



National Council on Disability

An independent federal agency making recommendations to the President and Congress to enhance the quality of life for all Americans with disabilities and their families.

IMPLEMENTATION REPORT MEMORANDUM

DATE: December 20, 2017


TO: Carol Dobak
Acting Commissioner, Rehabilitation Services Administration

CC: Senator Lamar Alexander
Chairman, U.S. Senate Committee on Health, Education, Labor & Pensions

Senator Patty Murray
Ranking Member, U.S. Senate Committee on Health, Education, Labor & Pensions

Congresswoman Virginia Foxx
Chair, U.S. House Committee on Education and the Workforce

Congressman Bobby Scott
Ranking Member, U.S. House Committee on Education and the Workforce

FROM: Benro T. Ogunyipe 
Vice Chairperson

SUBJECT: NCD's Examination of the Early Implementation of WIOA's
Pre-Employment Transition Services by VR Agencies and RSA

I write on behalf of the National Council on Disability (NCD), in its role as an advisor to the Commissioner of the Rehabilitation Services Administration (RSA) on programs carried out under the Rehabilitation Act, to share NCD's recent examination of the implementation of new requirements under the Workforce Innovation and Opportunity Act of 2014 (WIOA) regarding pre-employment transition services (PETS) within the first two and a half years since WIOA passage.

NCD is committed to advising policymakers and federal partners in pursuit of solutions to the chronic unemployment and corresponding poverty that is a reality for most working-age persons with disabilities, and commends RSA for its commitment to increasing the employment of people with disabilities, as well. It is because PETS hold such promise for increasing the employment opportunities for young people with disabilities that NCD decided to examine PETS implementation by vocational rehabilitation (VR) agencies and RSA in the first two and a half years since WIOA passage.

In 2016, NCD set out to examine how VR agencies were faring in implementing PETS -- how many students were receiving PETS; the types of PETS being provided; and how VR agencies were providing them. We also sought to identify challenges to implementation encountered by VR agencies as a basis for informing RSA of areas where agencies need increased support. Lastly, we sought to identify strengths and weaknesses in the implementation support that RSA has provided VR agencies, from the time WIOA was enacted until the final regulations were released, as lessons learned for future RSA reference.

In the interest of providing you with information in the timeliest manner possible, we are transmitting this to you in the form of an implementation report memorandum format, bypassing our conventional report editing and layout processes. We look forward to following-up with you to discuss how the findings and recommendations can be used to help VR agencies and RSA to fulfill the goals of PETS as envisioned by the drafters of WIOA.

Pre-Employment Transition Services Implementation by VR Agencies and the Rehabilitation Services Administration: The First 2.5 Years

Executive Summary

Purpose

The employment rate of people with disabilities has historically been, and remains, extremely low despite decades of federal legislation and programs directed at assisting persons with disabilities enter the workforce, such as the Americans with Disabilities Act of 1990, and the Vocational Rehabilitation Program (VR program). The persistent problem of unemployment has created a large population of people with disabilities living in poverty in the United States that relies on government assistance, although many are able and willing to work – this includes young adults with disabilities who come out of secondary school often lacking employment skills or work experience and are represented in the workforce at much lower percentages than their nondisabled peers.

The Workforce Innovation and Opportunity Act of 2014 (WIOA) is the most recent federal effort to help address this problem and the substantial need to support students with disabilities to successfully transition from school to postsecondary life. It recognizes that students with disabilities need more opportunities to practice and improve their workplace skills, to consider their career interests, and to get real world work experience. To that end, WIOA established five pre-employment transition services (PETS) that VR agencies must provide to transition-age students with disabilities: job exploration counseling; work-based learning experiences; counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs; workplace readiness training, and instruction in self-advocacy. WIOA also requires agencies to reserve 15% of their federal award specifically to provide PETS.

Because of the potential of PETS to increase the employability of students with disabilities, the National Council on Disability (NCD), in its role as advisor to Congress and the Commissioner of the Rehabilitation Services Administration (RSA) on programs carried out under the Rehabilitation Act, conducted an early examination of the implementation of PETS by VR agencies and the technical support provided to them by RSA.

Background

The VR program is the primary federal vehicle for assisting individuals with significant disabilities to prepare for and obtain employment and is the largest program administered by RSA. RSA is appropriated approximately \$3.3 billion each fiscal year, from which it awards \$3.1 billion to VR agencies to run comprehensive VR programs. In 2016, there were about 1 million individuals with disabilities being served by 80 VR agencies nationwide, and about 35% of VR consumers were transition-age youth with disabilities aged 14 to 24.

WIOA required VR agencies to begin providing PETS on the day WIOA was enacted and reserve 15% of their FY15 award a couple of months after enactment. To accurately inform financial reports to RSA on their use of the reserved 15%, VR agencies were obliged to put systems in place to track the PETS they provided and their cost – separating unallowable costs, such as administrative costs, that could not be charged to the reserve.

Key Findings

VR Agencies

VR agency findings are based on a questionnaire that sought limited information on PETS activities during calendar year 2016, follow-up communications, and interviews with agencies and technical assistance providers. At 2.5 years post WIOA:

- Restrictions on what may be paid for with the 15% reserve, like transportation, clothing, and assistive technology needed, is problematic for agencies when trying to provide PETS to potentially eligible students. The impact is even greater for agencies under an Order of Selection (OOS).
- Agencies were experiencing several challenges to PETS implementation, including separating PETS allowable from unallowable costs, tracking and documenting PETS, coordinating with schools, and delayed responses from RSA to PETS-related questions.
- Many VR agencies could not provide complete responses to questions on their provision of PETS during 2016, including how many students received PETS and what PETS were provided. For example, agencies reported that they could not capture information on PETS provided to potentially eligible students, only PETS provided to clients. Also, many only reported the PETS that were purchased from a vendor, not that were provided by VR staff. Because of this, NCD believes that the number of students that participated in PETS is higher than the numbers reported by most agencies.

- Because many VR agencies did not have systems in place to track all the PETS they provided, internally and externally, they could not accurately identify how the amount they spent of the 15% reserve on their fiscal reports to RSA. RSA found that many VR agency fiscal reports (SF-425s) submitted during 2015-2016, certifying their total federal expenditures on PETS, were incorrect.
- Most VR agencies (17 of 21) reported that they had worked with employers to create work based learning experiences (WBLEs) and described the experiences provided and the number of participants. Three agencies reported that they had not created any WBLEs or that they were in the process, and one reported that its data collection was too early to provide such information. The type of WBLEs and student participation varied widely by agency.
- All but one VR agency (20 of 21) reported that they provided Workplace Readiness Training (WRT), internally and through contracts or agreements with outside entities – including schools. Most described the training offered and the number of participants. The type of training and student participation varied widely by agency.

RSA

RSA findings are based on a review of the legislative history of WIOA, WIOA's implementing regulations, RSA policy directives and technical assistance circulars, RSA reports and trainings related to PETS, technical assistance posted on the RSA website, and PETS technical assistance posted on the WINTAC website. During 2014-2016:

- RSA provided no substantive direction to agencies on how to track PETS and their costs to ensure agencies could file accurate fiscal reports on the use of the 15% reserve which negatively impacted agencies' successful implementation of their fiscal responsibilities.
- RSA provided VR agencies with delayed guidance that was ambiguous on their responsibilities regarding PETS implementation. For example, RSA issued Technical Assistance Circular (TAC) 15-02, thirteen months after the enactment of WIOA and throughout the document, advises agencies to take actions that agencies were required to begin taking one year earlier regarding PETS. It includes many statements that appear to recognize, or would imply, that agencies were not implementing the requirements, and stated that if they had not complied yet, they could rely on a transition year to justify the delay.
- RSA did not provide VR agencies with the revised RSA-911 until June 20, 2016, one day before agencies were to have their systems completely adapted with this data so that they could submit their first quarterly report to RSA in the fall of 2016. RSA subsequently gave agencies another full year to adapt their systems - resulting in a void of information on PETS until VR agencies' first quarterly report in the fall of 2017.
- Ongoing challenges regarding data sharing and parental consent between VR agencies and schools had resulted in delays for VR provision of PETS, and OSEP and RSA had not provided joint technical assistance to assist VR and schools understand how to share student data and obtain faster parental consent.

Key Recommendations

Congress

- Congress should inquire as to why the Department of Education has a multi-year backlog of RSA Annual Reports to Congress and its plan to clear the backlog so that Congress and the public can see the performance of the VR program.
- Congress should provide strict oversight to the Department of Education to ensure that it submits RSA's Annual Report no later than the date required by statute, and make it publicly available each year to meet WIOA's mandate for transparency and performance accountability.

RSA

- RSA should allow VR agencies to pay for transportation, assistive technology, and clothing using funds from the 15% reserve, when these are necessary for potentially eligible students with disabilities to participate in PETS. In the alternative, RSA should allow VR agencies to consider transportation, assistive technology and clothing as reasonable accommodations for potentially eligible students with disabilities, that may be paid for with the 15% reserve when these are necessary for potentially eligible students to participate in PETS.
- RSA should provide responses to VR agency questions on PETS more quickly and share the answers with all VR agencies via the Workforce Innovation Technical Assistance Center (WINTAC) website and the RSA webpage.
- RSA should ensure that each RSA liaison for VR agencies provides consistent answers to questions about PETS from VR agencies to help achieve uniform implementation across agencies.
- RSA should provide nationwide training to VR agencies on how to accurately track PETS expenditures and other fiscal matters relevant to the reservation of funds for providing PETS as it promised it would do in the joint WIOA regulation.
- RSA should join with OSEP to develop and provide joint nationwide training for VR agencies and Education Agencies on how to coordinate on the provision of PETS, including instructions on electronic data sharing of student information.

Part I: Introduction and Background

The employment rate of persons with disabilities has historically been, and remains, extremely low despite decades of federal legislation and programs directed at assisting persons with disabilities to enter and succeed in the workplace, such as the Rehabilitation Act, the Americans with Disabilities Act, the Workforce Investment Act of 1998, and the VR program.¹ The low employment rates hold true for youth with disabilities as well. For example, during the years 2008 through 2016, the employment rate of youth with disabilities, aged 16 to 19, averaged 11.8% lower than that of their nondisabled peers.² Similarly, during that period, the employment rate of youth with disabilities aged 22 to 24, averaged 28% lower than that of their nondisabled peers.³

In 2014, the year that WIOA⁴ was enacted, the U.S. Bureau of Labor Statistics reported that only 23.5% of persons aged 16-19 with disabilities were employed in comparison to 34.4% of their non-disabled peers.⁵ The difference was greater between 20-24 year olds: 43.9 % of persons with disabilities aged 20-24 were employed in 2014, compared to 71.9% of their non-disabled peers.⁶ In statements made prior to the Senate vote on WIOA, Senators criticized the effectiveness of the existing workforce investment system and the performance of the programs that were charged with helping people become employed.⁷ The consensus was that too many people were out of work and millions of jobs were not being filled because the workforce investment system was not working, and had not been successful in closing a well-documented “skills gap.” Senator Portman (R-OH) captured that criticism in his statement prior to the vote:

GAO concluded that “little is known about the effectiveness of most of these programs.” But, actually we do know something about the effectiveness because these millions of unfilled jobs are an indictment of the program. In other words, we should be doing a better job of getting the skills we need to fill these jobs if we are spending \$15 to \$18 billion of hard-earned taxpayer money on it.⁸

WIOA, a law passed with bipartisan, bicameral support, and enacted on July 22, 2014, was a major reform of the nation’s workforce investment system. It strengthened the tie between the VR program and the workforce development system⁹ by requiring VR agencies to coordinate with employers to identify competitive integrated employment opportunities for people with disabilities and career exploration opportunities to facilitate the provision of PETS; enhancing collaboration between VR agencies and the other core partners in the system by requiring VR to be part of a combined or unified state plan submitted with other core partners; and increasing performance accountability. Title IV of WIOA amended the Rehabilitation Act of 1973 (hereafter referred to as the amended Rehabilitation Act), making significant changes that were designed to help address the disproportionate burden of unemployment and underemployment experienced by people with disabilities.

The amended Rehabilitation Act places a strong focus on youth with disabilities and is the first federal law to state in its findings that many students with disabilities leave secondary education

without being employed or enrolling in postsecondary education, and that there was a substantial need to support them as they transition from school to postsecondary life.¹⁰ It emphasizes the need for students with disabilities to have more opportunities to practice and improve their workplace skills, to consider their career interests, and to get real world work experience. It also broadened the purpose of the Rehabilitation Act – “To increase employment opportunities and employment outcomes for individuals with disabilities...through encouraging meaningful input by employers and vocational rehabilitation service providers on successful and prospective employment and placement strategies; and ensure, to the greatest extent possible, that students with disabilities who are transitioning from receipt of special education services under the Individuals with Disabilities Education Act, and section 504 of the Rehabilitation Act have opportunities for postsecondary success.”¹¹

Senator Harkin (D-IA) described the background and purpose of the amendments to the Rehabilitation Act before the WIOA vote:

Despite the enormous progress we have made in ensuring that disabled people have the same rights and opportunities as all Americans, the sad fact is that the unemployment rate among people with disabilities in America is twice as high as people without disabilities, and their workforce participation rate is less than half that of the general population. We have, quite frankly, failed to ensure that people with disabilities meaningfully participate in the workforce. This bill makes major steps to correct this injustice. It will help a new generation of young people with disabilities to prepare for, obtain, and succeed in competitive integrated employment, not substandard subminimum wage dead-end jobs but in jobs in which people with disabilities can learn and grow to their maximum potential. That is what this bill would do, ensure that young people with disabilities... are prepared for transition into the workplace. This bill includes things which will give them those experiences, such as part-time work, summer jobs, internships, workplace skill development, and preparation for jobs that are in high demand. Basically, we are going to give persons with disabilities the same supports and experiences everyone else expects and receives and which they haven't had in the past...This bill requires State vocational rehabilitation programs to work hand in hand with secondary schools, ensures that employers will have the information necessary to recruit, hire, and retain people with disabilities, and the bill focuses the efforts of State vocational rehabilitation on youth, requiring that 15 percent of their funds be dedicated to transitioning young people into competitive, integrated employment.¹²

WIOA substantially expanded the role of the VR program. Among other requirements, this included the mandate to provide PETS to a greatly expanded population - all potentially eligible transition-age students with disabilities who need them – which took effect immediately upon WIOA's enactment, well in advance of guidance or regulations that could assist in clarifying these new expectations. Notably, no corresponding increase in resources was provided to accomplish the greatly expanded requirements.

A. Purpose and Scope

The purpose of this implementation examination report is to provide an early look at how VR agencies have begun implementing PETS -- how many students were receiving PETS, the types of PETS being provided, and how VR agencies were providing them. We also sought to identify challenges to implementation encountered by agencies as a basis for informing RSA regarding areas where agencies need increased support. Lastly, we sought to identify strengths and weaknesses in the implementation support that RSA has provided VR agencies, from the time WIOA was enacted until the final regulations were released, as lessons learned for the benefit of RSA's reference going forward.

The research conducted for this report was limited to gathering information from a quarter of the nation's VR agencies regarding their PETS activities during 2016, and from RSA on its actions to facilitate VR agencies' implementation of PETS from 2014 to 2016.

B. Methods

There were three components to the research for this report:

Development and fielding of a questionnaire

NCD developed a questionnaire for VR agencies related to their PETS activities during calendar year 2016 that provided a foundation of information from which further questions were developed. NCD received input on the questionnaire from NCD members, the Commissioner of the Rehabilitation Services Administration (RSA), and the staff of the Council of State Administrators of Vocational Rehabilitation (CSAVR).

VR agencies were initially chosen based on states with the highest number of students with Individualized Education Plans. From this list, NCD randomly chose states within each of the 10 federal regions. With input from RSA, NCD removed agencies that were slated for RSA intensive technical assistance visits in the upcoming year. In the end, NCD chose 25 VR agencies - some general VR and some VR agencies for the blind.¹³

In December of 2016, NCD notified the directors of the 25 agencies, informing them of the study, explaining its purposes and limitations, and encouraging their participation. NCD sent the directors the questionnaire via email on February 2, 2017. Most responses were received by mid-March. Three agencies declined participation.¹⁴

WIOA information review

NCD reviewed the legislative history of WIOA, WIOA's implementing regulations, RSA policy directives and technical assistance circulars, RSA reports and trainings related to PETS, technical assistance posted on the RSA website, and PETS technical assistance posted on the Workforce Innovation Technical Assistance Center (WINTAC)¹⁵ website during 2014-2016.

Follow-up communications and further information gathering

Because most agencies could not provide NCD with full data on the PETS they provided, NCD sent follow-up questions to clarify or seek further elaboration on their replies to the questionnaire. NCD summarized their responses as we understood them and sent these summaries to directors for an accuracy check. Their responses to the accuracy checks provided additional information and follow-up communications.

Part II: The VR Program and the New PETS Requirements

The VR program is the largest program administered by RSA, which is housed within the U.S. Department of Education and which provides leadership and resources to assist VR agencies to provide VR services to individuals with disabilities to maximize their employment, independence, and integration into the community and the competitive labor market.¹⁶ RSA is appropriated approximately \$3.3 billion each fiscal year and devotes 3.1 billion to the VR program, under which funds are awarded to state VR agencies to operate comprehensive VR programs.¹⁷

The VR program is the primary federal vehicle for assisting individuals with significant disabilities to prepare for and obtain employment. VR agencies provide a wide range of services, such as vocational evaluation, counseling, mental and physical restoration, education, vocational training, job placement, rehabilitation technology, and supported employment services. Individuals with a physical or mental impairment that results in a substantial impediment to employment, who can benefit in terms of an employment outcome, and require VR services are eligible for assistance.¹⁸ Program services are tailored to the specific needs of an individual through an individualized plan for employment (IPE). Nationwide, there are about 1 million individuals with disabilities being served by state VR agencies within the VR program, about 94 percent of whom are individuals with significant disabilities.¹⁹ Approximately 35% of VR consumers are transition-age youth with disabilities aged 14 to 24.²⁰

There are currently 80 state VR agencies.²¹ Thirty-three (33) States operate a “combined” agency serving all disability categories.²² Twenty-three (23) States operate a separate agency for individuals who are blind or visually impaired and a “general” agency for all other disability categories.²³

The amended Rehabilitation Act requires VR agencies reserve at least 15% of their federal award each year to provide or arrange for the provision of five “required” PETS. VR agencies must make these services available to students with disabilities who are eligible or “potentially eligible” for VR services that need such services. The amended Rehabilitation Act also requires VR agencies to coordinate the provision of these services with local school districts to reach students with disabilities that have an individualized education plan (IEP) or that have a 504 plan.²⁴

VR agencies have provided transition services to *eligible* students with disabilities for many years. By requiring VR agencies to provide these services to not just eligible, but *potentially eligible* students, the amended Rehabilitation Act greatly expands the

population that VR agencies must serve. Potentially eligible students with disabilities are all students with disabilities regardless of whether they have submitted an application for VR services.²⁵ By requiring VR agencies to provide PETS to potentially eligible students, the law provided a way for students who needed these services to be “able to obtain much-needed PETS and begin the early phase of job exploration without the potential delays, and the administrative burden on DSU²⁶ personnel and resources, caused by application processing, eligibility determinations, assignment to an order of selection category, and development of an individualized plan for employment.”²⁷

PETS are the earliest VR services available to students with disabilities on a continuum of VR services designed to lead to postsecondary education and competitive employment – they can start as early as age 14. Importantly, they are available only to those individuals who meet the definition of a student with a disability under the amended Rehabilitation Act. A “student with a disability” is an individual who:

- Is in a secondary, post-secondary, or other recognized education program; and
- Meets certain age requirements (varies from state to state); and
- Is receiving special education or related services under the Individuals with Disabilities Education Act (IDEA); or is an individual with a disability for purposes of section 504 of the Rehabilitation Act.²⁸

Recognized education programs include secondary and post-secondary education programs; non-traditional or alternative secondary education programs, including home schooling; and other recognized educational programs, like those offered through vocational training programs and through the juvenile justice system.

The five “required” PETS are:^{29, 30}

1. **Job Exploration Counseling:** This may include information on in-demand industry sectors and occupations, as well as non-traditional employment, labor market composition, administration of vocational interest inventories, and identification of career pathways of interest to the students.
2. **Work-Based Learning Experiences (WBLEs):** This may include in-school or after-school opportunities or experience outside the school setting that is provided in an integrated environment in the community to the maximum extent possible. In a group setting, this may include a school-based program of job training and informational interviews to research employers, work-site tours to learn about necessary job skills, job shadowing, or mentoring opportunities in the community. On an individual basis, WBLEs include work experiences to explore the student’s areas of interest through paid and unpaid internships, apprenticeships (not including pre-apprenticeships and registered apprenticeships), short-term employment, fellowships, or on-the-job trainings located in the community.
3. **Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education:** In a group setting, this may include information on course offerings, career options, the types of academic and

occupational training needed to succeed in the workplace, and post-secondary opportunities associated with career fields or pathways. On an individual basis, it may include advising students and parents or representatives on academic curricula, college application and admissions processes, completing the Free Application for Federal Student Aid (FAFSA), and resources that may be used to support individual student success in education and training, such as disability support services.

4. **Workplace Readiness Training (WRT) to develop social skills and independent living:** This may include programs to develop social skills and independent living, such as effective communication and interpersonal skills; financial literacy; orientation and mobility skills; job-seeking skills; and understanding employer expectations along with other “soft” skills necessary for employment. These services may include instruction, as well as opportunities to acquire and apply knowledge. They may be provided in a generalized manner in a classroom setting or be tailored to an individual’s needs in a training program provided in an educational or community setting.
5. **Instruction in self-advocacy (including instruction in person-centered planning), which may include peer mentoring (including peer mentoring from individuals with disabilities working in competitive integrated employment):** In a group setting, this may include generalized classroom lessons in which students learn about their rights, responsibilities, and how to request accommodations or services and supports needed during the transition from secondary to postsecondary education and employment. During these lessons, students may share their thoughts, concerns, and needs, to prepare them for peer mentoring opportunities with individuals working in their area(s) of interest. Further individualized opportunities may be arranged for students to conduct informational interviews or mentor with educational staff such as principals, nurses, teachers, or office staff; or they may mentor with individuals employed by or volunteering for employers, boards, associations, or organizations in integrated community settings.

WIOA does not mandate that all five “required” PETS be provided to a student with a disability if all the activities are not necessary.³¹ Rather, WIOA requires that VR provide one or more of them if a student needs them.

Part III: PETS Implementation

When NCD embarked on this limited study, VR agencies and RSA had been implementing PETS requirements for two and a half years. The disability provisions of the amended Rehabilitation Act were effective July 22, 2014, and VR agencies had to immediately begin providing PETS and would begin to reserve 15% of their federal award for provision of these services, about two months later, in FY15.

Although required to implement these two requirements immediately, VR agencies had no instruction on how to do so when the law went into effect. However, the law implicitly and explicitly required that VR agencies have a mechanism in place to collect information on the PETS they provided by their own VR staff and through outside providers to accurately report on federal expenditures of the 15% reserve. RSA had its own obligations, including leading VR agencies in transitioning to compliance with the new requirements through technical assistance

and policy guidance and drafting proposed and final regulations. It also had to quickly revise the annual data collection tool (RSA-911) so it could be approved by the Office of Management and Budget (OMB) and disseminate it to VR agencies in time for them to revise their computer systems by July 1, 2016.

VR agency responses to the questionnaire revealed that most agencies couldn't fully capture PETS information and data for 2016, specifically, what services they had provided and to how many students. Many agencies that reported having a fully operational case management system in place to capture this information and data could only provide limited information on 2016 activities. Common limitations included systems that only captured purchased PETS (e.g. fee-for service contracts with outside entities), and systems that only captured PETS provided to VR clients – not to potentially eligible students.

This raised further questions for NCD:

- How could VR agencies fulfill reporting requirements to RSA if they did not have accurate data collection systems/case management systems in place very soon after WIOA enactment? Although agencies were not required to provide a full reporting of all WIOA requirements via the revised RSA-911 until 2016, they had to be able to accurately track what they provided to know what they spent of the 15% starting in FY 2015.
- What technical assistance or guidance had they received from RSA on tracking their provision of PETS and their costs?
- What data were VR agencies relying on to complete their federal financial forms certifying what they had spent on these services if they did not have systems in place to track what they were providing?

To understand the limited information that NCD collected, our implementation examination begins with the actions of RSA to help VR agencies implement the new requirements. In this section, NCD documents several missed opportunities for RSA to “front-load” detailed information to VR agencies on what they should do right away to comply with WIOA. Several of these missed opportunities are demonstrated with respect to tracking PETS for financial reports, where the information NCD collected showed that states had a great deal of difficulty complying. Other RSA efforts to inform were delayed and imprecise, and the revised RSA-911 (used to gather annual information on PETS, among other things) was provided to VR agencies only one day prior to the date by which they were supposed to have fully functioning systems based upon it, which resulted in RSA using transition authority under WIOA to postpone VR reporting on the provision of PETS until Fall 2017.

A. RSA's Guidance to VR Agencies on PETS from July 2014 – September 2016

The first technical assistance that RSA provided VR agencies was two and a half months after WIOA took effect and was specific to the fiscal requirements related to the 15% reserve, rather than the entire scope of the changes to the VR program. This is a contrast to the actions taken by RSA after enactment of the WIA of 1998, which just like WIOA, changed VR responsibilities

under the Rehabilitation Act and required VR agencies to take immediate action. In the case of the 1998 enactment of WIA, just two weeks after enactment, RSA issued a formal information memorandum to VR agencies informing them that they were required to “move forward immediately with their implementation of the new statutory provisions related to the VR program and should not wait for the publication of implementing regulations.”³² RSA also detailed the new major statutory provisions in the law, describing how agencies should address each one.³³ RSA started regional orientation sessions for VR agencies on the WIA requirements approximately one month after WIA was enacted in 1998.³⁴ In contrast, RSA started regional sessions on WIOA two years after enactment. VR agencies had far more complex requirements under WIOA than under WIA and would have benefitted by earlier orientation and front-loaded technical assistance from RSA – even if agencies were given instruction on temporary measures they could take to adjust their computer systems to track PETS until further notice. A listing of RSA’s actions with respect to advising VR agencies regarding PETS follows:

October 7, 2014: RSA held a webinar on the requirements for reporting federal expenditures for PETS using the 15% reserve.³⁵ It detailed allowable and non-allowable costs, and informed that agencies were responsible for accurately tracking and reporting the amount of federal funds expended for the provision of PETS. It did not describe how agencies could separate those costs or track them.

November 10, 2014: RSA presented its first overview of the amended Rehabilitation Act and VR agency responsibilities at the Council of State Administrators of Vocational Rehabilitation (CSAVR) conference.³⁶ The presentation included “Activities you can engage in now,” which included: coordinating with education partners, including LEAs, on the provision of PETS to students with disabilities; planning with information technology (IT) staff to update management information systems in preparation for reporting on new data elements; and partnering with employers to improve and expand employment opportunities for individuals with disabilities, including work-based learning experiences such as internships and apprenticeships. This presentation was valuable in informing agencies on necessary actions, however not all VR agencies benefited from it if they were not in attendance at the conference. This presentation was not accompanied or done in tandem with issuance of any formal memorandum (guidance/directive) to all VR agencies with the same or even more information, so its impact was unfortunately limited.

February 5, 2015: RSA issued a Policy Directive that provided a revised form for semi-annual reporting of federal expenditures. It added a new line for VR agencies to report their total federal expenditures for PETS but the Directive contained no suggestion on *how* agencies might track these expenditures.³⁷

April 16, 2015: RSA issued a Notice of Proposed Rulemaking three months late by WIOA deadlines.³⁸ Commenters, including state VR agencies, submitted questions inquiring how they should track the provision of PETS and how to track the federal funds spent on PETS. A review of published technical assistance between the issuance of the proposed rule and the final rule indicates that the responses to these questions did not come until over a year later and in the

form of the final rule itself. – By that time, VR agencies had been providing these services for over two years and reserving 15% to for almost two years.³⁹

August 17, 2015: Thirteen months after VR agencies were required to implement WIOA, RSA issued a Technical Assistance Circular (TAC 15-02) that discussed the emphases of WIOA and the amended Rehabilitation Act.⁴⁰ Throughout the entire document, RSA advises agencies to take actions that agencies were required to begin taking one year earlier regarding PETS. It includes many statements that appear to recognize, or imply, that states were not implementing the requirements, and stated that if they had not complied yet, they could rely on a “transition year” to justify the delay. In the “Take Action Now” section, RSA states that it

“...strongly encourages states to *begin* planning and taking action for transitioning to the new requirements.... (emphasis added). This is especially true for the VR program since the provisions contained in Title IV of WIOA took effect immediately upon enactment (July 22, 2014); however, there are provisions for an orderly transition from the WIA of 1998 to WIOA during (PY) 2015, also known as the transition year.”⁴¹

TAC 15-02 contained other imprecise statements such as, “In the interim, we encourage VR agencies to *begin* the process of implementation, particularly those requirements that took effect on July 22, 2014, among others.... reserving at least 15 percent of the state’s VR allotment for PETS.”⁴² (emphasis added.) It is unclear why RSA would advise VR agencies to begin to do this one year after VR agencies were obligated to reserve these funds. By the time TAC 15-02 was published, VR agencies had submitted two fiscal reports certifying the amount of federal funds they had spent on PETS from the 15% reserve.

Later in TAC 15-02, RSA again advises agencies to prepare for fiscal and program changes that took effect a year earlier, and advised VR agencies to “...assess their case management systems to determine their capacity to document the services and funding levels now required...including the reservation of VR funds for the provision of PETS to students with disabilities.”⁴³

Two other recommendations made in the TAC 15-02 are worthy of note. First, RSA recommends that VR agencies “account for the number of individuals who are and will be provided PETS in the Unified or Combined State Plans.”⁴⁴ As we discuss elsewhere in this implementation examination report, although this information was clearly required by Title I of WIOA for such plans, NCD examined the Unified and Combined State Plans approved by RSA, and none included this information. Second, RSA recommended that VR agencies, “Demonstrate which services and expenditures were provided under which cost objectives, such as PETS provided with reserved funds versus another VR service provided with the remainder of VR funds.”⁴⁵ However, VR agencies had not been advised on how to track services they provided or the funds they spent in any technical assistance document, policy directive, or training that NCD could find, meaning the first mention is in this document where RSA suggests using a “cost objective” as a method of accounting for PETS.

The problem of tracking PETS provided and the federal funds spent on the services is a theme that was relevant even at two and a half years after enactment of WIOA, with most states not having systems that could fully capture services or expended funds.

June 30, 2016: One day before agencies were to have fully functioning systems built on the new RSA-911,⁴⁶ RSA released the new RSA-911 to VR agencies which provides complete data elements required to adapt their case management systems. This precluded agencies from meeting their obligation under WIOA to have their reporting systems in place by July 1 since the relevant guidance regarding compliance was not made available until a day before the deadline.

June 30, 2016: RSA released its WIOA final rule prior to publication in the Federal Register.⁴⁷ The preamble contains responses to questions posed during the proposed rule phase regarding tracking the provision of PETS and funds spent on those services:

Because sections 110(d) and 113 of the Act require a State to reserve and use at least 15 percent of its total vocational rehabilitation allotment for providing, or arranging for the provision of, PETS to students with disabilities, it will be critical that the DSU implement administrative methods and procedures that ensure proper data collection and financial accountability of these reserved funds....DSUs are required by section 101(a)(10)(C) of the Act to do so in order to properly account for, and report, the provision of PETS and the reserved funds spent on those services. Moreover, the State's accounting procedures must be such that the DSU will be able to complete accurately all required forms, including financial reports, that show the reservation and use of these funds for this purpose....⁴⁸

In addition to the tracking necessary to demonstrate compliance with the requirement to reserve at least 15 percent of the State's VR allotment for providing PETS, under section 110(d) of the Act, as amended by WIOA, and final §361.65(a)(3), section 101(a)(10) of the Act requires DSUs to have a mechanism to report the number of students with disabilities receiving these services.⁴⁹

Although no instruction on how to track was provided before this time, it clearly states that agencies must implement administrative methods and procedures to account for the provision of PETS and the funds spent on them. Also, for the second time, the use of a "cost objective" for this purpose is suggested:

When tracking expenditures incurred for the provision of PETS, DSUs may need to develop a cost objective (i.e., a separate accounting code) that is different from the one used for other VR program cost allocation purposes, thereby enabling DSUs to track PETS expenditures properly with the reserved funds.⁵⁰

August 9, 2016: RSA held its first regional training on WIOA final regulations. Two more were held in September. The trainings did not address tracking of PETS provided or funds spent on their provision.

August 19, 2016: Final WIOA regulations were published in Federal Register.⁵¹

September 27, 2016: Three months after giving VR agencies the new RSA-911 data elements, RSA issued a Policy Directive formally providing VR agencies with a revised RSA-911 form.⁵² In this Policy Directive, RSA gave states a “transition year” before reporting WIOA data – including information on their provision of PETS:

We recognize that agencies may have difficulty implementing the new data requirements quickly enough to submit reports containing the new data elements for PY 2016. Therefore, the Department of Education (ED) is exercising its transition authority under section 503 of WIOA to ensure the orderly transition from the requirements under the Act, as amended by the Workforce Investment Act of 1998, to the requirements of WIOA. In so doing, VR agencies must begin to submit data required by the RSA-911-16 in PY 2017. VR agencies must submit the first quarterly RSA-911-16 report for PY 2017 by November 15, 2017, covering the reporting period from July 1, 2017 through September 30, 2017 Agencies must ensure that they begin implementation of the data system requirements in PY 2016 and that their data collection systems, including internal controls necessary to ensure the reliability and accuracy of the data being reported, support accurate and timely reporting of data no later than the start of PY 2017 (July 1, 2017).

RSA’s delay in providing agencies with timely information was the reason for its use of transition authority to delay reporting. VR agencies were required to ensure that their data collection systems were ready for RSA-911-16 reporting no later than July 1, 2016 and RSA had a responsibility to provide the necessary tool – the RSA-911-16 – long before then to ensure agencies had ample time to update and implement their systems by the July 1, 2016 deadline. Agencies, however, could not accomplish this task until they were provided with the RSA-911-16 requirements. This means that the RSA-911 report that will be filed in the fall of 2017 will only look back 3 months, meaning a full year of data was missed out on as a reference point for WIOA implementation.

B. Combined and Unified State Plans

Title I of WIOA, which applies to all the core programs in the workforce development system,⁵³ requires states to submit a Combined or Unified State Plan. The first of these was due on March 3, 2016.⁵⁴ Title I makes clear that the VR program portion of that plan had to include the information on the number of students that received PETS during the prior year.⁵⁵ Because RSA did not require annual reporting, this data is absent in the Combined or Unified State Plans that were submitted in March of 2016. The absence of this data is confusing because TAC-15-02⁵⁶ (issued August 17, 2015) reminds states that they must gather this number for their 2016 state plan.

C. Fiscal Reports on the Provision of PETS

VR agencies are required to submit fiscal data to RSA on a semi-annual basis (form SF-425) so that RSA can assess their compliance with the fiscal requirements under WIOA – specifically, their total expenditures for PETS. To track expenditures, VR agencies had to have a system in place to track the PETS provided. Upon NCD's inquiry into existing VR agency systems, NCD found that fiscal systems containing information on the services VR agencies had provided were still not in place two and a half years after WIOA was enacted.

On October 7, 2014, RSA conducted a webinar for VR agencies⁵⁷ that included information on what could and could not be charged to the 15% reserve and directed agencies to track their expenditures on PETS. Specifically, RSA stated, "Each VR agency is responsible for accurately tracking and reporting the amount of federal funds expended for the provision of PETS."⁵⁸ However, nothing in the presentation gave information or suggestions on how VR agencies might track these expenses, however, agencies were put on notice that they were responsible for ensuring they accurately gathered this information.

Three months *after* the first fiscal report was due, RSA published a Technical Assistance Circular that told VR agencies that it would be critical that they "implement administrative methods and procedures that ensure proper data collection and financial accountability of these reserved funds...."⁵⁹ VR agencies again were put on notice.

By the time VR agencies received the NCD questionnaire in February of 2017, they had submitted two fiscal reports in 2015 (May, November) and two in 2016 (May, November). However, most agencies that responded to our questionnaire in February through March of 2017 said they did not have systems in place to completely track what PETS they had provided in 2016 - meaning most agencies could not provide accurate SF-425s for the four prior fiscal reports they submitted in 2015-2016.

This conclusion was supported in the states where RSA conducted intensive monitoring in the fall of 2016. RSA found that 3 of 5 agencies had not provided accurate information.⁶⁰ During intensive monitoring, RSA looked at how agencies were tracking the funds they spent on PETS by examining the VR agency's: Federal Financial Report (SF-425) reporting procedures on accounting and reporting of expenditures with the 15% reserved funds; supporting documentation for expenditures incurred with the 15% reserved funds and reported on the SF-425; policies or procedures for tracking expenditures for the provision of PETS for purchased services and services provided by VR agency personnel; and procedures to exclude administrative costs from expenditures paid with the 15% reserved funds (because WIOA prohibits such costs from being paid for with reserved funds).⁶¹

During the intensive monitoring, RSA found, for example, that Arizona VR did not meet the requirement to reserve and expend at least 15 percent of its federal VR program award for PETS in FY 2015 and, at the time of the on-site, had not done so for FY 2016. In response, the Arizona VR agency stated that it needed technical assistance on how to account for some of

these funds.⁶² RSA's review of Nevada's expenditures for PETS purchased with the 15% reserve reported on its FY 2015 and 2016 SF-425 reports showed that a significant portion of them did not qualify as PETS required activities.⁶³ Oklahoma also needed technical assistance on how to track the funds reserved.⁶⁴

These results are not surprising considering that it was not until **June 30, 2016**, after VR agencies had submitted three fiscal reports to RSA, that RSA advised them on how they could track PETS expenditures. In the preamble to the Department of Education's WIOA regulation, the Department suggested that VR agencies use a "cost objective" approach to track the funds.⁶⁵ **In November of 2016**, around the time that VR agencies had submitted their fourth fiscal report, RSA gave a presentation at a conference that advised VR agencies to "develop financial management systems that permit the preparation of reports and the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award." This presentation also suggested using a "cost objective" method for this purpose.⁶⁶

RSA could have done more to assist VR agencies implement the new requirements for reserving, tracking, and even spending the 15% reserve, and VR agencies had a responsibility to request help from their designated RSA liaison or a technical assistance center with questions on the appropriate method for gathering this data long before they filed their first report in FY15.

In August of 2017, RSA posted information on its website that reveals that VR agencies are struggling to accurately set aside, track and spend the 15% reserve.⁶⁷ According to RSA, a review of SF-425s submitted by VR agencies for FY16 (October 2015-September 2016):

- Some agencies spent over 85% of their federal allotment – dipping into the 15 % reserve for PETS.
- Only 53% of the total federal funds provided to states to use for PETS were used; almost half were unspent.
- Twenty-six VR agencies (33% of agencies) have spent 5% or less of the federal funds provided for PETS.
 - Nineteen agencies spent less than 5%.
 - Seven agencies spent 0%.⁶⁸

D. Annual Reports to Congress

The Rehabilitation Act requires the Commissioner of RSA to submit to the President and the Congress a full and complete report on the activities of the VR program within 180 days after the close of each fiscal year.⁶⁹ In preparing the report, the Commissioner "shall annually collect and include in the report information based on the information submitted by States in accordance with section 721(a)(10) of this title...."⁷⁰ Specifically, the Commissioner of RSA must "require annual reporting of information on eligible persons receiving the services,⁷¹ and "shall

require additional data from each state with regard to the number of students that are receiving PETS.”⁷² These reports ensure that the Secretary has the information needed to assess the performance of the VR program, especially with regard to providing PETS to students with disabilities.⁷³ The amended Rehabilitation Act, added an additional public availability requirement that provides, “The Commissioner shall ensure that the report described in this section is made publicly available in a timely manner, including through electronic means, in order to inform the public about the administration and performance of programs under this chapter.”⁷⁴

When NCD sought the number of students provided with PETS from RSA –information required as part of their annual report to Congress – RSA informed NCD that it had not asked states to provide this information, and that states would not report this information until 2017 because of a transition year implemented in September 2016.⁷⁵ However, according to WIOA effective dates, annual reporting was required starting in 2015.⁷⁶ In fact, WIOA required the information in annual reports to be included in the Combined or Unified state plans⁷⁷ submitted in spring 2016. Logically then, that data would have had to be from 2015. Further, TAC-15-02, issued summer 2015, reminded VR agencies to gather this data for their upcoming state plan submission. In an examination of public documents examined for this report, NCD could not find RSA instruction to agencies that they did not have to gather data for annual reports in 2015.⁷⁸

Part IV: VR Agencies’ Implementation Efforts – Responses to NCD Questions

Preface

The NCD questionnaire on PETS was sent to VR agencies in February 2017, asking for specific but limited information on their provision of PETS to students with disabilities during 2016. At this point, two and a half years had passed since VR agencies began providing these services; since reporting requirements in the amended Rehabilitation Act required states to provide to RSA, on an annual basis, the number of students that had received PETS; and since VR agencies had been reporting their total federal fiscal expenditures toward the 15% reserve semi-annually beginning in FY2015 – all of which required agencies to have systems to track what PETS they were providing and what funds were spent on the services.

The responses to the questionnaire revealed that most responding agencies couldn’t fully capture PETS information and data for 2016, specifically, what services they had provided and to how many students. Many agencies that reported having a “fully operational case management system in place to capture PETS information and data” could only provide limited information on 2016 activities. Some agencies reported that they had a case management system in place on July 1, 2016 in anticipation of quarterly reporting for July through November 2016 (which ultimately did not take place, per RSA instruction), but even those agencies could not completely capture the basic data NCD sought.

For example, some agencies said that they could provide information on the amount of “purchased” PETS, for example from fee-for-service vendors, but not PETS provided by VR counselors because their systems at that time could not separate allowable and unallowable costs when the services were provided internally. Some agencies reported that the responses provided on the questionnaire was data only on PETS provided to “eligible” students, meaning that their systems could not capture services that were provided to “potentially eligible” students during 2016. Notably, some agencies were supplementing their electronic case management systems with manual tracking procedures designed to allow staff to document services provided to “potentially eligible” students and to help VR counselors track the hours they spent on PETS. Many agencies told NCD that they anticipated having a fully developed case management system per RSA-911 specifications by July 1, 2017 and that RSA did not require a fully functioning system (one that captured all services provided) until that time.

NCD found that RSA gave mixed signals to VR agencies regarding their responsibilities to track their provision of PETS. By not requiring agencies to report the annual number of students that received these services, and by declining to inform agencies to track these services and to give them technical assistance to help them do so early after the law was enacted, the agencies had no reason to keep this data except as it related to tracking the funds spent toward the 15 %. On June 30, 2016, two years after they began providing PETS, they received an advanced copy of the final regulation, which stated:

Although the Department recognizes the burden placed on DSUs to develop procedures for tracking PETS and related expenditures for students who have not yet applied or been determined eligible for vocational rehabilitation services, DSUs are required by section 101(a)(10)(C) of the Act to do so in order to properly account for, and report, the provision of pre-employment transition services and the reserved funds spent on those services. Moreover, the State’s accounting procedures must be such that the DSU will be able to complete accurately all required forms, including financial reports, that show the reservation and use of these funds for this purpose.... if Federal funds are being spent, expenditures must be tracked and monitored.⁷⁹

Since most VR case management systems were limited in their ability to capture what services were provided, and to how many students during 2016, the data provided by the responding agencies are very likely an undercount of both the PETS that they provided and how many students participated.

In this section of the implementation examination report, we will highlight the information that responding agencies shared with NCD about some of their implementation efforts during 2016. It does not include responses to every question posed, as some of the questions garnered little or no information.

The VR agencies responding were working through the process of transitioning to a law that required many changes without additional funding for the development of revamped case

management systems and staff training. Many agencies worked with partially-developed systems while they waited for RSA to provide a new set of data elements to capture detailed WIOA information. Although agencies received these elements in June 2016, most still had not adapted their systems to gather PETS information in February 2017 since they were not required to do so until the summer of 2017.

Despite this limitation, VR agencies provided NCD with valuable information on, among other things, the types of PETS they provided in 2016. This section narrates that information.

A. Agencies' Ranking of PETS in Order from the Most Frequently Provided to the Least Frequently Provided

Nineteen of twenty-one agencies answered this question.⁸⁰

#1 – Job exploration counseling

Nine (9) agencies ranked this as the most frequently provided: Minnesota (Blind); Georgia; Missouri; New Jersey; Indiana; Florida; Oregon; California; and Puerto Rico.

#2 - Workplace readiness training to develop social skills and independent living

Four (4) agencies ranked this as most frequently provided: Texas; Pennsylvania; Alabama; and Colorado.

#3 - Work-based learning experiences, which may include in-school or after school opportunities, or experience outside the traditional school setting (including internships), that is provided in an integrated environment to the maximum extent possible.

Three (3) agencies ranked this as most frequently provided: Minnesota (General); Louisiana; North Dakota.

#4 - Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education

Two (2) agencies ranked this as most frequently provided: Virginia (General) and Virginia (Blind)

#5 - Instruction in self-advocacy, which may include peer mentoring (1 agency ranked this as most frequently provided)

B. Expanding the Group Served by VR: “Potentially Eligible” Students

Because of the impact on VR agency resources of servicing “potentially eligible” students in addition to VR’s historical client base, NCD sought to find out if VR agencies had identified, as near as possible, the total population in the state of students with disabilities that may be

“potentially eligible” for PETS in their states. NCD learned that VR agencies identified potentially eligible students using a few different means. The most prevalent was the 2016 Child Count which is data collected and posted annually by each state’s Department of Education on children with disabilities, ages 3 through 21, who receive special education and related services under Part B of IDEA. The Child Count numbers show how many students who are transition age that have IEPs.⁸¹ While not inclusive of all potentially eligible students, this source provides a baseline for the number of students potentially eligible for PETS and thus, provides VR agencies with a number that they can use to forecast how many students they may have to provide PETS for in the coming year.

Harder to count for VR agencies are potentially eligible students with disabilities that have 504 plans or who have a disability and are not on either an IEP or a 504 plan, are home schooled, or in juvenile justice facilities, or other educational programs. Only a few agencies had identified students on 504 plans, but no agency identified students in these other educational environments. A couple of agencies indicated that they were doing outreach to identify harder to find students, in collaboration with other organizations and agencies that deal with youth, as part of statewide needs assessment required under WIOA.

In sum, the child count number, used by most agencies responding to NCD’s questionnaire, is an undercount of potentially eligible students with disabilities. Even so, this baseline number is high in every state, which necessarily impacts VR resources.

The Act allows for all students with a disability to receive PETS if they need them. As agencies look at the educational data of the number of students who would meet the definition of a “student with a disability,” it far exceeds the agencies’ capacity to serve them. Unlike those who are VR eligible and subject to the agencies’ order of selection (OOS) that allows for control of capacity and resources, there is no such mechanism to shut off or slow the flow of potentially eligible students receiving PETS. VR Director

Providing services to a “potentially eligible” student with a disability is a challenge in numerous ways and particularly when an agency is operating under an OOS and waiting list. WIOA does not exempt students with disabilities from any of the OOS requirements in the law. When a VR agency does not have enough funds to serve all applicants who are deemed eligible for its services, it is required to use an OOS process. The agency must serve people with the “most significant” disabilities first, followed by people with “significant” disabilities and then people with a “disability.” If the agency does not have enough funds to serve the category that a particular student is in, the student will be placed on a waiting list until the agency can serve the student’s category. The student will be served in order of the date his or her application was submitted.

For fiscal year 2016, the State Plans of 37 of the 80 State VR agencies documented that the agency had established an OOS. This total includes 60.7 percent of the general and combined State VR agencies and 12.5 percent of the State VR agencies serving blind individuals.⁸²

Responses to the questionnaire revealed only a few VR agencies were operating under an OOS, however some noted that they are still in the beginning stages of identifying and conducting outreach to all potentially eligible students the state, and they anticipated that they may implement an OOS as the number of referrals increases.

The OOS requirements reflect congressional intent to focus services on individuals with significant disabilities.⁸³ However, the implementation of the amended Rehabilitation Act requirements make it highly unlikely that some groups of transition age students with disabilities, e.g. individuals with milder learning disabilities, attention deficit hyperactivity disorder, will receive services despite the fact they've been determined eligible and could benefit from VR services.⁸⁴ For example, in a situation where a potentially eligible student could benefit from a work-based learning experience or other pre-employment transition service but needs transportation to participate, VR has been advised that it cannot use funds from the 15% reserve for transportation even though the need for the transportation is a necessary part of providing the PETS. VR may only provide transportation to eligible consumers.⁸⁵ Therefore, the potentially eligible student must apply for VR services and have an individualized plan of employment (IPE) to receive transportation from VR. If the agency is operating under an OOS and the student's category is closed, the student will be placed on a waiting list. As discussed in Part V of this report, there was broad consensus that the limitation on the 15% reserve, applied in this situation, caused a result contrary to WIOA's purpose of making VR services available to all potentially eligible students without the undue delays caused by applying and being determined eligible for VR services.

C. Prevalence of Dedicated PETS Specialists and Coordinators

WIOA does not require agencies to have dedicated PETS providers, although many agencies have them, and there are beneficial aspects to the existence of this role in a VR agency. For example, if dedicated staff only provide PETS, the agency can more easily track and account for the funds expended toward the 15 percent reserve according to RSA guidance. Such specialists also tend to work closely with schools to arrange for these services to be provided in concert with the transition services that schools provide under the IDEA. As such, having such specialists may assist VR in implementing the requirement to coordinate PETS with school systems. Further research could examine whether having transition specialists/coordinators devoted only to, or primarily to, the provision of PETS is a best practice for VR agencies.

Eighteen of twenty-one (18:21) agencies who responded to the NCD questionnaire had dedicated pre-employment transition staff members, although not necessarily called "specialists" or "coordinators."

Agencies reported:

Alabama had VR Counselors assigned to each public high school in the state who coordinated and provided PETS, as well as jointly funded specialists in 28 public school systems who provided PETS to students with disabilities.

California had 153 dedicated counselors that provide PETS through agreements with local education agencies. PETS were also available through 104 service delivery teams.

Florida had four administrators and a management supervisor with responsibility for PETS. Their responsibilities included developing programs and services; training staff and providers; conducting outreach to students, families, and the community; and providing technical assistance to VR, educational, and partner staff. Florida also had 73 technicians were responsible for helping potentially eligible students who did not wish to apply for VR services to access PETS.

Georgia had 7 “Career Pathways Specialists” (CPS) who were liaisons for VR staff, the GA Department of Education, and agencies that served students and youth with disabilities. These positions were funded by an RSA Career Pathways for Individuals with Disabilities demonstration grant. They connected students and youth with disabilities to existing Career Pathways in their communities with the goal of employment. Each CPS was assigned to a pilot district and spent approximately 30% of their time providing and arranging the delivery of PETS.

Indiana did not have dedicated pre-employment transition staff members.

Kansas had recently hired 25 PETS staff, 20 of whom were direct service specialists whose duties included outreach and connection to high schools, direct contact with students, determination of eligibility for PETS, plan development, authorizing services, and PETS provision.

Louisiana had PETS counselors whose primary responsibility it was to provide PETS, coordinate transition activities, and attend IEP meetings.

Minnesota (General) did not have dedicated PETS specialists and/or coordinators, but all VRS counselors that served eligible students provided PETS to those individuals.

Minnesota (Blind) had dedicated PETS specialists/coordinators:

(A) Transition Coordinator- responsible for the comprehensive planning, development, and evaluation of its state-wide PETS who developed relationships with transition students and their families, the Minnesota Department of Education (MDE), teachers for the blind and visually impaired (BVI), post-secondary disability service offices, and school guidance offices, and created and distributed print and non-print resources for outreach purposes.

(B) Work Opportunities Navigator (WON) – who provided comprehensive work-based learning services to students and specialized in assisting businesses in identifying workforce recruitment through what business considers a non-traditional candidate pool. The WON arranged for and provided consultation and training regarding the effective employment of people with visual disabilities; and developed job readiness trainings, internships, and job opportunities.

(C) Dedicated Transition Counselor – who was an assistive technology specialist that worked

with transition students to complete assessments and working on the technology skills needed for post-secondary life.

Missouri (Blind) had a program manager for transition and children services which provided, managed, and developed PETS and staff. Additionally, PETS were provided by both children's specialists and VR counselors.

Missouri (General) did not have dedicated PETS specialists or PETS coordinators.

New Hampshire had four dedicated Pre-ETS specialists (VR Counselors) and had counselors with mixed caseloads.

New Jersey had a subject matter coordinator for PETS. Each of the 18 local offices had at least one counselor dedicated to PETS whose primary responsibilities included coordinating PETS activities with school transition coordinators; providing technical assistance to school personnel and families; sharing best practices with other PETS counselors; coordinating all PETS and local office catchment area; acting as a resource to one-stop partners on transition; facilitating local business internship development for students; and coordinating PETS delivered by providers.

North Dakota did not have dedicated PETS specialists, but had VR counselors dedicated to each secondary school in the state to make PETS available.

Oregon had dedicated PETS specialists through a contract with the Oregon Department of Education to co-fund nine transition network facilitators (TNF). Half of the TNF's time was dedicated to developing the provision of PETS in every high school in the state. At the time of responding to the NCD questionnaire, Oregon was in the process of hiring two PETS coordinators who would develop, deliver and record the provision of PETS.

Pennsylvania had transition specialists at a management level who were responsible for program development, contract monitoring, and training/technical assistance to VR field offices. Field offices had early outreach coordinators responsible for outreach and education to students and families and VR was revising this role to include providing PETS to students. Pennsylvania also had counselors with dedicated transition caseloads and business services representative positions that focused on WBLEs.

Puerto Rico had rehabilitation counseling analysts assigned to PETS whose duties included visiting schools to identify students with disabilities; providing orientations to students, parents, and school personnel; participating in meetings with the special education committee; and coordinating the provision of PETS.

Texas had approximately 130 dedicated transition counselors who maintained caseloads of PETS-age customers that maintained working relationships with the schools; attended individualized education program meetings; provided information about PETS and other VR services; and jointly planned and conducted events for students. Counselors also provided

PETS to the students on their caseloads, including career exploration, counseling on postsecondary opportunities, WRT, self-advocacy instruction, and planning and arranging WBLEs. They also worked with other VR staff, and education and community partners to assess the needs of the students and engaged employers to create WBLEs. Another 230 VR counselors dedicated a significant amount of their time to PETS activities, and performed many of these same duties.

Texas had a transition program specialist in each regional office who provided support to the VR counselors serving students, including consulting on customer cases; answering service delivery questions; providing guidance and training on PETS; and providing other coaching and support to counselors. Regional specialists provided PETS such as job and career exploration counseling, counseling on opportunities for enrollment in postsecondary education, WRT, and instruction in self advocacy, attended individualized education program meetings, worked with local workforce development boards, workforce centers and employers to develop WBLEs, and worked with schools to coordinate the provision of PETS.

Texas also had a state office team of four transition program specialists who worked with senior staff and partner agencies to develop and implement strategies for PETS, provided policy and guidance to local offices, and developed and delivered training.

Virginia (General) had created 10 new positions across the Commonwealth to serve students with disabilities and to facilitate and/or provide PETS. Both VR counselors and PETS counselors served students with disabilities and facilitated these services. The PETS counselors were the point people at the schools and served students who were potentially eligible.

Virginia (Blind) had transition specialists, but no employees were exclusively assigned to provide PETS.

D. Agreements with Outside Entities to Provide PETS

VR agencies provide some PETS internally – through VR counselors- and some through outside sources. Responses to the questionnaire showed that VR agencies provided a variety of PETS through third-party cooperative agreements and fee-for service contracts with community rehabilitation providers (CRPs), local educational agencies (LEAs), or other vendors.

NCD's review of questionnaire responses showed that the use of outside vendors for the provision of PETS was helpful to VR agencies because the fiscal rules made tracking VR counselors' actual time providing PETS a challenge -- a VR counselor could include salary and fringe costs allocated in proportion to the time he or she worked on PETS but could not count associated administrative costs such as supervision, space, utilities, and training, toward the 15% reserve requirement. Most, if not all, VR agencies did not have a system sophisticated enough to separate out the time staff spent providing PETS from unallowable costs. In contrast, using vendors largely took care of that problem, since contracts with CRPs that utilized a fee-for-service rate for the provision of PETS did not need to be disaggregated to determine the

amount of administrative costs included in the fee – simplifying the process for determining how much of the 15% was used.

Some VR agencies were providing transition services using vendors prior to WIOA, and those that had existing vendor contracts or agreements were working on or planned to expand the scope of those services to include the provision of PETS. Interviews revealed that it was easier for VR (general) agencies to find vendors to provide services than it was for VR (blind) agencies, and that put more responsibility on the staff of VR (blind) agencies to provide PETS to students in addition to their regular caseload.

Agencies' ability to track PETS varied widely between agencies, each having a different level of updates to make to its pre-WIOA case management system. Some agencies' case management systems had been updated to capture what was provided to eligible students and some had developed manual forms to capture service to potentially eligible students. And while the majority of VR agencies were capturing purchased PETS, most had trouble fully capturing the number of PETS provided by their own VR counselors.

Agencies reported:

Alabama provided PETS through VR counselors, contracts, and purchased PETS through a community rehabilitation program.

California had 114 third-party cooperative agreements with local education agencies to provide a menu of PETS that include job exploration counseling, WRT, work-based learning experiences, and self-advocacy training. California also had 39 "We Can Work" contracts providing over 600 students and youth with disabilities with opportunities for work experiences. California received monthly progress reports that detail the PETS provided and tracked these through its standard invoicing and progress report process.

Colorado had 35 contracts that incorporate 130 school districts across the state, known as the School to Work Alliance Program (SWAP). SWAP was expanded to include the provision of PETS for state fiscal year 2017, which began July 1, 2016. Prior to this, PETS were provided either through private vendors or DVR staff themselves. PETS provided through contracts were monitored and tracked through individual client progress reports submitted by contracted partners, monitoring of contractual outcomes, and reporting on time and effort toward providing the services. Colorado was working to upgrade its system for RSA reporting at the time of the questionnaire, and the case management system could not track the provision of PETS during 2016. It was developing new vendors and the PETS provided by the new vendors would be tracked based on authorizations and payments issued in its case management system.

Florida had contracted with providers to deliver a variety of PETS, and authorized payments to providers for the services. PETS delivered by providers were tracked in an internal system which connected authorizations to a Student Transition Activities Record (STAR), the Rehabilitation Information and management system, and an electronic billing application.

Georgia utilized many CRPs and private vendors to provide PETS, including Goodwill, Easter Seals, Nobis Works, Bobby Dodd Institute, and many other private providers – primarily through fee-for-service agreements and contracts. PETS for *eligible* clients were tracked via an Authorization & Invoice Process in its case management system. For group services for *potentially eligible* students or not on a VR caseload, GVRA reported that it manually tracked services on reporting form. GVRA also had several contracts that provided direct services to students with disabilities and counted funds expended through these in its federal fiscal reporting.

Indiana had 9 contracts with providers who were collaborating with other providers to make PETS available to students in 52 counties. The contracts began October 2016. Indiana did not have a system in place to track contractors' provision of PETS, and reported that a system was being developed where PETS information could be entered directly by contractors. Contractors manually submitted required information to the VR agency on their PETS provision, and the agency planned on entering the information into the system once it was running.

Kansas did not have an agreement with an outside entity to provide PETS, but it reported that it was pursuing work-based learning opportunity collaboration agreements with local workforce development boards to establish work sites and monitor students' in-work experiences. KRS was exploring centers for independent living (CILs) as potential work sites and or partners in workplace learning.

Louisiana had fee-for-service arrangements with CRPs to provide two of the five required PETS: WRT and work-based learning experiences. The activities were tracked through expenditures in its case management system.

Minnesota (General) did not have any agreements with outside entities to provide PETS, and was in the request for proposals process to set up agreements. It had contracts with CRPs and limited use vendors to provide VR services, and some of the services that were already provided through the contracts constitute PETS. Minnesota used existing contracts to authorize dollars for PETS, and coded the services as PETS in its accounting system.

Minnesota (Blind) had two CRPs that provide year-round PETS to students - Blind Inc. and the Duluth Lighthouse. This included focused training on students' skills of blindness and alternative techniques, exposure to post-secondary options, activities to build confidence, and exploring work options. SSB also had a contract with Blind and Socially Savvy to provide social skills training. SSB had a vendor monitoring system that included oversight and monitoring of what services were provided. Dedicated staff completed observations, contacted customers, and looked at survey outcome data. This was followed by a meeting and report with the vendor. If follow-up action was needed, vendors submitted a corrective action plan. SSB tracked PETS through payments and could track 99% of its PETS purchases at an individualized level, meaning that SSB could report on each student's PETS, including what the service was and how much was spent. SSB tracked purchases for students who had not applied (potentially

eligible) via purchase orders in a separate procurement system. It tracked applicants and eligible students through its case management system.

Missouri (Blind) did not have any agreements with outside entities to provide PETS, but it was developing a new contract and expanding existing agreements to include PETS.

Missouri (General) had agreements with the Hook Center for Educational Renewal at the University of Missouri and Missouri Centers for Independent Living. PETS provided by these entities were tracked by monthly reports provided from the contractors.

New Hampshire had agreements with Granite State Independent Living and Strafford Learning Center to provide PETS. NHVR had tracking mechanisms in its case management system for information reported from the two providers.

New Jersey was working with three New Jersey CILs to provide PETS, however the service had not yet started. It was also working to establish third-party cooperative agreements with local school districts for PETS, and PETS were being provided to students at Project Search sites. New Jersey was processing grant applications from at least four additional outside fee-for-service entities to provide PETS. New Jersey required all vendors to submit service delivery reports to counselors on the services provided to students. New Jersey's case management system could not track PETS in 2016, but reported that its system would be able to synchronize PETS delivery through an upcoming software update.

North Dakota had agreements with secondary schools and with an assistive technology center to provide PETS. North Dakota tracked PETS provided through a data collection tool that schools and VR counselors complete when working with potentially eligible students, and data was entered into the case management system. NDVR and the assistive technology center use a spreadsheet that lists the required five PETS the student received, tracked all services provided to both potentially eligible and eligible students, and entered "actual services" in its case management system. This spreadsheet was provided to NDVR monthly by contractors and entered into the case management system.

Oregon had agreements with 115 school districts throughout the state to provide PETS called the Youth Transition Program, and the services were delivered by transition specialists. The transition specialists tracked the PETS that were delivered in their district.

Pennsylvania had about 90 provider agreements for PETS and about 30 Innovation and Expansion Projects related to PETS delivery. All PETS agreements required providers to enter student information required by the RSA 911. They also indicated the total number of days and hours that the student attended PETS so that Pennsylvania could provide accurate payment for services.

Puerto Rico did not have agreements with outside entities to provide PETS, but this was part of the agency's immediate plans. It identified potential providers such as graduate programs in

rehabilitation counseling, CRPs, e.g., CILs, the local employment department, and others that provided workshops.

Texas had purchased certain PETS through a network of providers, including Community Rehabilitation Providers (CRPs) and other vendors. CRPs provide contracted services such as vocational adjustment training and work experience. Texas tracked PETS provided by outside entities through the state's electronic case management system. The system did not capture specific data regarding staff time devoted to the provision of PETS, but could identify customers who met the definition of a student with a disability.

Virginia (General) had vendor agreements with close to 75 CRPs, and several of these organizations provide services that met the definition of PETS. Virginia was working with these organizations to fill service gaps. Virginia was in conversations with CILs for self-advocacy training. In addition, Virginia operated the Wilson Workforce and Rehabilitation Center, where students with disabilities received a wide variety of PETS. PETS were tracked through its case management system.

Virginia (Blind) contracted with the Choice Group and with Virginia Commonwealth University to provide PETS. Services were tracked by monthly reports from contractors specifying what services are provided to which individuals.

E. Workplace Readiness Training (WRT) provided in 2016

Every agency but one reported providing WRT to students with disabilities during 2016. Some agencies having multiple avenues for provision – internally through VR counselors, through fee-for-service contracts, and third-party cooperative agreements – and almost all described provision of “soft skills” training as part of PETS.

WRT focuses on helping students develop soft skills and independent living skills needed for successful employment. Examples of skills taught include: communication skills, teamwork, problem-solving, appropriate work behaviors, understanding employer expectations, good work habits (punctuality, reliability), mobility skills (learning to travel independently), job-seeking skills such as resume writing or responding to job advertisements.

The “soft skills” component of WRT, such as communication skills, teamwork, appropriate work behaviors and good work habits, for example, have been identified as critical to job achievement and success in the workplace by several research studies that sought employer feedback. A survey of 500 senior executives across a variety of industries within the United States showed that 44 percent of respondents cited soft skills, such as communication, critical thinking, and collaboration, as the skills area with the largest gap.⁸⁶ Another study that further explored employers thoughts on the skills gap, showed that employers placed great importance on soft skills with 90% reporting that that soft skills were “more important than technical skills” or “as important as technical skills.”⁸⁷

Agencies reported:

Alabama provided WRT, including: soft skills training (connections and smart work ethics); job readiness; driving for independent living; permit training (for those areas where it's not offered in the school); personal work adjustment; job exploration training; and transportation training (learning to utilize public transportation).

It reported that 874 students participated in WRT in 2016.

California reported that their third-party cooperative agreements provided WRT readiness training; were offered in concert with the student's individualized plan of employment (students that are VR consumers); and continued until a student exited the secondary school system. WRT included soft skills needed for employment; interviewing techniques; resume development; application prep; appropriate work behavior; relevant work practices; appropriate grooming and hygiene; workplace readiness, and understanding the impact of employment on a client's disability benefits.

It estimated that 12,824 students participated in WRT in 2016.

Colorado reported that during 2016, several School to Work Alliance Program sites and other vendors routinely provided WRT through small group curriculum. The training focused on developing the soft skills needed to engage in a job search and be successful in the work place. Some of the vendors developed curriculum designed to meet the unique needs of disability groups, such as Autism Spectrum Disorders, while others took a broader, cross-disability focus. Colorado reported that WRT is also provided directly by staff, such as group curriculum offered by DVR's Blind and Low Vision Services unit, which provided WRT to students with vision impairments. It continued to develop additional partnerships with community providers to increase capacity to provide WRT to students with disabilities.

It reported that 314 students participated in WRT in 2016.

Florida provided WRT opportunities through contracted providers and the workforce system that included resume writing, interviewing skills, searching and applying for jobs, completing job applications, managing employer contacts, navigating public transportation, and reviewing employee benefits.

It reported that 226 students participated in WRT opportunities in 2016.

Georgia described WRT opportunities provided to students with disabilities during 2016 as including: A) job readiness training: interviewing skills, job applications, resumes, soft skills, etc., which was provided by VR counselors and contracted providers; B) high school job club activities: including, "Are You Job Ready," work values, identifying skills, job search, networking, applications, resume, interviewing, personal presentation, body language, job retention, and mock interviews; C) High School High Tech: school-based preparatory experiences, career preparation and work-based learning, connecting activities, youth leadership and development,

and family involvement and supports; and D) Georgia Best (soft skills training): discipline and character, attendance and punctuality, teamwork and work habits, productivity and academic performance, organization and responsibility, attitude and respect, self-management and time management, oral and written business communication skills, appearance and professional image, and social media ethics.

It reported that 2,229 students participated in WRT in 2016.

Indiana provided WRT during 2016, which included: work on executive functioning skills, organizational skills, working memory, communication skills, coping strategies, hygiene, soft skills, and transportation. It used modeling, role play, online training, and video instruction to teach workplace readiness.

It responded that it provided WRT to 17 students in 2016.

Kansas did not respond to this question.

Louisiana did not describe the WRT opportunities provided, and responded that WRT was provided by fee-for-service agreements.

It reported that 1,003 students participated in work place readiness training in 2016.

Minnesota (General) purchased or provided (internally) one-on-one training for students to work on any of the following skills: professional communications, financial literacy, relationship building, social media and internet, problem solving, goal setting, prioritizing and time management, organizational skills, etc. At times, staff worked with groups of students to teach about how to fill out job applications, develop interviewing skills, and discuss other job search techniques.

It reported that 82 students participated in WRT in 2016.

Minnesota (Blind) reported that during 2016, it contracted with two CRPs to provide school year transition programming. The programs provided ongoing practice and implementation of skills such as independent living, soft skills, and job readiness skills, including “Blind and Socially Savvy” training, focused on training students with a vision loss in soft skills like professional image, communication, networking, and employer expectations; and the Summer Transition Program (STP), which provided experiences to address the specific transition needs of students who are Blind, Visually impaired or Deaf-Blind. STP complemented each student’s core curriculum at his or her local school by providing individualized opportunities in the three transition areas identified in one’s Individualized Education Program (IEP).

It reported that 30 students participated in summer employment, work experience, or volunteering. Another 16 students attended Adjustment to Blindness (ATB) training over the summer to develop independent living and employment readiness skills.

Missouri (Blind) provided independent living instruction, which included a wide range of independent living services such as instruction in Braille, technology, social skills, personal and home management.

It provided no response regarding how many students participated in WRT during 2016.

Missouri (Blind) WRT opportunities during 2016 included classroom-based and one-on-one discussions of: utilizing the local career center to identify work readiness skills identified by employers as priorities; connecting students and their families to the local CIL to discuss services they have to offer and how to access them; working with students to identify and measure work readiness skills through a work readiness inventory that addressed: attendance, punctuality, workplace appearance, taking initiative, teamwork, quality of work, communication skills, response to supervision, problem solving/critical thinking, workplace culture, policy and safety; reviewing transportation options; asset development and benefits planning with students and families by connecting them with appropriate resources and following up to discuss questions/concerns; identifying ways to ensure the student's family is an active and positive partner in the transition planning process; supporting the student's social connectedness and overall health by counseling the student on the importance of participating in school based activities, after-school clubs, or community service projects.

It estimated that 6,500 students participated in WRT in 2016.

New Hampshire reported that WRT could be provided to students in many individualized approaches based on their needs and requests, including training on social skills and independent living skills, mock interviews and feedback on interview skills, professional presentation and appearance, and development of a resume.

It reported that its data collection was too early at the point that the questionnaire was completed to share any specific data regarding how many students participated in WRT during 2016.

New Jersey did not describe the WRT opportunities provided to students, but reported that masters-level counselors provide this service at initial intake and during PETS presentations to local education agencies, parents and students, and added that counselors often refer students to CILs to coordinate this training.

It reported that 47 students participated in WRT in 2016.

North Dakota described WRT opportunities, provided to students with disabilities during 2016 as: social/interpersonal skills; communication; positive attitude; teamwork; problem solving; talking/writing; cooperation; active listening; decision making; conflict resolution; body language; empathy; professionalism; good manners; supporting others; respect; independent living skills; good hygiene; time management; healthy lifestyle; using a cell phone; using transportation; money management; nutrition/meal preparation; accessing community services & supports;

community participation; civic responsibility; community safety; developing friendships; appropriate dress; appropriate behavior.

It reported that 611 students participated in WRT from July 1, 2016 through December 31, 2016.

Oregon transition specialists and TNFs provided WRT opportunities in integrated high school settings and in the community, that focused on the essential skills students need to develop to enter and maintain employment, including: preparation for workplace learning experiences, travel training, grooming and hygiene, time management, problem-solving, active listening, proper use of personal devices such as phones and iPads, communication, and other soft skills.

It reported that 2400 students participated in WRT in 2016.

Pennsylvania responded that workplace readiness curricula included soft skills training, interview skills, job readiness, job seeking skills, human resource practices, and other skills needed to become workplace ready.

It reported that it had 972 instances of WRT provided to students in 2016.

Puerto Rico reported that Adjustment Services were offered in-house and included activities for the development of pre-employment skills. Services were provided for a period of three to six months, once authorized by the CRV case manager and the Individualized Adjustment Plan (PIA)(this is for VR consumers). Some of the adjustment services and activities included, but were not limited to: personal adjustment, adjustment to work, independent living skills for employment, family and social services towards employment, development of academic-functional skills towards employment, psychological services towards employment, vocational adjustment, technology in rehabilitation/technological assistance, exposure to work station activities, exposure to real work experiences for evaluation purposes, pre-employment skills, development of perceptual, and psychomotor skills. In addition, transition analysts coordinated with public schools to provide career exploration counseling, vocational interest tests, skills tests, work samples, transition services counseling, counseling on how to do a job interview and filling out a job application, and occupational matching exercises.

It reported that 350 students with disabilities participated in some of the WRT above in 2016.

Texas provided WRT in a variety of settings and activities and included a range of employability skills such as communication, following instructions, working in teams and responding appropriately to constructive criticism, and self-advocacy. Texas reported having several workplace readiness curriculum options under a CRP service called Vocational Adjustment Training (VAT) that included basic job readiness, self-advocacy, independent living skills such as money management, social skills needed in the workplace, and other workplace readiness skills instruction depending on the needs of the individual. These were provided in a one-on-one or small group setting by a contracted provider and included: A) Exploring the "You" in Work,

soft skills for work success, soft skills to pay the bills, preparing for the job search, disability disclosure training, Money Smart (financial training), and public transportation training;

B) Autism Spectrum Disorder Supports (ASD Supports) provided students with autism or students with other neurodevelopmental disorders with a similar set of support needs with workplace and job readiness training that was specific to their needs and provided by a contractor who is experienced in working with individuals with autism.

C) Counselors in local VR offices conducted a variety of group workplace readiness activities during the summer, including employability skills as well as basic job search skills like creating a basic resume and interviewing.

Texas provided PETS in group skills training sessions to students who were blind or visually impaired, such as team building, time management, communication, orientation and mobility and using technology to prepare for successful employment.

It reported that in FY 2016, VR provided PETS to 26,057 students. In FY 2016, it purchased CRP-provided WRT for 1,655 students with disabilities.

Virginia VR counselors provided WRT in schools and in its offices. Trainings focused on developing skills and behaviors that are necessary for any job. It reported that In FY16, 91 consumers received this service and that since it had not consistently tracked this activity, this number was low. Virginia's comprehensive rehabilitation center (WWRC) provides a residential 9-week Life Skills Training Program. The program served 469 *individuals* in FY16. (It is unclear if these were all transition-age students). For in-school students, WWRC offered a program called Postsecondary Education Rehabilitation Transition (PERT), a collaborative program supported by the Virginia Departments of Education and administered through at the WWRC, is a school-to-work transition initiative for eligible youth with disabilities available to all Virginia local school divisions. PERT provides an integrated continuum of secondary to postsecondary transition services and a vocational evaluation and driver's training are provided.

It reported that in FY16 the program served 520 students with disabilities.

Virginia (Blind) provided WRT opportunities in 2016 which included a summer transition program that provided training in networking, socialization in new environments, making presentations, volunteer work experiences, participation in a business oriented reception and training in skills of daily living. Through a contractor, students were exposed to a curriculum focused on soft skills required in the work place.

It reported that 65 students participated in WRT during 2016.

F. Work-Based Learning Experiences (WBLEs) Provided in 2016

The amended Rehabilitation Act expands VR focus on employer engagement and requires VR agencies to work with their local workforce development boards, One-Stop centers, and employers to develop WBLEs for students with disabilities, including internships, summer employment and other employment opportunities available throughout the school year, and apprenticeships. The VR portion of the Unified or Combined Plan must describe how VR agencies will work with employers to accomplish these aims.⁸⁸

WBLEs provide both social and academic benefits for students. In a seven-year study of a WBLE program, researchers found that minority students participating in work-based programs entered college at twice the rate of non-participating minority students and that college enrollment rates were higher for all students in the program when compared to local and state student populations.⁸⁹ In addition, research has found that students participating in WBLEs complete related coursework at high rates and have higher attendance and graduation rates than those not enrolled in such programs.⁹⁰

WBLEs include:

- **Career Awareness.** Activities designed to help students develop basic awareness of jobs and careers by interacting with professionals and helping students understand the education and skill requirements for success in various fields. Examples of these activities include career fairs and classroom visits by working professionals.
- **Career Exploration.** Activities that provide students with more in-depth opportunities to learn about jobs and careers in specific fields. Students interact with working professionals in the work environment. Examples of career exploration activities include job shadows, informational interviews, mock interviews, and company tours.
- **Career Preparation.** Activities to gain actual work experience that support the development of key job skills. Examples include internships, apprenticeships, and paid summer employment.⁹¹

WBLEs benefits students in many ways – by connecting what they are learning in the classroom to the skills required for success in today’s workplace; exploring various fields and careers so they can make more informed decisions about their goals and the education they need to reach those goals; gaining an understanding of workplace norms, including the “soft skills” that can influence career success; gaining valuable work experience that can launch their careers; and interacting with and learning from an expanded circle of adults and potential mentors.⁹² As such, they are a critical pre-employment transition service, setting the stage for employment or post-secondary education – or both.

NCD asked state VR agencies whether they had created new partnerships or enhanced existing partnerships with employers to provide opportunities for WBLEs, such as internships and apprenticeships, during 2016. And, if they had, we requested that they share the types of

WBLEs that were made available and how many students with disabilities participated in the WBLEs during 2016.

Most agencies reported that they had created or enhanced these opportunities, some to a much greater degree than others. Some agencies had not created any opportunities and some were just starting to plan or discuss opportunities with employers.

Agencies reported:

Alabama created new partnerships and enhanced existing partnerships with employers to provide WBLEs. It provided an example of a collaboration with CRPs and supported employment programs to provide Job Exploration Training (JET) during the summer to students with disabilities. JET ranged from 3-5 weeks and provided training in job exploration, career assessment, social skills training, mock interviewing, resume preparation, and self-advocacy training. At least two weeks of paid work experiences in a community setting was arranged for each student who satisfactorily participated. Soft skills training and paid work experience (PWE) could be concurrent (training in A.M., PWE in P.M.), or consecutive.

It reported that 296 students participated in WBLEs in 2016.

California created new partnerships and enhanced existing partnerships with employers to provide WBLEs through 39 “We Can Work” contracts with local education agencies. Work experiences (paid and unpaid) and job training were also offered under a five-year grant from the U.S. Department of Education (ED). Paid work experiences were available to 10 to 15 interns with intellectual and developmental disabilities at California State departments, and through a five-year ED grant, which began in October 2016 to evaluate the effects and benefits of work-based learning experiences on students with disabilities to enter employment and postsecondary education.

It reported that at least 600 students with disabilities participated WBLEs in 2016.

Colorado developed several partnerships to offer WBLEs. Throughout 2016, most WBLEs took place within existing partnerships. Students were provided WBLEs in health care at hospitals and nursing facilities, horticulture and landscaping at a community garden, grounds maintenance at the Denver Zoo and with the Colorado Department of Wildlife, wildlife preservation, among others.

It reported that 130 students with disabilities participated in the WBLEs during 2016.

Florida expanded third-party cooperative agreements and Project SEARCH programs, which provided work experiences and internships in community based businesses. Both programs typically provided multiple opportunities. It also engaged in provider recruitment, targeting programs that were part of professional organizations and/or have statewide presence to increase VR capacity to deliver PETS. Students engaged in a variety of experiences, including: materials management, environmental services technician, dietary technician, laundry worker,

housekeeper, equipment handling and sterilization, patient-care clerk, receptionist, order receiving clerk, and stock clerk.

It reported that 173 students took part in WBLEs during 2016.

Georgia created new partnerships and enhanced existing partnerships with employers to provide WBLEs to students. It supported Inclusive Post-Secondary Education (IPSE) programs where students with intellectual disabilities audited and enrolled in college classes. Internships were a mandatory component of the IPSE programs. If an eligible client was accepted into an IPSE Certified Training Program (CTP) and training was needed for them to reach an appropriate work goal, VR supported the clients in the programs. There were six IPSE programs in Georgia and 3 were designated CTPs.

During 2016, Georgia provided WBLEs through its Community Work Adjustment Training (CWAT) where students were placed in a variety of work opportunities with grocery stores, retail, restaurants, businesses, hotels, hospitals, etc. It also had a pilot project with Goodwill of North Georgia providing training and internships.

It reported that 506 students with disabilities participated in WBLEs during 2016.

Indiana reported that it was working to create new opportunities, like summer internships and apprenticeships, but explained that those projects were only in the discussion stage at the time. These experiences included job shadows, volunteer opportunities, non-paid work experiences, and some paid work experiences.

It reported that 192 students participated in WBLEs during 2016.

Kansas had not created new partnerships or enhanced existing partnerships with employers to provide opportunities for WBLEs, such as internships and apprenticeships, during 2016, and reported that it was trying to negotiate agreements to provide such opportunities.

It did not respond to the follow-up questions of “What types of work based opportunities have been made available?” or “How many students participated in these opportunities?”

Louisiana reported that it had developed partnerships with local businesses to offer WBLEs to students, however it did not describe what types of work-based learning experiences had been made available to students.

It reported that 1061 students participated in work-based learning experiences during 2016.

Minnesota (General) created new partnerships and enhanced existing partnerships with employers to provide WBLEs. It piloted a program with three of our WIOA Title I Youth partners (local workforce development areas) to provide short-term work experiences for students with disabilities. From April 1 through December 1, 2016, 40 students participated. Experiences

included but were not limited to: child care, custodial, dietary aide, stock clerk, audio technician, and information desk.

It reported that 169 students with disabilities participated in WBLEs in 2016.

Minnesota (Blind) worked with its existing providers of placement services including its CRPSs to create WBLEs for students. These providers networked with businesses throughout the state to provide students with 4+ week opportunities to try out different types of employment.

It reported that 29 students participated in WBLEs in 2016.

Missouri (General) created new partnerships and enhanced existing partnerships with employers to provide WBLEs to students. It piloted a summer work-based experience program in conjunction with CRPs where students worked six weeks for an employer and were paid Missouri's minimum wage during the experience.

It reported that 539 students with disabilities participated in the WBLEs during 2016.

Missouri (Blind) was in the process of creating new partnerships or enhancing existing partnerships with employers to provide WBLEs at the time of responding to the NCD questionnaire.

It provided no response to the question of what types of WBLEs had been made available or how many students with disabilities had participated in such experiences during 2016.

New Hampshire created new partnerships and enhanced existing partnerships with employers to provide WBLEs to students. It reported that the type of WBLEs that had been made available varied depending on the goals of the student, adding that most New Hampshire agencies have agreements for students to come in for tours, interviewing, etc.

It reported that was too early in its data collection to share any specific data to the question of how many students participated in WBLEs during 2016.

New Jersey created new partnerships and enhanced existing partnerships with employers to provide opportunities for WBLEs. It reported that it initiated a business development unit to work closely with PETS counselors to initiate and develop WBLEs, and that it had reached out to the apprenticeship offices New Jersey to discuss opportunities for apprenticeships based on industry sector strategies outlined in the New Jersey Combined State Plan under WIOA.

New Jersey developed a model demonstration project with a county vocational school that provided WBLEs including paid internships in the summer of 2016.

It gave no response to how many students participated.

North Dakota created new partnerships and enhanced existing partnerships with employers to provide opportunities for WBLEs. WBLEs were made available to students in retail, housekeeping, stocking, grocery stores, day care, movie theatres, thrift stores, dishes, deli, food service.

It reported that 200 students participated in WBLEs from 7/1/16 through 12/31/16.

Oregon created new partnerships or enhanced existing partnerships with employers to provide WBLEs. In the summer of 2016 it worked with Heart of Oregon Corps, a nonprofit agency, the Oregon State Forestry System and the Maybelle Clark McDonald Foundation, to develop camp LEAD (leadership, empowerment, advocacy, development). The camp ran for five weeks during the summer and employed a total of 64 youth with disabilities. Camp LEAD worked closely with VR's youth transition program at high schools to recruit students with disabilities who were a match for the camp. Camp lead aimed to serve approximately 12 youth per week for five weeks engaging them in hands-on job-training earning minimum wage. Students worked with highly trained camp counselors completing daily assessments, leadership training and self advocacy skills all in alignment with a transition program curriculum. Oregon also partnered with several local workforce development boards to collaborate on summer work experiences based in competitive integrated work environments in the student's community. Approximately 35 students participated in these opportunities during 2016.

Oregon was also piloting several projects for students with intellectual and developmental disabilities and many of the students involved in these pilots also participated in some work experiences during 2016. Oregon and Portland State University started a Think College comprehensive transition program for students with intellectual and developmental disabilities. VR worked with the students before they entered the program to provide counseling on postsecondary education. While students were in the program they were also working in competitive integrated settings.

It reported that 100 students with disabilities participated WBLEs in 2016.

Pennsylvania created new partnerships or enhanced existing partnerships with employers to provide opportunities for WBLEs. It reported that it had revised its on-the-job training policy to be inclusive of WBLEs. It's on-the-job training policy now allowed for part-time, seasonal, summer, and internship positions.

Pennsylvania developed services that included job shadowing and paid work-based learning experiences. For example, job shadowing provided students with disabilities with 1 to 5-day job shadowing experience for a maximum of 25 hours per school year, in an occupation of interest within a community integrated setting. Students shadowed employees and obtained an overview of the knowledge, tasks, and abilities needed to work in the field. Frequent monitoring of student's abilities workplace behavior was provided to provide a thorough assessment of the student's experience. Providers also ensured communication with the employer and the school district to effectively facilitate the job shadowing experience. Providers of WBLEs met with the

student to discuss areas of interest skills and abilities and worked with VR counselors to develop a work experiences through VR's on-the-job training initiative. All students were paid for work experiences at minimum-wage or higher.

It reported that 277 students with disabilities participated in WBLEs in 2016.

Puerto Rico created new partnerships or enhanced existing partnerships with employers to provide opportunities for WBLEs. The Office of Rehabilitation Counseling Services, Office of Evaluation and Adjustment (OAA), and the Office of Support and Modalities of Employment (OAME) coordinated to offer a summer employment experience for ten (10) students with significant disabilities. This work experience was carried out with the Program of the Industry of the Blind and People with Physical, Mental and Developmental Impediments. The students worked for 22 days in flat map and bell assembly. The 10 students who participated in the activity successfully completed the employment experience.

It reported that 10 students with significant disabilities participated in WBLEs in 2016.

Texas created new partnerships and/or enhanced existing partnerships with employers to provide opportunities for WBLEs. Texas added a CRP service called Work Experience, which provided WBLEs in paid or unpaid placements. It also had a variety of summer programs for students, many of which have been expanded or redesigned to focus on provision of PETS. Examples included:

- Project SWEEP, a five-week partnership between TWC and Texas Tech University in Lubbock, in which students participate in paid work readiness activities before beginning work-based learning in different partner businesses around Lubbock, Texas.
- Project SWEAT is a five-week summer work program held in collaboration with the Texas School for the Blind and Visually Impaired (TSBVI) in Austin, Texas. It provides job readiness training, independent living skills, mobility training, and four weeks of work experience to students who are blind or visually impaired.
- Youth 2 Adult (Y2A), a seven-week residential training workplace readiness and work based learning program held at TWC's Criss Cole Rehabilitation Center. Students from across the state participate in the training program and are placed with Austin area employers for paid work experiences.
- Breaking Barriers, a partnership between TWC, the local workforce development board, a local community college and the Volar Independent Living Center in El Paso, Texas. Students participate in a six-week paid experience as part of the Breaking Barriers program.
- Work and College Opportunities (W.A.C.O.) at Texas A & M is a collaboration between vocational rehabilitation, the Brazos Valley Center for Independent Living and Texas A & M Center on Disability and Development. Participants receive instruction in professionalism,

self-determination, and teamwork. They learn about college opportunities and work in the community 16-20 hours a week while living on campus.

Some of the WBLEs students with disabilities had in 2016 were: day care workers; store sackers greeters, stockers; receptionists; animal shelter workers; cafeteria workers (colleges, hospitals); food bank workers; Texas Tech transportation bus wrapper design (designed the advertising wraps the buses have); working at an equestrian center (cleaning, shoveling, feeding/watering horses); office work that could include anything from filing to assisting with research; rotating through different departments at an assisted living center (e.g.; food prep, maintenance, housekeeping); assisting at public libraries; assisting in various retail settings; customer service representative; detailer and mechanic; baker.

It reported that 1,000 students with disabilities participated in the WBLEs during FY 2016.

Virginia (General) created new partnerships or enhanced existing partnerships with employers to provide opportunities for WBLEs during 2016. WBLEs were: Project SEARCH, unpaid work experiences, Start on Success, summer internships, volunteer opportunities.

It reported that 281 consumers participated in WBLEs during 2016.

Virginia (Blind) created new partnerships or enhanced existing partnerships with employers to provide opportunities for WBLEs. For example, part-time work in hotels, retail establishments, customer service services in different settings, help desk in a grocery store, internships with federal contractors, and support positions in administrative offices of non-profit organizations.

It reported that 50 students with disabilities participated in WBLEs during 2016.

Part V: Voices of VR Directors: Biggest Challenges to Implementing PETS

When asked for their opinions on the biggest challenges to implementing the PETS requirements, VR agency directors expressed strong consensus with certain keywords arising time and again. For the most part, responses centered around the limitations on the use of the 15% reserve, coordination with schools, tracking the provision of services, and RSA's responsiveness. Below are the four most salient challenges faced by VR agencies based on the questionnaire, follow-up questions and interviews.

The challenges identified come from self-reports of the directors of the 21 responding agencies and may not reflect the challenges of all 80 VR agencies. However, our interviews with technical assistance providers who have regular contact with VR agencies beyond the twenty-one agencies that responded to our study, provided us with several challenges faced by VR agencies that support what is highlighted in this section.

The challenges below are grouped by theme and described in the order of what was raised most to least frequently.

A. Limitations on the Use of the 15% Reserve

It negates the concept of “potentially eligible” if an agency cannot provide services that a potentially eligible student needs to access PETS. -- VR Director

RSA has interpreted WIOA’s 15% reserve requirement for PETS in its technical assistance strictly, with only minor leeway. For example, RSA allows VR agencies to provide interpreters or accessible materials for students that would facilitate those students’ participation in PETS if those services would be required under the ADA or section 504.⁹³

VR agencies broadly agreed that RSA’s strict interpretation of WIOA and the limits that it places on the use of the 15% reserve have negatively impacted their ability to provide PETS to “potentially eligible” students as the law intended.

First, agencies are concerned that some students need assistive technology, transportation, or other services just to take advantage of a PETS experience, and these are services that can only be accessed when a student is a consumer of VR services – determined eligible. VR agencies therefore cannot provide PETS to *potentially eligible* students who need transportation or assistive technology to participate in PETS. Instead, potentially eligible students must first apply for VR services and be eligible in order to access services to take advantage of PETS, which is contrary to the intent of the law and the regulation’s mandate to serve “potentially eligible” students.

According to the Department of Education’s WIOA regulation:

The broader interpretation (of “potentially eligible”) means all students with disabilities will be able to obtain much-needed PETS and begin the early phase of job exploration without the potential delays, and the administrative burden on DSU personnel and resources, caused by application processing, eligibility determinations, assignment to an order of selection category, and development of an individualized plan for employment.⁹⁴

And:

Neither section 113 of the Act, as amended by WIOA, nor final §361.48(a) requires students with disabilities receiving PETS to apply for, or be determined eligible for, the VR program or to receive other vocational rehabilitation services. The Act and these final regulations maximize opportunities for achieving competitive integrated employment by imposing no requirement that would delay or hinder the student’s ability to access these crucial early services....⁹⁵

Determining VR eligibility can take 60 days after application and the Individual Plan for Employment (IPE) can take up to 90 days after eligibility is determined – about five months that a student would have to wait to be eligible for transportation or assistive technology to participate in PETS, which is nearly half a school year. A wait of this length would preclude

participation in most work-based learning experiences like internships, summer jobs, or on-the-job training.

The inability to provide transportation with the 15% reserve is also problematic in rural areas where transportation options are very limited and where students could not participate in PETS unless transportation was provided. As one VR director said:

The inability to include assistive technology and transportation as an allowable cost has been very challenging. There are hundreds of public school districts within our state that all operate separately and have different budgets to fund services. School districts often don't have transportation in their budget and do not provide transportation for students. Transportation is often left to parents or families and many parents do not have the flexibility to provide transportation during the week or purchase transportation for their child. Some PETS providers can provide transportation but often they refuse, citing insurance and liability issues.

Directors were also challenged in adhering to all the guidelines for allowable expenditures while delivering meaningful services on a statewide basis, finding it difficult to expend the 15% reserve and separate and track excluded but necessary costs. For example, VR cannot use the 15% to purchase clothing for a potentially eligible student to participate in a pre-employment transition service; only VR consumers (determined eligible students) can be provided with clothing related to work. However, a uniform is an allowable PETS expense if required by the employer, so the 15% reserve may be used in those instances. In practical terms, this means that a potentially eligible student that needs a dress shirt and pants for a work based learning experience would have to be determined eligible before VR could purchase the clothing – a delay of several months – but if the employer required a uniform, VR could purchase it from the 15% immediately. In the words of another VR director, “RSA should allow agencies to use the 15% for what’s necessary to get all students through the PETS experience – not just clients. That is assistive technology, transportation, and clothing.”

The limited allowable costs that can be allocated toward the PETS reserve has an adverse effect in states on an Order of Selection. If students need any support services (transportation, job coaching, etc.) to participate in the PETS activity, the agency must then have the student apply, be determined eligible and use their general VR funds on that student for those services. If the agency cannot allocate the 15% on those allowable PETS costs, but has used their 110 VR funds for those support services, they end up having to return funds that could have been used to serve consumers on a waiting list under an order of selection.

In sum, agencies argue that they cannot provide PETS to potentially eligible students if those students require assistive technology, transportation or clothing to participate in the services. In these cases, since providing these is a requirement for participation, VR should be able to purchase them with the 15% reserve. To disallow this is contrary to the intent of the amended Rehab Act, which is to provide PETS to a broad category of students – not just eligible students. Further, every time a student must wait for eligibility and an IPE to access assistive technology, transportation, or clothing, he or she may lose the opportunity for an important experience and VR agencies must use regular VR funds – taking funds away from the other populations they

serve. Lastly, some interviewees stated that if these were not allowable costs in these situations, they should be considered reasonable accommodations.

B. Separating and Tracking Allowable and Non-Allowable Costs for PETS

VR agencies identified that separating and tracking allowable and non-allowable costs for PETS as a heavy administrative burden. Because the 15% reserve cannot be used to pay for administrative costs or other VR services, agencies have had to develop systems to ensure they correctly bill to different funding buckets. VR agencies reported that this has been particularly challenging when separating VR counselors' time spent providing PETS. An RSA webinar summarized the separation of costs this way:

For VR counselors providing PETS, the actual time spent directly providing services to individuals served by PETS would be an allowable cost. This includes the VR counselor's salary and fringe costs allocated in proportion to the time worked on PETS. However, associated costs such as supervision, space, utilities, training, etc., are administrative costs and may not be counted toward the 15 percent reserve requirement.⁹⁶

This need to separate out costs also applies when an agency has a contract with an entity to provide PETS that has line items for administrative costs.⁹⁷ The only time that agencies don't have to worry about disaggregating costs is when they utilize fee-for-service contracts.⁹⁸

C. Coordination with Schools

VR directors and staff also reported that the requirement to coordinate with schools to provide PETS is another challenge. PETS and transition services can be both VR services under the VR program and special education or related services under the IDEA. In order to coordinate the provision of PETS with Local Education Agencies (LEAs), decisions must be made at the state level as to which agency – the VR agency or the LEA – is responsible for providing and/or paying for PETS or transition services that could be considered to be both a special education (or related service) or VR service.

VR directors and interviewees told NCD that there is confusion in determining whether a particular service is a VR Pre-employment transition service or a service that the SEA/LEA should be providing as described under the IDEA. VR regulations require that when there is overlap between the two laws or similar services VR is to determine whether it is a service that they can provide,⁹⁹ and because these decisions happen at the local level, there are many inconsistencies as to what is being provided under IDEA versus VR.

NCD commonly heard that VR agencies were challenged to reach agreements with SEAs and LEAs that defined the specific responsibilities of both parties to provide these services in a coordinated way in the interest of serving as many students as possible. LEAs frequently had concerns that PETS duplicated or supplanted the transition services they are tasked with providing. Students' schedules also proved problematic in the extent of their fullness not allowing time for participation in PETS. Additionally, when PETS are held at another location

away from the school, LEAs don't have funds to transport students from the school to the PETS location, and as mentioned before, VR cannot use the 15% reserve to provide transportation services either.

A final challenge of coordination is in the area of data sharing between LEAs and VR agencies. Schools will not share student data with VR that VR needs to serve students unless VR first goes through a formal process to obtain a release from each student and his or her parent. This process can sometimes take months, according to some interviewees, during which time the needs of the students may not be optimally met.

D. Data Tracking

VR directors expressed concerns regarding data tracking, particularly tracking of time spent by counseling staff that are providing PETS, reporting that it is both time-consuming and difficult to do in an accurate/verifiable way. The data tracking challenges identified in questionnaire responses included:

- Tracking and documenting PETS expenditures, and disaggregating administrative expenditures.
- Tracking the new services required under WIOA without a fully functional case management system.
- Tracking precise data in the service areas under PETS, given their breadth. The data tracking itself can become a substantial administrative burden with expenditure of time completing data tracking operating as a detraction from time spent providing the service itself. Staff resources are spent tracking data, thus diminishing available resources for direct services.
- Accurately tracking all the PETS that are being delivered by VR staff, contractors, and LEA partners. Some responses expressed an opinion that far more services are being provided than are being recorded.

E. Resources

Directors were challenged by the requirement to provide increased services to a huge population, in the absence of additional funding or full-time employees, while continuing to serve their preexisting client base.

Resource challenges included:

- Further stretching capacity to provide PETS in addition to the full scope of VR services that must be made available to applicants and eligible individuals, as well as how the 15% set-aside may reduce access to services for non-students.
- Shifting resources to PETS especially while operating under an Order of Selection.

- Conducting statewide outreach for PETS to unserved and underserved, including child welfare, foster youth, and adjudicated youth.
- Developing and implementing a system that will reach potential PETS students in almost 100 counties.

F. Lack of Guidance

Some directors reported that a lack of guidance from RSA was a challenge and that what guidance and technical assistance had been provided had been vague, making it tough to implement new programs. Directors reported receiving inconsistent guidance from TA providers and RSA at times, which added additional confusion.

VR directors also reported that they put questions in writing to RSA and sought approval prior to implementing, but often waited months before receiving a response. Also, directors noted that they received varying responses depending on with whom they spoke at RSA.

Directors looked for answers to our PETS questions from the WINTAC, which seemed to work faster than getting responses from RSA, but directors reported that the WINTAC was also constrained to wait for answers from RSA.

G. The Unique Challenge for Agencies for the Blind

Utilizing contracts with vendors to provide PETS has been proven an effective way to use, account for, and track the 15% - but some agencies, like blind services, find it more challenging to utilize contracted providers than general agencies. It can prove difficult for some VR agencies to find PETS providers for the categories of services authorized under WIOA, and this impacts an agency's ability to use the 15% reserve each year. Blind agencies typically have less student clients as many individuals become blind over their lifetimes. As a result, there are far fewer vendors to provide PETS for blind students, so VR agencies for the blind frequently provide the PETS themselves, rather than contract for services. Consequently, this puts more work on their VR counselors than general VR agencies that have larger populations of students and therefore more vendors that provide PETS. One agency told NCD that it put out a state-wide request for proposals seeking vendors to provide only two of the five PETS and received only one response. If a VR agency cannot meet the demand internally due to capacity or resource constraints and can't find vendors, it may not be able to spend the 15% reserve.

Part VI: Full Findings and Recommendations

Findings

VR Agencies

VR agency findings are based on the NCD questionnaire that sought limited information on PETS activities during calendar year 2016, follow-up communications, and interviews with agencies and technical assistance providers. At two-and-a-half years post WIOA:

- Restrictions on what may be paid for with the 15% reserve, like transportation, clothing, and assistive technology needed, is problematic for agencies when trying to provide PETS to potentially eligible students. The impact is even greater for agencies under an Order of Selection (OOS).
- Agencies have experienced several challenges to PETS implementation, including separating PETS allowable from unallowable costs, tracking and documenting PETS, coordinating with schools, and delayed responses from RSA to PETS-related questions.
- Many VR agencies could not provide complete responses to questions on their provision of PETS during 2016, including how many students received PETS and what PETS were provided. For example, agencies reported that they could not capture information on PETS provided to potentially eligible students, only PETS provided to clients. Also, many only reported the PETS that were purchased from a vendor, not those provided by VR staff. Because of this, it is likely that the number of students that participated in PETS is higher than the numbers reported by most agencies.
- Many agencies reported that the reason they could not accurately track information on all the students that received PETS and what PETS were provided was that they had been given an extra year to implement their case management systems by RSA. Most did not anticipate having systems to track all PETS provided to all students until the summer of 2017, although they received the necessary data requirements from RSA in the summer and the fall of 2016.
- Because many VR agencies did not have systems in place to track all the PETS they provided, internally and externally, they could not accurately identify the amount they spent of the 15% reserve on their fiscal reports to RSA. RSA found that many VR agencies' fiscal reports (SF-425s) submitted during 2015-2016, certifying their total federal expenditures on PETS, were incorrect.
- Most VR agencies (17 of 21) reported that they had worked with employers to create work based learning experiences (WBLEs) and described the experiences provided and the number of participants. Three agencies reported that they had not created any WBLEs or that they were in the process, and one reported that its data collection was too early to provide such information. The type of WBLEs and student participation varied widely by agency.

- All but one VR agency (20 of 21) reported that they provided Workplace Readiness Training (WRT), internally and through contracts or agreements with outside entities – including schools. Most described the training offered and the number of participants. The type of training and student participation varied widely by agency.
- Most agencies had fee-for-service contracts with outside entities to provide PETS to students and found that these made tracking PETS provided and their cost easier because there was no requirement to separate administrative costs.

RSA

- RSA provided no substantive direction to agencies regarding how to track PETS and their costs, which negatively impacted agencies' successful implementation of their fiscal responsibilities.
- RSA provided VR agencies with guidance that was delayed and imprecise regarding their responsibilities regarding PETS. For example, RSA issued Technical Assistance Circular (TAC) 15-02 thirteen months after the enactment of WIOA, and throughout the document, RSA advises agencies to take actions that agencies were required to begin one year earlier regarding PETS. It includes many statements that appear to recognize, or imply, that agencies were not implementing the requirements, and stated that if they had not yet complied, they could rely on a transition year to justify the delay.
- RSA did not provide VR agencies with the revised RSA-911 until June 20, 2016 – one day before agencies were to have their systems completely adapted with this data so that they could submit their first quarterly report to RSA in the Fall of 2016. RSA subsequently gave agencies another full year to adapt their systems, which resulted in an absence of information on PETS until VR agencies' first quarterly report in the fall of 2017.
- Ongoing challenges regarding data sharing and parental consent between VR agencies and schools resulted in delays for VR provision of PETS, and OSEP and RSA did not provide joint technical assistance to assist VR and schools understand how to share student data and obtain faster parental consent during the first two-and-a-half years post-WIOA enactment.
- RSA did not require VR agencies to report the number of students to whom they had provided PETS in their 2016 Combined or Unified State Plans as required by Title I of WIOA, although TAC 15-02 issued in 2015 reminded agencies to gather this information for inclusion in these plans. NCD could find no public-facing document between the issuance of TAC 15-02 and the posting of the plans in 2016 that instructed agencies that they did not have to include this data, and RSA guidance formally instituting a transition year was not released until months after agencies submitted these plans.

Recommendations

Congress

- Congress should inquire as to why the Department of Education has a multi-year backlog of RSA Annual Reports to Congress and regarding its plan to clear the backlog so that Congress and the public can have an accurate picture regarding the performance of the VR program.
- Congress should ensure that the Department of Education submits RSA's Annual Report no later than the date required by statute, and make it publicly available each year to meet WIOA's mandate for transparency and performance accountability.

RSA

- RSA should allow VR agencies to pay for transportation, assistive technology, and clothing using funds from the 15% reserve, when these are necessary for potentially eligible students with disabilities to participate in PETS. In the alternative, RSA should allow VR agencies to consider transportation, assistive technology and clothing as reasonable accommodations for potentially eligible students with disabilities that may be paid for with the 15% reserve when these are necessary for potentially eligible students to participate in PETS.
- RSA should provide responses to VR agency questions on PETS more quickly and share the answers with all VR agencies via the Workforce Innovation Technical Assistance Center (WINTAC) website and the RSA webpage.
- RSA should ensure that each RSA liaison for VR agencies provides consistent answers to questions about PETS to help achieve uniform implementation across VR agencies.
- RSA should provide nationwide training to VR agencies on how to accurately track PETS expenditures and other fiscal matters relevant to the reservation of funds for providing PETS as it promised it would do in the joint WIOA regulation.
- RSA should join with OSEP to develop and provide joint nationwide training for VR agencies and Education Agencies on how to coordinate the provision of PETS, including instructions on electronic data sharing of student information.

VR Agencies

- VR agencies should significantly increase internships and job opportunities through greater engagement with the One-Stop centers, local employers, and national organizations and associations that have internship programs for youth with disabilities, and to create such programs where they don't exist.
- VR agencies should increase self-advocacy training opportunities, as it is the least frequently provided pre-employment transition service, but an important and necessary skill for students with disabilities.

- VR agencies should increase counseling on post-secondary educational opportunities because most 21st century jobs require a college education.

ENDNOTES

¹ 29 U.S.C. 720 et seq. (The Rehabilitation Act of 1973, as amended); 42 U.S.C. 12181 et seq. (the Americans with Disabilities Act of 1990, as amended); 29 U.S.C. § 2801 et seq. as amended (The Workforce Investment Act).

² TABLE 1. DATA ON DISABILITY AND EMPLOYMENT: 1991/92, 1993/94, 1994/95, AND 1997. U.S. Census Bureau, Survey of Income and Program Participation.
<https://www.census.gov/people/disability/files/emperndistbl.pdf>

Employment reports on persons with disabilities began to be published by The Bureau of Labor Statistics (BLS) in 2010 (for the year 2009). The links immediately below are the BLS, Persons with a Disability: Labor Force Characteristics for 8 years - 2009-2016.

https://www.bls.gov/news.release/archives/disabl_08252010.htm

https://www.bls.gov/news.release/archives/disabl_06242011.pdf

https://www.bls.gov/news.release/archives/disabl_06082012.htm

https://www.bls.gov/news.release/archives/disabl_06122013.htm

https://www.bls.gov/news.release/archives/disabl_06112014.htm

https://www.bls.gov/news.release/archives/disabl_06162015.pdf

https://www.bls.gov/news.release/archives/disabl_06212016.pdf

<https://www.bls.gov/news.release/pdf/Nextdisabl.pdf>

³ Id.

⁴ P.L. 113-128 (July 22, 2014).

⁵ Id.

⁶ Id.

⁷ The Congressional Record, June 25, 2014, Issue: Vol. 160, No. 100, pages 3964-3991.

⁸ Id. at 3977.

⁹ WIOA changed “Workforce Investment System” to “Workforce Development System.”

¹⁰ P.L. 113-128 (July 22, 2014) at Sec. 402(a)(7)(A-B).

¹¹ Id. at Sec. 402(b)(4-5).

¹² Senator Harkin (D-IA), statement on HR 803, 113th Cong., 2nd sess., *Congressional Record* Vol. 160 (June 25, 2014): S 3968.

¹³ NCD chose Texas general and Texas blind agencies as two of the twenty-five agencies. Texas was combining into one agency during the time of the study and responded as one agency to the questionnaire. NCD fielded the questionnaire to 24 agencies.

¹⁴ Washington (general), Washington (blind), and New Jersey (blind).

¹⁵ Workforce Innovation Technical Assistance Center, funded through a cooperative agreement with RSA.

¹⁶ About RSA. <https://www2.ed.gov/about/offices/list/osers/rsa/index.html>

¹⁷ Business Roundtable Report: Employer Engagement in Vocational Rehabilitation. December 22, 2016.

<http://neweditions.net/sites/default/files/RSA%20Business%20Roundtable%20Report%202016.pdf>

¹⁸ Department of Education, Rehabilitation Services and Disability Research, Fiscal Year 2017 Budget Request

<https://www2.ed.gov/about/overview/budget/budget17/justifications/i-rehab.pdf>

¹⁹ Id.

²⁰ Business Roundtable Report: Employer Engagement in Vocational Rehabilitation. December 22, 2016.

<http://neweditions.net/sites/default/files/RSA%20Business%20Roundtable%20Report%202016.pdf>

²¹ State VR agencies refers to agencies in the 50 states, the District of Columbia, and the territories of American Samoa, Guam, Northern Marianas Islands, Puerto Rico, and the Virgin Islands.

²² Texas combined its agencies in 2017.

²³ Department of Education, Rehabilitation Services and Disability Research, Fiscal Year 2017 Budget Request

<https://www2.ed.gov/about/overview/budget/budget17/justifications/i-rehab.pdf>

²⁴ 29 U.S.C. § 733(d)(3).

²⁵ 81 F. Reg. 161(August 19, 2016) at 55694.

²⁶ Stands for Designated State Unit – another term for VR agency.

²⁷ Id at 55691.

²⁸ 29 U.S.C. § 705(37).

²⁹ 29 U.S.C. § 733(b).

³⁰ There are also nine authorized activities described in §361.48(a)(3) that VR agencies may implement to improve the transition of students with disabilities from school to postsecondary education or an employment outcome. Authorized activities cannot be undertaken until all students needing pre-employment transition services have received them. This report does not include the topic “authorized activities.”

³¹ 81 F.R. 161 (August 19, 2016) at 55692.

³² Information Memorandum, RSA-IM-98-23, August 21, 1998, Implementation of the Provisions of the Rehabilitation Act Amendments of 1998.

<https://www2.ed.gov/policy/speced/guid/rsa/im/1998/im-98-23.pdf>

³³ Id.

³⁴ INFORMATION MEMORANDUM, RSA-IM-98-20, AUGUST 17, 1998, The 1998 Amendments to the Rehabilitation Act. <https://www2.ed.gov/policy/speced/guid/rsa/im/1998/im-98-20.pdf>

³⁵ RSA Webinar, New FY 2015 Grant Award Notification Attachments, Pre-employment transition services, Supported Employment, & Maintenance of Effort. October 7, 2014.

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&ved=0ahUKEwiji_aSn_zXAhUjTt8KHa03AusQFghGMAQ&url=http%3A%2F%2Fwintac-s3.s3-us-west-2.amazonaws.com%2Ftopic-areas%2Fta_PreETS%2Fnewfy2015ganattachments100714-PreETS-SE.pptx&usq=AOvVaw0k6MGyaye5XcFUIABAzTad

³⁶ Rehabilitation Act as Amended By WIOA, An Overview, Presented by The Rehabilitation Services Administration to Council of State Administrators of Vocational Rehabilitation, November 10, 2014 Miami, Florida. <https://www2.ed.gov/policy/speced/leg/rehab-act-as-amended-by-wioa.pdf>

³⁷ New FY 2015 Grant Award Notification Attachments, Pre-Employment Transition Services, Supported Employment, & Maintenance of Effort. October 7, 2014.

<https://ncrtm.ed.gov/Download.aspx?type=doc&id=3120>

³⁸ 29 U.S.C. § 3343 (f)(1).

³⁹ State Vocational Rehabilitation Services Program; State Supported Employment Services Program; Limitations on Use of Subminimum Wage. 80 Fed. Reg. 73 (proposed April 16, 2015).

<https://www.gpo.gov/fdsys/pkg/FR-2015-04-16/pdf/2015-05538.pdf>

⁴⁰ Technical Assistance Circular, RSA-TAC-15-02, August 17, 2015. Vision for the State Vocational Rehabilitation Services Program as a Partner in the Workforce Development System under the Workforce

Innovation and Opportunity Act. <https://www2.ed.gov/policy/speced/guid/rsa/subregulatory/tac-15-02.pdf>

⁴¹ Id. at 5-6.

⁴² Id. at 6.

⁴³ Id. at 8.

⁴⁴ Id. at 7.

⁴⁵ Id. at 7-8.

⁴⁶ The data comprising the Case Service Report (RSA-911) are mandated by the Rehabilitation Act of 1973, as amended by title IV of the Workforce Innovation and Opportunity Act (WIOA). Applicable portions of the Act explicitly or implicitly require the collecting and reporting of specific data elements by State Vocational Rehabilitation (VR) agencies to the Rehabilitation Services Administration (RSA) for the VR and Supported Employment (SE) programs. The revised data collection incorporated new reporting requirements in section 116(b) in title I of WIOA and sections 101(a)(10) and 607 of the Act, as amended by WIOA. New requirements under section 101(a)(10) include information on students with disabilities receiving PETS.

⁴⁷ <https://www.ed.gov/news/press-releases/obama-administration-announces-new-regulations-strengthen-employment-and-training-opportunities-millions-americans>

⁴⁸ 81 Fed. Reg 161 (August 19,2016) at 55696.

⁴⁹ Id. at 55669.

⁵⁰ Id. at 55703.

⁵¹ 29 U.S.C. § 3343 (f)(2).

⁵² Revision of Policy Directive (PD) 16-04 instructions for the completion of the Case Service Report Manual (RSA-911) for the State Vocational Rehabilitation Services Program and the State Supported Employment

Services Program. <https://www2.ed.gov/policy/speced/guid/rsa/subregulatory/pd-16-04.pdf>

⁵³ The other core components of the workforce development system: Adult, Dislocated Worker and Youth programs; Adult Education and Family Literacy Programs; and the Wagner-Peyser Employment Services program.

⁵⁴ Policy Directive RSA-PD-16-03 DATE: March 9, 2016. Workforce Innovation and Opportunity Act (WIOA) Requirements for Unified and Combined State Plans.

<https://www2.ed.gov/policy/speced/guid/rsa/subregulatory/pd-16-03.pdf>

⁵⁵ 29 U.S.C. § 3112(2)(D)(iii). The unified State plan shall include - with respect to programs carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) ... the information described in section 101(a) of that Act (29 U.S.C. 721(a)). 29 U.S.C.721(a) describes everything required for the vocational rehabilitation state plan which includes information on how many students received PETS. Combined State plans have the same requirement. See, 29 U.S.C. 3113(b)(1).

⁵⁶ Supra at endnote 44.

⁵⁷ New FY 2015 Grant Award Notification Attachments, Pre-Employment Transition Services, Supported Employment, & Maintenance of Effort. October 7, 2014.

<https://nctrm.ed.gov/Download.aspx?type=doc&id=3120>

⁵⁸ Id. at slide 10.

⁵⁹ Technical Assistance Circular, RSA-TAC-15-02, August 17, 2015. Vision for the State Vocational Rehabilitation Services Program as a Partner in the Workforce Development System under the Workforce

Innovation and Opportunity Act. <https://www2.ed.gov/policy/speced/guid/rsa/subregulatory/tac-15-02.pdf>

⁶⁰ These states were not part of our study.

⁶¹ Vocational Rehabilitation Program, Federal Fiscal Year 2016, Technical Assistance Guide. Pp. 15-16. <https://www2.ed.gov/rschstat/eval/rehab/107-reports/2016/technical-assistance-guide.pdf>

⁶² Federal Fiscal Year 2016, Technical Assistance Report of the On-Site Visit to the Arizona Rehabilitation Services Administration. <https://www2.ed.gov/rschstat/eval/rehab/technical-assistance-summary/fy2016/az.pdf> at p. 21.

⁶³ Federal Fiscal Year 2016, Technical Assistance Report of the On-Site Visit to the Nevada Rehabilitation Division. <https://www2.ed.gov/rschstat/eval/rehab/technical-assistance-summary/fy2016/nv.pdf> at pp. 17-18.

⁶⁴ Federal Fiscal Year 2016, Technical Assistance Report of the On-Site Visit to the Oklahoma Department of Rehabilitation Services. <https://www2.ed.gov/rschstat/eval/rehab/technical-assistance-summary/fy2016/ok.pdf> at p. 15

⁶⁵ 81 Fed. Reg. 161 (August 19, 2016) at 55703. “When tracking expenditures incurred for the provision of pre-employment transition services, DSUs may need to develop a cost objective (i.e., a separate accounting code) that is different from the one used for other VR program cost allocation purposes, thereby enabling DSUs to track pre-employment transition services expenditures properly with the reserved funds. Similarly, DSUs should account for personnel time to ensure the proper allocation of staff time between the provision of pre-employment transition services and other vocational rehabilitation services, just as the DSU does when its personnel work on multiple programs.”

⁶⁶ Overview and Discussion of Federal Fiscal Regulations, November 2016, U.S. Department of Education Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration. <https://www2.ed.gov/about/offices/list/osers/rsa/publications/csavr-2016-fiscal-regulations.pdf>

⁶⁷ Pre-Employment Transition Services Expenditures, Technical Assistance Audio Program Transcript August 11, 2017 at <https://ncrtm.ed.gov/Download.aspx?type=doc&id=4362>

⁶⁸ Id.

⁶⁹ 29 U.S.C. § 710 (a).

⁷⁰ 29 U.S.C. § 710 (c).

⁷¹ 29 U.S.C. § 721(a)(10)(B).

⁷² 29 U.S.C. § 721(a)(10)(C)(ii)(V).

⁷³ 81 Fed. Reg 161 (August 19,2016) at 55696.

⁷⁴ 29 U.S.C. § 710 (d).

⁷⁵ Interview with Carol Dobak on May 23, 2017.

⁷⁶ Pub. L. 113–128, title V, §506 (a) (Except as otherwise provided in this Act, this Act , including the amendments made by this Act, shall take effect on the first day of the first full program year after the date of enactment of this Act [July 22, 2014]....The first full program year after the date of enactment of Pub. L. 113–128, referred to in section 506 of Pub. L. 113–128, set out above, begins on July 1, 2015.

⁷⁷

⁷⁸ It is important to note that even if RSA completes an annual report, the U.S. Department of Education has not fulfilled its obligation to release RSA’s Annual Reports. According to the U.S. Department of Education website, RSA Annual Reports for 2014, 2015, and 2016 remain “under review,” meaning that they have not been submitted to Congress within 180 days of the end of each fiscal year as required by law.

⁷⁹ 81 Fed. Reg. 161 (August 19,2016) at 55696.

⁸⁰ No response was given by Kansas or Missouri (Blind).

⁸¹ 20 U.S.C. § 1418 (a)(1)(A)(i).

⁸² Department of Education, Rehabilitation Services and Disability Research, Fiscal Year 2017 Budget Request <https://www2.ed.gov/about/overview/budget/budget17/justifications/i-rehab.pdf>

⁸³ 34 C.F.R. § 361.36. <https://www.law.cornell.edu/cfr/text/34/361.36>

⁸⁴ The Rehabilitation Act: Outcomes for Transition Age Youth. National Council on Disability, October 28, 2008.

⁸⁵ 34 C.F.R. § 361.5(c)(56). Transportation means travel and related expenses that are necessary to enable an applicant or eligible individual to participate in a vocational rehabilitation service, including expenses for training in the use of public transportation vehicles and systems.

⁸⁶ Mind the skills gap. The current state of the American workforce and how it must evolve to lead the global economy of the future. Adecco (2014).

<http://pages.adeccousa.com/rs/adeccousa/images/2014-mind-the-skills-gap.pdf>

⁸⁷ Employer Perspectives on Soft Skills, 2014 Survey Report. Washington State Human Resources Council, Affiliate of the Society for Human Resource Management.

<http://www.seattlejobsinitiative.com/wp-content/uploads/Soft-Skill-Survey-Rpt-Sum-of-Findings-032515.pdf>

⁸⁸ State plans were submitted in March 2016 and are located at

<https://www2.ed.gov/about/offices/list/osers/ras/wioa/state-plans/index.html>

⁸⁹ Center for Advanced Research and Technology (CART). (2011). Model for success: CART's Linked Learning program increases college enrollment. Clovis, CA: Author.

⁹⁰ Colley, D. A., & Jamison, D. (1998). Post school results for youth with disabilities: Key indicators and policy implications. Career Development for Exceptional Individuals, 21, 145-160.

⁹¹ Work-Based Learning, An Employer's Guide. P. 3. Change the Equation (2015).

<http://changetheequation.org/sites/default/files/Guide%20to%20Work-based%20Learning.pdf>

⁹² Id. at pp. 4-5.

⁹³ <http://www.wintac.org/topic-areas/pre-employment-transition-services/faqs#q17>

⁹⁴ 81 Fed. Reg. 161 (August 19, 2016) at 55691.

⁹⁵ Id. At 55692.

⁹⁶ RSA Webinar, New FY 2015 Grant Award Notification Attachments, Pre-employment transition services, Supported Employment, & Maintenance of Effort. October 7, 2014 at slide 16.

⁹⁷ Id. at slide 17.

⁹⁸ Id. at slide 18.

⁹⁹ 81 Fed. Reg. 161 (August 19, 2016) at 55686.