to express appreciation to the representatives of TDRS, the State Rehabilitation Council (SRC), the Statewide Independent Living Council (SILC), and the stakeholders who assisted the monitoring team in the review of TDRS.

Chapter I: RSA's Review Process

Data Used During the Review

RSA's review of TDRS 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 TDRS state team:

- gathered and reviewed information regarding the performance of TDRS;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, identify effective practices and areas for improvement;
- provided technical assistance to TDRS;
- worked with TDRS to develop goals, strategies, and evaluation methods to address performance and compliance issues;
- made recommendations to TDRS;
- identified potential issues for further review; and
- identified the technical assistance that RSA would provide to help TDRS improve its performance.

RSA's TDRS State Team Review Participants

Members of RSA's TDRS state team included representatives from each of the five functional units within the State Monitoring and Program Improvement Division (SMPID). The RSA TDRS state team was led by the state liaison to Tennessee, Steve Zwillinger (Data Collection and Analysis Unit) and composed of the following team members: Fred Isbister (Technical Assistance Unit); Sean Barrett (Independent Living Unit); William Bethel and Regina Luster (Fiscal Unit); and Carol Dobak (VR Program Unit).

Information Gathering

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

- the state team conducted teleconferences with TDRS management, beginning on December 1, 2006, for the purposes of gathering information and establishing the areas for review;
- the state team held teleconferences with stakeholders from the VR and IL communities;
- VR and IL Unit team members conducted individual telephone calls with representatives of the SRC, SILC and Client Assistance Program (CAP);
- RSA conducted an on-site monitoring visit during the week of June 18 – 22, 2007; and
- team members held a teleconference with TDRS management on July 10, 2007, to identify the goals, strategies and measures associated with the areas of review.

Chapter 2: Vocational Rehabilitation and Supported Employment Programs

Program Organization

At the time of the review, TDRS had authority for a total of 651 staff to administer the VR and SE programs with 266 Vocational Rehabilitation Counselor positions of which 250 filled. In addition, TDRS was implementing an Order of Selection (OOS), with over 9,000 eligible individuals on the waiting list.

TDRS implemented an OOS in 2001, in accordance with Section 101(a)(5) of the Act, because it lacks the financial and/or staff resources to provide services to all individuals eligible for VR services. Currently, the agency is serving all individuals with the most significant disabilities, as defined by the agency. Individuals with significant disabilities and all other eligible individuals with disabilities are placed on a waiting list for services by date of application. As reported by the agency in its most recent VR State Plan submission, TDRS forecasts that it will continue to serve all individuals with the most significant disabilities throughout FY 2008, and that it will continue to place individuals with significant disabilities and all other eligible individuals on waiting lists for services.

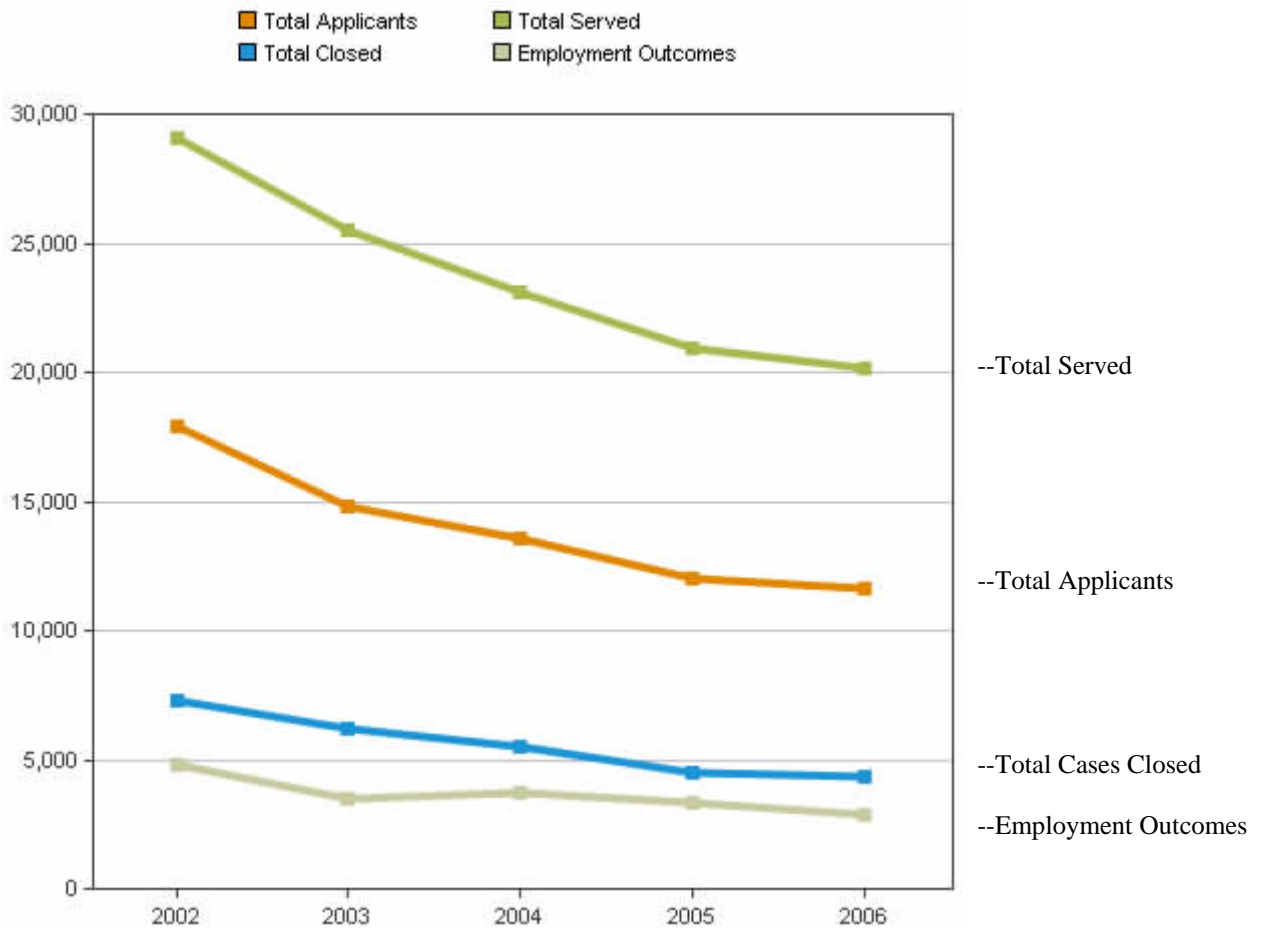
During FY 2006, TDRS expended a total of \$78,473,254 on the administration and operation of the VR program. During this period, TDRS provided services to a total of 20,209 individuals. Of this total, 4,409 individuals completed their program of rehabilitation after receiving services, and TDRS assisted 2,904 individuals to achieve employment outcomes. Individuals achieving employment outcomes received an average hourly wage of \$9.89 and worked an average of 31 hours per week. These and other data are set forth in Table 1 that describe the agency's performance trends from FY 2002 through FY 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 1. FY 2006 TDRS VR Program Highlights

TENNESSEE	2002	2003	2004	2005	2006
Total funds used	\$73,143,689	\$72,833,137	\$75,775,405	\$76,749,560	\$78,473,254
Individuals served during year	29,139	25,556	23,145	20,986	20,209
Applicants	17,965	14,838	13,586	12,084	11,631
Closed after receiving services	7,287	6,222	5,572	4,560	4,409
Closed with employment outcomes	4,809	3,557	3,773	3,382	2,904
Employment outcomes without supports in an integrated setting	4,364	3,053	3,278	2,852	2,419
Average cost per individual served	\$2,510.16	\$2,849.94	\$3,273.94	\$3,657.18	\$3,883.08
Average cost per employment outcome	\$15,209.75	\$20,476.00	\$20,083.60	\$22,693.54	\$27,022.47
Employment outcomes per \$million spent	65.75	48.84	49.79	44.07	37.01
Competitive employment outcomes per \$million spent	59.81	43.00	45.38	40.80	34.50
Average hourly earnings for paid employment outcomes	\$8.55	\$8.86	\$9.55	\$9.42	\$9.89
Average state hourly earnings	\$15.64	\$16.14	\$16.55	\$17.16	\$17.78
Average hours worked per week for paid employment outcomes	34.51	33.46	33.11	32.23	31.21
Percent of transition age served to total served	46.80	45.55	44.45	42.57	37.74
Employment rate for transition age served	68.97	62.77	75.41	78.83	74.70
Average time between application and closure (in months) for individuals with successful paid employment outcomes	33.30	39.10	46.60	49.80	49.60
Average number of individuals served per total staff	51.03	45.07	40.61	36.75	33.24

Figure 1. Trend Data



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

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

- RSA verified TDRS RSA-911 data while on site. This verification process consisted of using a custom computer application to compare the data reported on the RSA-911 Case Service Report submitted to RSA by TDRS to the actual case files including the original consumer application to the agency and the Individualized Plan for Employment. The verification process focused on 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 on-site monitoring team reviewed a non-statistical sample of 18 case files. Five of the records were closed in FY 2006; ten were closed in FY 2005; and three of the records were closed in FY 2004. Both successful and unsuccessful closures were reviewed.

No significant issues were identified. Minor inconsistencies between original case file data and final reported data were identified and explained. The most significant variation was in the field for primary source of support where, in two cases, the self-reported data on the application was not accurate.

- RSA coordinated a session between TDRS and a representative of the CAP to discuss the benefits of a focus on quantitative data analysis as a mutually beneficial way for TDRS and CAP to address systemic reform.
- RSA provided technical assistance on state planning issues and provided guidance for the development of the FY 2009 VR State Plan.
- RSA provided technical assistance to the Comprehensive Rehabilitation Center including information about resource sources and vocational preparation.

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

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

- Order of Selection;
- the size of waiting list;
- targeted supported employment services;
- TDRS staff qualifications and meeting of CSPD requirements; and
- costs of purchasing computers and other technology for individuals with disabilities.

Following discussion of the issues with TDRS, RSA worked with TDRS to address these issues.

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

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

1. Size of the Waiting List

Issue: The VR program regulations found at 34 CFR 361.36 require state agencies to provide the full range of rehabilitation services identified in CFR 34 361.48, as appropriate, to all eligible individuals or, in the event that vocational rehabilitation services cannot be provided to all eligible individuals in the state who apply for services, include in the state plan the order to be followed in selecting eligible individuals to be provided vocational rehabilitation services. TDRS has implemented an OOS every year since 2001. That year, the waiting list was 3,166. Since then, the waiting list has increased in size every year.

Year	Size of Waiting List
2002	7,102
2003	7,628
2004	8,039
2005	9,043
2006	9,911
2007	9,667 (as of July 31, 2007)

The increase in the waiting list has been a function of relatively stable available funds, an OOS limiting services to Priority Code (PC) 1 consumers, and the high average cost of Vocational Rehabilitation services for PC1 consumers.

TDRS has determined that the projected fiscal resources and the projected number of qualified personnel for the program in the next fiscal year are adequate to cover the costs of reviewing and releasing some clients with Priority Code 2 from the waiting list.

Goal: Begin to open the Order of Selection to Priority Code 2 consumers and assess effects.

Strategies:

- Release limited number of PC2 consumers from the waiting list:
 - Assign waiting list cases to separate district offices with specific counselors designated for this function.
 - Draft script and form letter for counselors to use in contacting waiting list cases.
 - Develop a tracking tool to use during case service to better identify types and costs of services.
- Conduct an analysis to determine if additional clients can be released from the waiting list.

Methods of Evaluation: Progress toward achievement of this goal will be measured through the following indicators:

- By 4/1/2008 TDRS will release 683 clients from waiting list.
- By 9/30/2008 TDRS will re-evaluate new targets for additional releases from the waiting list and release additional clients from the waiting list as appropriate.

Technical Assistance

- RSA will share forecasting tools used by other VR agencies to manage caseload and resources.
- RSA will consider convening – perhaps as part of a fiscal conference – a meeting for states to share their forecasting and analysis tools.
- RSA will, to the extent appropriate and desirable, work with TDRS in analyzing data from the cases that come off the waiting list to discern patterns or attributes that may affect forecasting.

2. Number of Cases with Periods of Extended Eligibility

Issue: There are situations where a consumer is determined to be eligible to receive services and TDRS does not develop an Individualized Plan for Employment (IPE) in a timely fashion after eligibility is determined. These cases are carried as part of an active caseload, but stay in eligibility status for an extended period.

Goal: Decrease the numbers of cases with an extended time in eligibility status.

Strategies:

- undertake comprehensive case review of cases with extended time in eligible status;
- analyze results of case review to determine if any patterns are present; and
- develop system edits and MIS reports as appropriate.

Technical Assistance: RSA will provide assistance in developing system edits as appropriate.

Methods of Evaluation: Progress toward achievement of this goal will be measured through the following indicator: By 9/30/2007 TDRS will Review 1380 cases in Status 10 (Eligible) that have not had an Individualized Plan for Employment developed in more than one year.

VR and Supported Employment Compliance Issues, Goals, Strategies, Methods of Evaluation, and Technical Assistance

As a result of the review, RSA and TDRS agreed on the following compliance goal, strategies to achieve those goals, and method of evaluation to determine that the compliance issue has been resolved. The goal, strategies, and methods of evaluation constitute TDRS' Corrective Action Plan to address this compliance issues.

3. Comprehensive System of Personnel Development

Issue: The VR program regulations found at 34 CFR 361.18 require state agencies to establish a comprehensive system of personnel development (CSPD), including personnel standards by which VR counselors, other professionals and paraprofessionals will be deemed to be qualified. In accordance with Section 361.18(c), TDRS has adopted a personnel standard that requires counselors to attain the academic credentials that enable VR counselors to meet the certification requirements imposed by the Committee on Rehabilitation Counselor Certification. Under this standard, VR counselors must have received a master's degree in rehabilitation counseling, counseling or a related field with coursework in the theories and techniques of counseling. Only those counselors who meet this standard can be deemed qualified by the agency.

However, since the development of its CSPD, the agency has not been able to recruit sufficient numbers of VR counselors who meet the established standard to fill vacant positions. Therefore, TDRS has continued to employ and hire counselors who do not have the requisite qualifications so that the agency can continue to meet its VR program needs.

TDRS has undertaken steps to enhance its ability to recruit VR counselors who have the academic credentials to meet its standard for qualified VR counselors, such as increasing the salaries of VR counselors who possess the requisite qualifications. Despite these efforts, according to the agency's most recent state plan submission, TDRS employs 71 individuals who meet its standard for the position of VR counselor. The agency employs an additional 23 counselors who do not meet the standard, but who are engaged in training that will enable them to do so. A remaining 156 counselors do not possess the requisite qualifications and are not participating in training to acquire the qualifications.

As stated in the guidance to the final VR program regulations, the provisions governing the CSPD are designed to ensure that a state agency is able to serve individuals with disabilities, while it moves “as rapidly as possible” to the point at which all current and newly hired employees meet the applicable standard established by the agency. In recognition of the time that it takes to obtain the necessary training, counselors currently employed by the agency may continue to perform the functions of a qualified counselor if they are engaged in the training to achieve the qualifications required under the standard (Guidance to final regulations in 66 Fed. Reg. 4379, 4424-4425, January 17, 2001).

The Act and regulations identify several counseling functions that can only be performed by qualified vocational rehabilitation counselors employed by the agency. These functions cannot be delegated to other non-qualified employees and include:

- Determination of eligibility – A qualified VR counselor employed by the agency must determine if an individual requires VR services to prepare for, secure, retain or regain employment (34 CFR 361.42(a)(1)(iii)).
- Development of the Individualized Plan for Employment (IPE) – A qualified VR counselor employed by the agency must approve and sign the IPE (34 CFR 361.45(d)(3)(ii)).
- Amendment of the IPE – A qualified VR counselor employed by the agency must agree to and sign an amendment to an individual’s IPE in order for it to take effect (34 CFR 361.45(d)(7)).
- Case Closure – A qualified VR counselor employed by the agency must determine that an individual’s employment outcome is satisfactory and that the individual is performing well on the job before the individual can be considered to have achieved a successful employment outcome and the individual’s case can be closed (34 CFR 361.56(c)).

Because TDRS has permitted counselors employed by the agency who do not meet its established personnel standard, and who are not engaged in training to acquire the qualifications, to perform these functions, the agency is not in compliance with 34 CFR 361.18. In order for TDRS to come into compliance with the regulations, TDRS must take the necessary steps to ensure that its VR counselors who do not meet its personnel standard do not perform the non-delegable functions of a qualified VR counselor employed by the agency, unless they are engaged in training that will enable them to meet the standard. Consequently, RSA and TDRS have agreed to the following compliance goal.

Goal: Comply with Federal CSPD Requirement Through Approval of Non-Delegable Case Service Functions by CSPD Qualified Counselors

Strategies:

- Prepare written assurance to current state plan.
- TDRS will identify current qualified counselor staff.
- TDRS will develop training plans for all counseling staff. Training plan will include enrollment and completion dates for meeting educational requirements (currently master's degree).
- Non-delegable case service functions (eligibility determination, IPE, and SRO closure) will be approved by CSPD qualified counseling staff.

Methods of Evaluation: RSA and TDRS will measure progress toward achievement of this goal through the indicators listed below.

- By 9/30/2007 TDRS will provide written assurance to state plan that non-delegable case service functions will be approved by CSPD qualified counselors.
- By 9/30/2007 TDRS will prepare a detailed analysis of counseling staff based upon CPSD requirements including number of:
 - caseload carrying and CSPD qualified counselors;
 - non caseload carrying but CSPD qualified counselors;
 - caseload carrying but not currently CSPD qualified counselors;
 - caseload carrying, but not currently CSPD qualified counselors *within five years of retirement eligibility*; and
 - not currently CSPD qualified counselors willing to enter education plan (and by what date).
- By 9/30/2007 30 counseling staff members will have CSPD qualified training plan in place.
- By 9/30/2007 112 counseling staff members will have completed CSPD qualifications or have a CSPD qualified training plan in place.
- By 9/30/2008 procedures will be implemented for the approval and signature of CSPD qualified staff required on eligibility determination, IPE, and SRO closure.

VR and SE Program Recommendations

1. Develop CRP Report Card

Throughout the monitoring visit, RSA representatives met with a number of individuals within TDRS. Throughout this process, RSA was advised of the following:

- There are 250 CRP vendors statewide and each CRP is required to have at least 3 staff.
- TDRS has Quality Assurance staff conduct visits to all 250 CRP's yearly to evaluate the quality of each CRP's reports as well as the quality of

services. Each CRP has a VR staff person assigned to monitor the organization through the year.

- The Developmental Disability (DD) and Mental Health (MH) CRP providers work well with their respective populations although the overall performance of CRP providers serving the DD population has been less productive in recent years due to limitations from the state's Medicaid waiver program.
- The VR agency has Memoranda of understanding in place with each CRP.

Based upon the above, RSA suggests that TDRS use their extensive data about the performance of the state's CRP's to establish a "report card" system in order to increase their ability to use the CRP data and to make it more easily available and interpretable.

2. Continue to Focus on Appropriate Targeting of Supported Employment

TDRS spends roughly \$3.6 million on Supported Employment outcomes. This includes \$3,000,000 from Title I and \$600,000 from Title VI of the Rehab Act. TDRS has excellent data available about its activities in this area. TDRS successfully employs the CROSSWALK (the process used to facilitate referrals and eligibility determinations of mental health clients from mental health service providers) and WRAP (Wellness, Recovery, Action Plan) Programs.

TDRS' quality assurance reviews have identified some cases being designated supported employment and for which it may not have been appropriate. RSA recommends that TDRS develop an improved assessment tool for counselors (with accompanying training) to ensure that a counselor does not designate the case as SE simply because a CRP made the referral to SE. RSA also recommends that TDRS develop a 'logic model' to try to anticipate if more targeted SE placements would result in a decrease in the hours worked and hourly wages (if inappropriate SE referrals were inflating these measurements) or if there would be an increase in the total number or dollar expenditure of SE cases (if the assessment tool and training resulted in an increase of SE cases for the clients with mental illness) or both.

RSA and TDRS discussed TDRS undertaking the following actions:

- developing an improved assessment tool for Supported Employment cases;
- assessing, on a regular basis, the number of Supported Employment cases for clients with Mental Retardation; and
- assessing, on a regular basis, the number of Supported Employment cases for clients with Mental Illness.

VR and SE Issues for Further Review

RSA plans on conducting a further review of the Quality Assurance system.

Currently TDRS conducts Quality Assurance (QA) reviews of cases from across the state. Cases are identified randomly by the system and each quarter five cases from each counselor are sampled. QA staff rate each case and distinguish between the actions of the counselor currently assigned to the case and those of counselors previously assigned to the case. These reviews document compliance with policies and regulations. In this respect the QA function is working very well.

In addition to documenting agency compliance with policies and regulations, the information gathered from these case reviews is intended to aid supervisors but is not intended to serve as a sole evaluation of the counselor. There may be some instances in which information from the QA reviews is being applied in a manner beyond that which TDRS intends. There are several positive ways in which the QA data is being used to enhance staff performance, to identify areas of strengths and weaknesses in agency performance, and to identify areas for which TDRS can offer targeted in-service training. RSA will observe the continued refinement of the Quality Assurance (QA) System and the ways in which Quality Assurance information is applied to see:

- how it is aligned with TDRS goals in terms of performance measurement and teaching;
- how its benefits can be expanded to new staff;
- how QA data can be appropriately applied in discussions of staff performance;
- how refinements can be made to the system to minimize the opportunities for the QA data to be misinterpreted; and
- how it may be used as a model for other state VR agencies.

Chapter 3: Fiscal Review of the VR Program

RSA reviewed TDRS'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, except for the match in FY 2005, which comes from the fifth quarter 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 2. Fiscal Data for TDRS for FY 2002 through FY 2006

Tennessee (C)					
Fiscal Year	2002	2003	2004	2005	2006
Grant Amount	57,607,253	59,031,985	60,634,388	60,699,149	63,092,034
Required Match	15,591,290	15,976,890	16,410,578	16,428,105	17,075,735
Federal Expenditures	57,607,253	59,031,985	60,634,388	60,699,149	63,092,034
Actual Match	15,591,290	15,976,890	16,410,578	16,428,105	17,075,734
Over (Under) Match	0	0	0	0	(1)
Carryover	0	0	0	0	0
Program Income	2,915,773	2,160,937	2,268,439	2,795,914	2,267,964
Maintenance of Effort (MOE)	14,559,706	14,955,366	15,591,290	15,976,890	16,410,578
Administrative Costs	9,462,065	10,131,630	9,726,478	9,629,868	10,162,525
Total Expenditures	73,143,689	72,833,137	75,775,405	76,749,560	78,473,254
Percent Admin Costs to Total Expenditures	12.94%	13.91%	12.84%	12.55%	12.95%

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

- After providing a synopsis of each requirement, RSA reviewed with TDRS' financial staff RSA's assessment of the agency's compliance with the following financial requirements: match, maintenance of effort (MOE), carryover, reallocation, program income, liquidation of outstanding obligations and grant closeout.
- RSA reviewed with TDRS staff the OMB Circular A-87 semi – annual certification requirement applicable to staff working full-time on one grant program or cost objective. At the end of the on-site review, TDRS assured RSA that immediate action would be taken to comply with this requirement. After initial review, a certification statement will most likely be added to the timesheet signed by each employee.
- RSA clarified requirements related to the accounting treatment for income received (fees) for services provided by TDRS employees. For employees charged 100 percent to the VR program, any fees received for services provided by these employees is considered program income, and must be reported on Financial Status Reports using either the deduction or addition methodology. However, if a VR agency receives income from services provided by employees during periods of time when no salary, fringe benefits, or overhead costs are charged to the VR Program, this income may be used at the discretion of the agency (including match). It is most likely not to the financial advantage of the agency to avail itself of this option.

- RSA reviewed the sources of match for the VR Program. To meet this requirement, TDRS receives between 35 – 40 percent of its non-federal funds from political subdivisions, transfers from other state agencies, third-party cooperative arrangements with public agencies, establishment projects, the Randolph-Sheppard (Business Enterprise Program) set-aside, and Surface Transportation Act funds. While increasing slightly since 2003, the state currently funds a little less than 65 percent of the required match with state appropriations. While on-site, RSA discussed the continued reliance on outside sources of match to meet the non-federal expenditure requirement for this program, the amount of time that it takes to constantly generate outside match, the effort expended in tracking, documenting and monitoring outside resources, and the possible impact on service delivery.
- RSA discussed the reallocation process and the priority for redistributing any available FY 2007 VR Program funds. TDRS financial staff was reminded that the match for any additional federal funds received through this process must be made by September 30 of the year for which the funds were appropriated. Failure to expend (or obligate) sufficient match could result in the loss of the use of all or part of any reallocated funds received. The agency was advised to carefully review non-federal resources before submitting a request for additional funds each fiscal year.
- RSA reviewed and approved supporting documentation (and revised Financial Status Reports) related to changes to the total non-federal expenditures reported for FY 2006. At year-end, TDRS did not report sufficient match to carryover the \$835,444 in additional federal funds received through the reallocation process and was in jeopardy of losing these funds.
- RSA clarified that disbursements to internal trust funds are not considered disbursements or expenditures in accordance with federal requirements. Since the state of Tennessee is essentially the “grantee,” switching funds from one state account to another is not considered an external expenditure of funds.
- RSA reviewed the projected sources and amounts of match available for FY 2007. Based on projected revenues, TDRS anticipates utilizing 28 percent of the state funds provided for SFY 2007 – 2008 to closeout FFY 2007, which is close to the percentage (25 percent) that most VR agencies budget. Ensured that staff was fully aware of, and had taken into consideration in their projections, the \$2,609,857 increase in TDRS’ VR Program allotment from FY 2006 to FY 2007. As a result, TDRS must expend an additional \$706,353 in FY 2007 to utilize its entire allotment. Given the agency’s reliance on external sources of match, resources may not be readily available to fully match all of the federal funds made available to Tennessee.

- RSA reviewed submitted TDRS Financial Status Reports and explained the VR Program's carryover requirements and the advantages and disadvantages to reporting all year-end (September 30) outstanding unliquidated obligations. The advantage is that SF-269s are accurate and any documented non-federal obligations can eventually be liquidated to meet the match requirement for that year. The disadvantage is that states often have considerably more outstanding year-end obligations than they intend to liquidate against a particular grant. As long as the service has not been rendered or the goods received, the state ultimately has the authority to liquidate the obligation as a charge against the subsequent fiscal year (although this normally requires canceling the old authorization and reauthorizing in the new year). Regardless, reporting considerable (although valid) obligations that will never be liquidated against a particular grant year, invalidates the expenditure information reported on the RSA-2 (Annual Vocational Rehabilitation program/Cost Report).
- RSA's initial review of administrative costs reported on the FY 2006 RSA-2 disclosed that the costs were overstated by at least \$2.9 million. This may, in part, explain why the administrative costs reported by TDRS are over two percentage points higher than the national averages for all VR agencies and combined VR agencies.
- RSA discussed changes to strengthen TDRS' approach to contract management and oversight and the roles and responsibilities of Quality Improvement Monitoring (QA) staff, and VR counselors and supervisors as well as the decreased role of the Department's internal audit unit. Significant changes to the way that contractual arrangements are currently funded were also reviewed.
- RSA discussed the Innovation and Expansion (I & E) authority and the reporting of I & E expenditures, and the connection to state plan attachments 4.11(d) and 4.11(e)(2).
- RSA conducted a field visit to the Tennessee Rehabilitation Center (TRC) and discussed the scope of services and programs offered through this community rehabilitation program as well as the major dormitory renovations. RSA also discussed the use of the establishment and construction authorities, especially on agencies doing first-time construction, including those that have not used this authority for a number of years, the tie-in to the needs identified through the agency's comprehensive needs assessment, and specific fiscal implications related to the use of the construction authority.

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

1. Reporting Errors

Issue: Initial review disclosed numerous inaccuracies in back-up source information for the RSA-2 report.

Goal: Improve accuracy of the RSA-2 report.

Strategies:

- As a result of RSA's on-site review, TDRS program and fiscal staff will conduct meetings to go over each aspect of the RSA-2 report, documenting the internal changes that will need to be made to ensure accurate reporting. The agency recognizes, after RSA's limited review, that the source documentation currently maintained to support reported expenditures is not at the level of detail that will be required to conduct a complete analysis of expenditures and make the changes required to ensure accurate reporting, and will address this issue before dealing with report inaccuracies.
- TDRS will meet with RSA to discuss the processes and the actions to ensure the accuracy of the RSA-2 report.

Technical Assistance: RSA staff will provide technical assistance to TDRS to ensure that the goal is met.

VR and SE Recommendations

- TDRS needs to ensure that the state plan attachment addressing Innovation & Expansion strategies (4.11(d)) is updated to reflect current strategies. Fiscal staff should review these strategies with program staff to ensure that mechanisms are in place to capture all costs associated with carrying out these activities, which are required to be reported on SF-269s and RSA-2s. Further, fiscal staff should review Attachment 4.11(e)(2) to ensure that financial information tied to reported I & E activities, agrees with the records maintained by the fiscal unit.

VR and SE Issues for Further Review

Throughout FY 2008, RSA will continue its fiscal monitoring review to:

- verify accuracy of Annual Vocational Rehabilitation Program/Cost Report (RSA-2), (including program administrative costs);
- follow-up to ensure that appropriate action was taken to comply with the OMB Circular A-87 semi-annual certification requirement for all staff working full-time on one grant program or cost objective;

- review the issue of statewideness and the methodology for the transfer or certification of funds;
- thoroughly review all types of contractual arrangements and review the sample of contracts gathered during the on-site review;
- verify the appropriate allocation of salary/administrative costs to TDRS programs; and
- complete review of transition arrangements. The scope of the written agreement may need to be broadened to include the role/responsibilities of VR counselors and all expenses (including salaries) associated with the arrangements.

Chapter 4: Independent Living Program

During FY 2006, TDRS expended a total of \$1,131,604 on the administration and operation of the Independent Living (IL) Program. All but \$165,000 of this total was federal funds. These data are shown in Table 3.

Table 3. Sources and Amounts of Independent Living Funding (FY 2006)

	Amounts of Funding
Part B Funds	\$334,163
Older Blind	632,441
Other Federal Funds	0
State Funds	165,000
Local Government	0
Private/Other Funds	0
Total	\$1,131,604

Program Organization

The SILC in TN is organized as a private nonprofit entity under Internal Revenue Code Section 501(c)3. The SILC is independent from any state agency, including the designated state unit. It is comprised of 12 members, 2 of whom represent different state agencies in an ex-officio capacity. The SILC Board of Directors selects potential members and submits the nominees to the governor for appointment.

Currently, a network of 6 centers for independent living (CIL) operates in Tennessee. Current expansion plans are focused on eastern portions of the state. In FY 2007, state and federal funds totaling \$434,163 were available to support IL activities in Tennessee. The state made available \$334,163 under Title VII, Part B. State funds for IL activities totaled \$165,000.

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

RSA provided technical assistance to TDRS in the following IL program areas during the review process. RSA:

- provided information on roles and responsibilities of DSU, SILC, CILs and community, including practices for distributing Part B dollars; and
- reviewed proposed SPIL and discussed methods to increase outcomes focus.

IL Issues Identified by TDRS and Stakeholders During the Review Process

RSA's review process solicited input from TDRS and stakeholders about IL performance and compliance issues. The following issue was identified:

- IL activities in eastern Tennessee

IL Performance Issues, Goals, Strategies, and Technical Assistance

As a result of the review, RSA and TDRS agreed on the following IL performance goals, strategies to achieve those goals, and technical assistance that RSA would provide to assist TDRS achieve each goal.

Issue: Expand IL Program services into eastern Tennessee

Issue: On two separate occasions in the past the TN IL community attempted to expand its service network to include the very rural portions of eastern Tennessee. Both of these attempts were unsuccessful due to lack of capacity to effectively manage those dollars.

Furthermore, conversation with the SILC and other IL members indicates that IL activities are lacking in eastern Tennessee. Indicators for this are IL resources for people with disabilities in the area and general capacity to operate a CIL.

Although there is no immediate availability of dollars to fund a new center, conversations with the SILC Executive Director indicate an interest in expanding services in eastern Tennessee.

Goal: Increase IL capacity of the eastern Tennessee IL community, with the long-term goal of expanding the network of centers into eastern Tennessee.

Strategies:

- conduct a thorough resource mapping of eastern Tennessee and identify key possible resources;
- identify key local contacts in eastern Tennessee and promote their participation in IL activities as appropriate; and
- with knowledge gained from the above, develop a 3-5 year plan for expansion of the network of centers into eastern Tennessee.

Technical Assistance: RSA will provide information on best practices related to developing IL services in rural areas.

IL Issues for Further Review

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

- Methods for contracting Part B dollars

During review of TN it became apparent that Part B dollars are, in part, contracted from the DSU, through the SILC and to CILs.

The RSA IL representative had discussions with TDRS and SILC staff as to regulations related to contracting of Part B dollars. These regulations, in short, stipulate that monitoring and oversight of these dollars is a non-delegable responsibility of the DSU.

Ongoing conversations seemed to indicate an environment where all parties involved in the contracting understand the ultimate responsibility of the DSU in monitoring of these dollars. TDRS reports that the current structure exists to keep the SILCs involved and aware of all activities. RSA continues, however, to have concerns that this arrangement conflicts with both the DSU's responsibility to not delegate these duties, and that it forces the SILC to take on duties they are not statutorily empowered to perform.

Resolution of this issue cannot be completed without review of the new contracts. RSA has asked for copies of proposed new contracts in this arena and will review these before making a further determination.

Chapter 5: Older Individuals who are Blind Program

Program Organization

Tennessee OIB is located within TDRS. OIB services are funded annually at a level of \$702,712, with \$632,441 of that coming from Title VII, Chapter 2. At the time of this review this funding supported nine FTEs.

In FY 2007 TRDS OIB served 996 individuals. Consumers in the age group 80-89 were the largest age group served. Ninety-one percent of consumers served were legally blind, with macular degeneration being the most common vision disability reported (64%). Fifty-two percent of consumer reported having their vision loss between one and six years while 34% report having vision loss for ten or more years. Consumers reported a wide variety of other disabilities, with cardiac and related conditions comprising the largest group with 63%.

Service utilization among the three OIB categories appears to be distributed fairly evenly. Information on specific service utilization levels is compromised by some fiscal tracking issues (discussed below).

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

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

- discussed models of other OIB programs; and
- highlighted future challenges regarding changing demographics.

OIB Issues Identified by TDRS and Stakeholders During the Review Process

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

With the increasing demand for OIB resources due to the number of eligible consumers increasing, technological advances in assistive technology continuing, and consumers' expectations growing, the effect of these demands for OIB services could represent a cost greater than an agency's entire OIB budget. The increasing competition for OIB resources will have to be carefully managed.

OIB Performance Issues, Goals, Strategies, and Technical Assistance

As a result of the review, RSA and TDRS agreed on the following OIB performance goal, strategies to achieve this goal, and technical assistance that RSA would provide to assist TDRS achieve the goal.

1. Assistive Technology Purchase Program for Older Blind

Issue: After reviewing TDRS' 7-OB submission, RSA staff had questions about what appeared to be a very low level of purchasing assistive devices. During the on-site review members of the RSA team had an opportunity to discuss this issue with TDRS OIB staff. After the discussion RSA was convinced that the reason for such a low level of purchased devices was because the current level of need was low. Any devices not available through other means were likely low tech and less expensive.

Further discussion ensued around future needs and the likelihood that incoming generations of OIB consumers will have a much higher experience with, and thus demand, for computer technology. TDRS commented that current funding levels do not allow for the purchase of expensive technology. Additionally, there is a significant concern that purchasing computer technology is a particularly dangerous activity, especially in light of their being no set of policies on how to strategically address this issue.

Goal: Implement assistive technology purchase policy for the Older Blind Program

Strategy: Develop program policy for purchasing computers and AT for clients.

Technical Assistance:

- RSA will share best policies and policy-development practices from other OIB programs; and
- RSA will provide TA to assure any future policy changes meet appropriate regulations

IL Issues for Further Review

RSA plans on conducting a further review of TDRS' tracking OIB dollars spent

7-OB reports lack cost data for services provided in areas other than adaptive aids. Conversations with TDRS staff indicate that their current fiscal system does not have the capacity to track information in this area. TDRS does report that a new fiscal system is being implemented. RSA will want to review this new system to assure tracking of all OIB expenditures is implemented successfully.

Chapter 6: Progress on Issues Raised in Previous Reviews

As a result of the RSA review conducted with TDRS in FY 2003-2004, the agency developed a Corrective Action Plan (CAP). A summary of the issues identified in the CAP, and the status of each, are described below.

Corrective Action Plan

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

- VR counselors properly apply presumptive eligibility provisions;
- TDRS implemented a corrective action plan to meet requirements for timeliness in establishing eligibility and for handling those cases where eligibility is extended beyond 60 days;
- VR counselors ensure consumers' IPEs are consistent with employment outcomes and are amended where appropriate;
- TDRS implemented a corrective action plan to meet requirements for consistent written policies; and
- TDRS documents delays or interruptions in service delivery and maintains contact with consumers at least every 90 days.

As part of the FY 2007 VR State Plan submission TDRS provided two assurances. A summary of the issues contained in the Letter of Assurance, and the status of each, are described below:

- Conduct a comprehensive needs analysis – completed; and
- Complete Memorandums of Understanding (MOU) with both state funded Institutions of Higher Education (IHEs) concerning responsibilities for provision of accommodations – incomplete.

TDRS' letter of assurance said this would be completed by September 2007. To date TDRS has completed one MOU and another remains to be completed. RSA based the approval of the agency's FY 2007 VR State Plan on a written assurance from TDRS that it would complete the required interagency agreements with public IHEs no later than September 30, 2007. TDRS expects that it will be able to complete the required IHE agreement prior to the close of FY 2007 as required by its written assurance.

Chapter 7: Summary Conclusion

Strengths

TDRS' has a capable staff, strong leadership, and a commitment to continuous improvement. TDRS benefits from its emphasis upon quality assurance and data-driven decision-making. The agency's outreach and cooperation with other stakeholders in the VR process are also yielding successes.

Challenges

TDRS' management of its waiting list and its successful implementation of the regulatory requirements for Comprehensive System of Personnel Development (CSPD) pose its biggest challenges. If TDRS is able to reduce the size of the waiting list, serve more consumers, and increase the level of training for its counselors, it will significantly improve vocational rehabilitation services and outcomes.

RSA and TDRS identified several goals to address program improvement areas. Beyond these goals, RSA also made recommendations for TDRS and identified areas for further RSA review.

The goals address issues related to Order of Selection, extended eligibility, comprehensive system of personnel development, audit resolution, increasing IL services in Eastern Tennessee, policy development for AT services for the Older Individuals who are Blind Program, and financial reporting

RSA's recommendation addresses a CRP Report Card and targeting of Supported Employment services.

Issues identified for further review include Quality Assurance, contracting protocols for the Part B of the Independent Living Program and components of the fiscal reporting process.

Table 4. Summary

Agency: TDRS		
Program: VR		
Goal	Strategies	Technical Assistance
<p>1. Begin to open the Order of Selection to Priority Code 2 consumers and assess effects.</p>	<p>Release Limited Number of PC2 Clients from Waiting List:</p> <ul style="list-style-type: none"> - Assign waiting list cases to separate district offices with specific counselors designated for this function - Draft script and form letter for counselors to use in contacting waiting list cases - Develop tracking tool to use during case service to better identify types, costs of service <p>Conduct an analysis to determine if additional clients can be released from the waiting list.</p>	<p>RSA will share forecasting tools used by other VR agencies to manage caseload and resources</p> <p>RSA will consider convening – perhaps as part of a fiscal conference – a meeting for states to share their forecasting and analysis tools</p> <p>RSA will, to the extent appropriate and desirable, work with TDRS is analyzing data from the cases that come off the waiting list to discern patterns or attributes that may affect forecasting.</p>
<p>2. Decrease the number of cases with an extended time in eligibility status</p>	<p>Undertake comprehensive case review of cases with extended time in eligible status;</p> <p>Analyze results of case review to determine if any patterns are present; and</p> <p>Develop system edits and MIS reports as appropriate.</p>	<p>SA will provide assistance in developing system edits as appropriate.</p>

<p>3. Comply with Federal CSPD Requirement Through Approval of Non-Delegable Case Service Functions by CSPD Qualified Counselors</p>	<p>Prepare written assurance to current state plan.</p> <p>TDRS will identify current qualified counselor staff.</p> <p>TDRS will develop training plans for all counseling staff. Training plan will include enrollment and completion dates for meeting educational requirements (currently master’s degree).</p> <p>Non-delegable case service functions (eligibility determination, IPE, and SRO closure) will be approved by CSPD qualified counseling staff.</p>	<p>As requested by TDRS</p>
<p>Recommendation</p>		
<p>1. RSA suggests that TDRS use their proliferation of data regarding the performance of the state’s CRP’s to establish a “report card” system in order to increase CRP accountability and improve the quality and quantity of outcomes.</p>		
<p>Program SE</p>		
<p>Recommendation</p>		
<p>1. RSA suggests that TDRS continues to focus on appropriate targeting of SE services by reviewing SE cases, developing tools, guidelines and training to ensure accurate SE referrals.</p>		

Program Fiscal		
<p>1. Improve accuracy of the RSA-2 report.</p>	<p>As a result of RSA’s on-site review, TDRS program and fiscal staff began planning meetings to go over each aspect of the RSA-2 report, documenting the internal changes that will need to be made to ensure accurate reporting. (The agency recognizes, after RSA’s limited review, that the source documentation currently maintained to support reported expenditures is not at the level of detail that will be required to conduct a complete analysis of expenditures and make the changes required to ensure accurate reporting, and will address this issue before dealing with report inaccuracies.)</p> <p>Upon completion of these tasks, RSA will meet with TRDS to discuss the process used and the actions taken to ensure the accuracy of the RSA-2 report.</p>	<p>RSA staff is available throughout this process to provide technical assistance and ensure that the goal is met.</p>
<p>Recommendations</p>		
<p>1. The state plan attachment addressing Innovation & Expansion strategies (4.11(d)) may need to be updated to reflect current strategies. Fiscal staff should review these strategies with program staff to ensure that mechanisms are in place to capture all costs associated with carrying out these activities, which are required to be reported on SF-269s and RSA-2s. Further, fiscal staff should review Attachment 4.11(e)(2) to ensure that financial information tied to reported I & E activities, agrees with the records maintained by the fiscal unit.</p>		

Issues for Further Review		
<p>1. RSA will review the application of the data from the Quality Assurance System to see the extent to which it is aligned with TDRS goals in terms of performance measurement and how the data is applied in TDRS operations.</p>		
<p>2. Throughout FY 2008, RSA will continue its fiscal monitoring review to:</p> <ul style="list-style-type: none"> • Verify accuracy of Annual Vocational Rehabilitation Program/Cost Report (RSA-2), (including program administrative costs) • Follow-up to ensure that appropriate action was taken to comply with the OMB Circular A-87 semi-annual certification requirement for all staff working full-time on one grant program or cost objective. • Complete review of transition arrangements. The scope of the written agreement may need to be broadened to include the role/responsibilities of VR counselors and all expenses (including salaries) associated with the arrangements). • The issue of statewideness and the methodology for the transfer or certification of funds will also be reviewed. • Thoroughly review all types of contractual arrangements. No immediate concerns surfaced, but RSA will review the sample of contracts gathered during the on-site review. • Verify the appropriate allocation of salary/administrative costs to TDRS programs. 		
Program: IL		
Goal	Strategies	Technical Assistance
<p>1. Increase IL capacity of the eastern Tennessee IL community, with the long-term goal of expanding the network of centers into eastern Tennessee.</p>	<p>Conduct a thorough resource mapping of eastern Tennessee and identify key possible resources.</p> <p>Identify key local contacts in eastern Tennessee and promote their participation in IL activities as appropriate.</p> <p>With knowledge gained from the above, develop a 3-5 year plan for expansion of the network of centers into eastern Tennessee.</p>	<p>RSA will provide information on best practices related to developing IL services in rural areas.</p>

Issue for Further Review:		
1. Regulations stipulate that monitoring and oversight of Part B funds is a non-delegable responsibility of the DSU. All parties involved understand the responsibility of the DSU in monitoring of these dollars. RSA is concerned that the current arrangement conflicts with both the DSU's responsibility to not delegate these duties, and that it forces the SILC to take on duties they are not statutorily empowered to perform.		
Program: OIB		
Goal	Strategies	Technical Assistance
1. Implement assistive technology purchase policy for the Older Blind Program	Develop program policy for purchasing computers and AT for clients.	RSA will share best practices from other OIB programs RSA will provide TA to assure any future policy changes meet appropriate regulations
Issue for Further Review		
1. TDRS' tracking of OIB dollars spent is difficult, as TDRS' system needs to be upgraded.		

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>