



PRE-EMPLOYMENT TRANSITION SERVICES RESERVE: REQUIRED and COORDINATION ACTIVITIES SET-ASIDE DETERMINATION

The following process is offered as a method for State VR agencies to determine whether an agency has met the requirement to reserve the pre-employment transition services funds required to meet the needs of all students with disabilities needing pre-employment transition services required and coordination activities, and to determine if an agency may pay for any authorized pre-employment transition services activities from the reserved funds. Because grantees are required to expend funds reserved for pre-employment transition services in a specific manner, grantees must have internal controls that ensure the requirements are met (2 C.F.R. § 200.61). Therefore, the State's processes should be well documented and include the reasons for selection of the data elements used. Documentation should be maintained in order to demonstrate the agency has met the requirement for the provision of pre-employment transition services required and coordination activities before assigning authorized pre-employment transition services to reserved funds.

- I. Determine the total number of "students with disabilities" in the State which includes those students eligible for the VR program as well as those "potentially eligible" students with disabilities.
 - A. The State Education Agency (SEA) is often the best source of this information. Many VR agencies ask their SEA for the number of students in Special Education in the State between the age range identified under the Individuals with Disabilities Education Act (IDEA) in the State.
 - B. It has been difficult for some VR agencies to gather reliable data on the number of students served under Section 504 of the Rehabilitation Act. If the data is not available, the VR agency may need to work with Local Education Agencies (LEA) to develop estimates that can be used for purposes of this process.
- II. Determine the number of students with disabilities in the State that need pre-employment transition services required and coordination activities, including those currently receiving such services. Clearly document the basis for any reduction in the number of students with disabilities the agency is required to make required pre-employment transition services available to (Step I) based upon need. *Any reductions based upon a determination that the provision of required pre-employment transition services activities is not needed must be clearly supported by reliable data.*

Example 1- An agency is making all needed pre-employment transition services available through 40 LEAs. The total number of students with disabilities served by the LEAs is 2,300. Additionally, the agency knows the number of students being provided pre-employment transition services and the type of services they are receiving because of the required RSA-911 reporting. Therefore, the agency can



estimate the number of students with disabilities that will need pre-employment transition services. If the data indicates that, on average, 10 percent of the students with disabilities offered¹ required pre-employment transition services activities do not accept such services, the State could reduce the number of students with disabilities identified in Step III by 10 percent.

Example 2 – A VR agency could disaggregate the determination of need further by adjusting for specific pre-employment transition service. A LEA makes available two of the five required pre-employment transition services to students with disabilities. The State could not remove these students with disabilities as having their required pre-employment transition services needs met because the VR agency is responsible for making the remaining three required pre-employment transition services activities available to the students with disabilities, in the event the services are needed. However, the VR agency could reduce the number of students in need of the two required pre-employment transition services because those services are already being made available through the LEAs.

The need for pre-employment transition services required and coordination activities, as determined in this step, should be described in the most recent comprehensive statewide needs assessment (CSNA).

III. Calculate the cost for the provision of pre-employment transition services required and coordination activities. For most agencies, using the average per student cost to the VR program for the provision of pre-employment transition services required and coordination activities will simplify this process. The cost calculation should include, but is not limited to:

- All non-administrative costs for required pre-employment transition services activities provided by VR staff;
- Costs for the provision of required coordination activities;
- Costs for the provision of required pre-employment transition services activities through third-party cooperative arrangements; and
- Costs for the provision of required pre-employment transition services activities through VR contracts with providers/vendors.

Some VR agencies with a small population of students with disabilities may be able to more accurately determine the cost per student for the provision of pre-employment transition services required and coordination activities using data based upon each student's specific needs. Agencies are encouraged to use the most accurate approach available based upon State-specific circumstances and available data. Documentation regarding how the State determined which calculation methodology to use and how it results in the most reliable data must be maintained by the State.

¹ Agencies need to document the manner in which all the required pre-employment transition services are being made available throughout the State.



- IV. Calculate the amount of funds reserved for the provision of pre-employment transition services that must be set aside for the provision of pre-employment transition services required and coordination activities to students with disabilities in need of the services. Multiply the number of students with disabilities that need pre-employment transition services required and coordination activities (Step II) by the average cost per student with disabilities for the provision of pre-employment transition services required and coordination activities (Step III).

- V. Calculate whether the agency's VR funds required to be reserved for the provision of pre-employment transition services are sufficient to make pre-employment transition services required and coordination activities available to all students with disabilities needing such services. Subtract the amount calculated in Step III from the amount of funds the agency is required to reserve for the provision of pre-employment transition services (15 percent of Federal VR allotment). If the result is a negative amount, the agency may not use reserved funds to pay for pre-employment transition services authorized activities. If the result is positive, the agency may be able to use the remaining balance of funds for the provision of pre-employment transition services authorized activities.

The process described above should be updated on a regular basis as additional or more recent or accurate data becomes available. Agencies that charge pre-employment transition services authorized activities to the funds required to be reserved and expended for pre-employment transition services are responsible for ensuring that the available data supports their decision-making process and determination.

PROCESS EXAMPLE:

Step I - Determine the total number of students with disabilities in the State which includes those students eligible for the VR program as well as those "potentially eligible" students with disabilities.

- VR agency determines, based upon reliable data, that there were 10,000 students receiving special education services and 15,000 students being served under Section 504 in the State for the prior year. The total number of students with disabilities is determined to be 25,000.

Step II - Determine the number of students with disabilities in the State that need pre-employment transition services required and coordination activities.

- Based upon verifiable VR agency data (see example 1 above), it is determined that of the students with disabilities offered pre-employment transition services required activities, 10 percent do not receive such services. Therefore, the number in Step II is reduced by 10 percent.

$$25,000 \times .90 = 22,500$$



Step III - Calculate the cost for the provision of pre-employment transition services required and coordination activities.

- Based upon the VR agency's calculation, the average cost for the provision of pre-employment transition services required and coordination activities to a student with disabilities is \$2,200 per year.

Step IV - Calculate the amount of funds reserved for the provision of pre-employment transition services that must be set aside for the provision of pre-employment transition services required and coordination activities for students with disabilities in need of the services.

- $22,500 \times \$2,200 = \$49,500,000$

Step V - Calculate whether the agency's VR funds required to be reserved for the provision of pre-employment transition services are sufficient to make available pre-employment transition services required and coordination activities to all students with disabilities needing such services.

- Agency's annual VR allotment = \$100,000,000
- Amount required to be reserved for pre-employment transition services (15 percent) = \$15,000,000
- Subtract amount calculated in Step IV from amount required to be reserved for pre-employment transition services required and coordination activities
 $\$15,000,000 - \$49,500,000 = (-\$34,500,000)$

Because the final amount is negative, the agency would not be able to assign costs for pre-employment transition services authorized activities to the funds reserved for the provision of pre-employment transition services.