



# RSA Pre-ETS Findings: What Now?

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# Definitions

RSA – Rehabilitation Services Administration. VR's governing body at the federal level.

VR – Vocational Rehabilitation

Potentially Eligible – Student is age 14-21 with documented disability; has not yet applied for VR

In Plan – Youth found eligible for VR and has an Individual Plan for Employment

Duplication of Service – When VR is paying for something required by IDEA

Policy – VR policy which must be reviewed and approved by RSA

TA – Technical Assistance provided by the National Technical Assistance Center on Transition: The Collaborative

# Internal Controls

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

# Pre-ETS

The arrangement or provision of:

1. Self-Advocacy
2. Work Based Learning Experiences (WBLE)
3. Job Readiness
4. Counseling in Post-Secondary Options
5. Employment Readiness

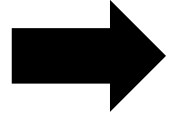
# What are Pre-ETS?

## Pre- Employment Transition Services

- The earliest set of services for students with disabilities eligible or potentially eligible for VR
  - Age 14-21, enrolled in secondary or post-secondary school
- Short term in nature to help identify career interests
- Specific set of five required activities
- States must set aside 15% of their federal funds to provide and coordinate Pre-ETS

# YTP Currently Covers all VR Youth Services

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1. PRE-ETS (THE FUTURE OF YTP IS HERE)

2. TRANSITION SERVICES

3. EMPLOYMENT SERVICES

# Pre-Employment Transition Services: Background

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YTP started in 1990 as a grant to YTP sites, and has been operated as a grant ever since.

VR starts offering Pre-ETS in 2015 with little federal guidance on how to provide and fund these services.

WIOA reauthorized in 2014. VR was required to offer Pre-Employment Transition Services (Pre-ETS.)

2023: RSA informs VR it needs to treat YTP as a contract, not a grant. Different rules apply to grants.

# YTP Contract Models: A Brief History



## Grant

This much more flexible model is how YTP originated



## Fixed Fee / Reimbursement Contract

Total budget divided by 8, VR did not request financial back up for expenditures



## Real Cost Reimbursement Contract

Current status  
Reimbursements are based on actual expenses. VR collects time and expense reports to verify costs.



# RSA report: Background

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RSA reviewed years 2018 – 2020, including contracts that started in 2016 and 2017.

Some of the findings we started addressing with 2021-23 contract amendments.

Six findings relate to YTP that require corrective action.

# Summary of RSA findings

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- VR wasn't authorizing, documenting or reporting type of service provided and VR status for each student.
- VR wasn't using a rate methodology to pay for contracted Pre-ETS providers including YTP transition specialists.
- VR used the wrong pot of money (Pre-ETS) for some services, including administrative services.
- VR wasn't requiring YTP contractors to account for their time.

# Corrective Actions

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## The report requires six corrective actions:

1. Immediately cease using Pre-ETS funds for the provision of any Pre-ETS until all corrections are made and approved by RSA.
2. Revise written policies that govern the manner in which VR sets fees for payment of services.
3. Develop and implement written internal controls and mechanisms to allow VR to track the services purchased and provided for each student.
4. Amend and revise contracts to ensure all Pre-ETS are provided in accordance with federal law.
5. Within contracts, include requirements for tracking expenditures per service, per student.
6. Develop methods of tracking administrative costs to ensure they are appropriate and allowable.

# 1. Cease Use of Pre-ETS Funds

- VR is using other federal dollars to pay for the current YTP contracts that end this month (June 2023) as well as the 2023-2024 extensions.
- We will only be able to use Pre-ETS again once brand-new RSA approved contracts are in place.
- VR is still required to spend 15% of our federal dollars on Pre-ETS. If we don't our overall budget shrinks in future years.
- We are aiming for October 1 of 2023 to have new contracts in place. At that point all 2023-2024 extensions will be terminated.

## 2. Fees and Rates

- New contracts won't be able to pay salary and benefits that are based on your collective bargaining agreements.
- Reimbursable rates will be based on policy and will be more standardized across the state.
- VR must justify reasonableness of rates.
- Some districts will benefit from this, and others may need to assume more of the cost.
- We have examples from other states to show you shortly.
- VR's goal in this endeavor is to pay fairly and in line with other like-services while keeping the option for YTP open to as many students as possible.

## 3. Tracking of Services

- On the front end, each service to each student will need to be pre-approved by an employee of Vocational Rehabilitation.
- This process is called Verification and Authorization.
- VR Youth Team members will do this for students who are not yet in plan. VRCs will do this for students who are eligible for VR.
- On the back end, evidence of completion of each service will need to be submitted and align with what was approved.
- Only then will VR be able to pay for the service.

## 4. Revise Contracts

- Amending is not an option based on our original procurement from 2019.
- We will need new contracts with each site that ensure the provision of Pre-ETS is in accordance with federal law.
- One large piece of this will be defining how Pre-ETS are not a duplication of IDEA services. RSA said they were unable to determine whether or not our YTP contracts were a duplication of service, and that VR needs policy and internal controls to ensure this is not happening.
- VR is receiving Technical Assistance on this and does not yet have this defined.

## 5. Expenditures

- Contracts and payment practices will need to be able to show:
  - Which student?
  - Which Pre-ETS or other VR service?
  - Was the student Potentially Eligible for VR?
  - Was the student eligible and in Plan with VR?
  - How much time and how many dollars for each of these?



## 6. Administrative Costs

Must be:

- Reasonable: Rates are consistent and justifiable
- Allowable: The federal dollars being used for payment allow this expense
- Allocable: It is something VR is able to delegate
- Necessary: Required for the provision of the service

VR policy, approved by RSA, will be determining this.

Indirect is no longer allowable unless districts can provide the exhaustive list of what indirect pays for, and VR can determine these are allowable expenses.

# How will new contracts be different?

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- They will run on the federal fiscal year: October through September.
- They may only be for the provision of Pre-ETS, if so would only be for students enrolled in a secondary or post-secondary school, ages 14-21.
- There may be caps on allowable costs for materials and supplies
- VR staff will need to verify and authorize each service provided to each student before the service is provided and before VR renders payment. VR must retain documentation of these actions.

# How will new contracts be different?

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- Contracts can no longer pay for salary and benefits without the associated time being directly linked to the provision of service. In other words, for contracting, VR can only pay for services, not for people or FTE. As such, our contracts will either be switching to a fee-for-service model or a cost-per-student model.
- Contracts will no longer allow districts to spend down extra dollars for anything other than the direct provision of Pre-ETS.
- Potentially there will not be a requirement for matching funds from the school district to have a YTP Contract.

# Most Common Questions

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Q: Do YTP teams stop spending now?

A: No

Q: Is there money to fund YTP beginning July 1? Summer RFA?

A: Yes

Q: Is there money to cover the entire 2023-2024 contract if needed?

A: Yes

Q: Can districts choose to opt out of YTP when new contracts are developed?

A: Yes, but we don't want you to!

Q: When are we aiming to have new contracts in place?

A: October 1, 2023

Q: What will the rate be?

A: TBD

# Rates

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- VR cannot pay for salary and benefits.
- VR can pay for services.
- Who provides services? People.
- In order to forecast a budget, salary and benefits must be translated into per-student and/or per-service cost.
- For YTP, VR is first exploring a fee for hours of service for Pre-ETS model.
- Our new contracts would identify.
  1. **A minimum number of students,**
  2. **a maximum number of hours,**
  3. **an overall Not To Exceed budget.**

# Rates

## Two approaches:

- Travel, lodging, materials as own line item
  - Texas (\$30 / hr)
  - Washington (\$55 / hr)
- Travel, lodging, materials included in overall rate
  - Pennsylvania (50 / hr)
  - Ohio (67 / hr)

Districts can begin to project expected reimbursements using the following formula:

# hours per week x rate x weeks per year

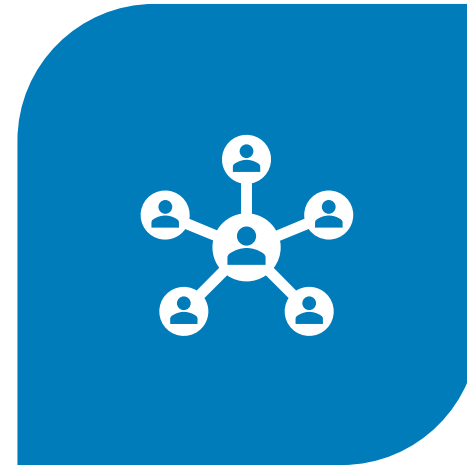
Example:  $30 \times 50 \times 46 = \$69,000$

# The good news

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We have already started this work.



We have a strong support network.

# Where we are now

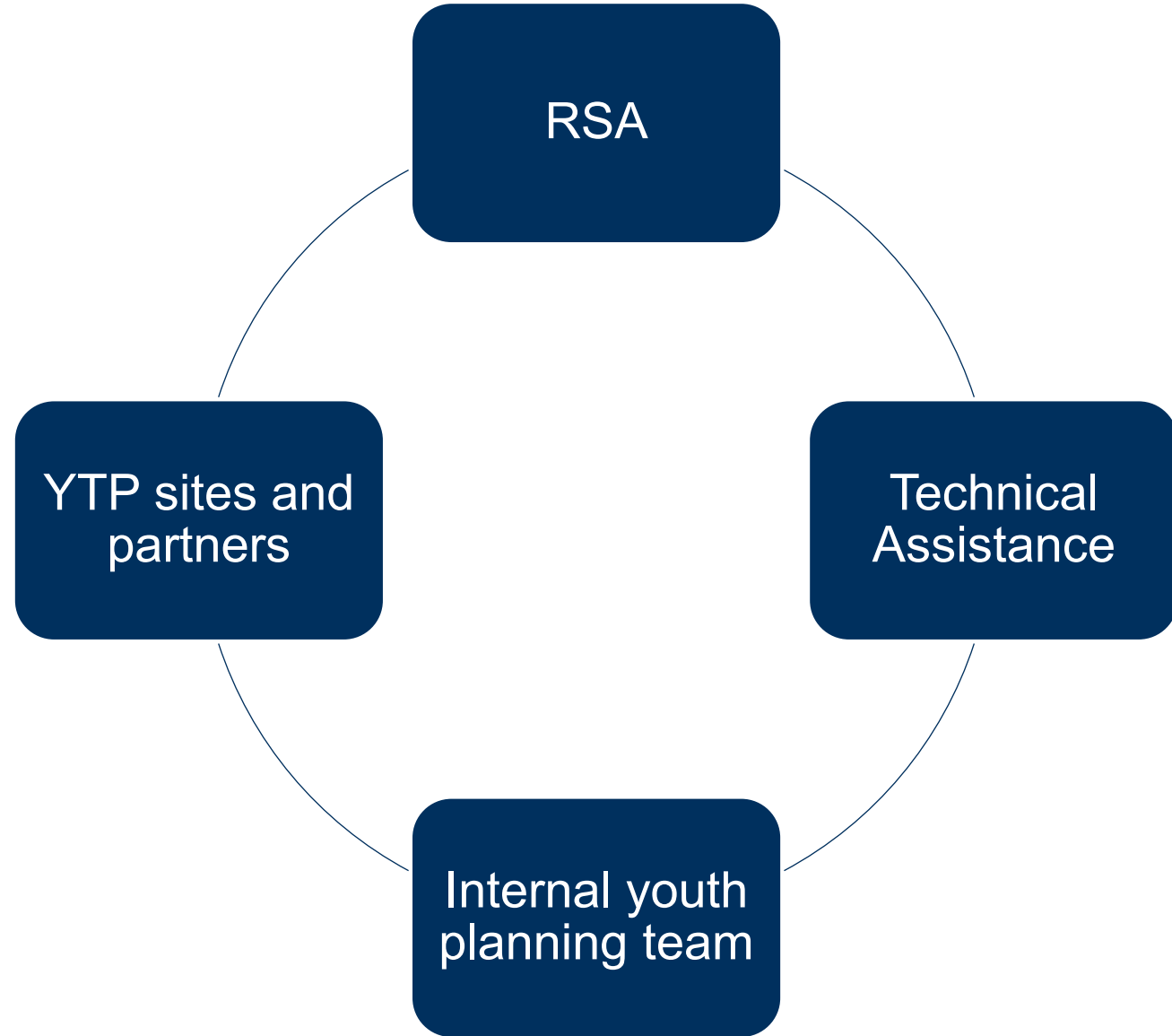
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## The following actions are underway:

- Transfer of contractual authority from UO to VR
- Adoption of Alliance vendor portal
- Internal control for verification and authorization of Pre-ETS is already used internally, with TTAN and RFA contracts.
- Communications to all YTP sites have been sent
- Q & A forums for YTP sites are scheduled for:
  - YTP Community of Practice: June 12, 2 - 3 p.m. (virtual)
  - YTP Admin / Business Community of Practice: June 26, 11 a.m. - noon (virtual)



# Next steps: Our strategy



# Internal Youth Planning Team: who will be represented

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- Youth Manager
- Branch Manger
- Direct Services Manager
- Fiscal / Contracts
- Training Manager
- VRC
- Workforce Manager
- Youth Team

- OEMS
- HSA
- ICAP
- ORCA
- Policy
- SRC

\*\*Additional work groups as needed



# Next steps: Build external advisory team

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To be composed of one from each VR region:

- YTP Transition Specialist
- YTP Administrator
- YTP Business Office Representative
- Non-YTP RFA Contract Representative

VR will be outreaching to specific people in order to ensure balance of district size, perspective, and location as well as depth of understanding of YTP and Pre-ETS.



# Our process

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Technical Assistance

Update policies

Write internal controls

Review with RSA

Plan and provide trainings



# Communication and Connection Options

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- For YTP Administrators and Business Office June 26, 11 a.m. – noon.
- YTP Office Hours – for all YTP contracted partners every Monday noon – 12:30 p.m. and Wednesday 3:00 – 3:30 p.m.



Questions