

**Fiscal Year 2007 Monitoring Report on the
Vocational Rehabilitation and Independent
Living Programs in the territory of
American Samoa**



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Executive Summary

The Rehabilitation Services Administration (RSA) reviewed the performance of the following programs of the Rehabilitation Act of 1973, as amended (the Act) in the territory of American Samoa (AS):

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

All of the above programs in American Samoa are administered by the Division of Rehabilitation Services (ASDVR).

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

- gathered and reviewed information regarding each programs performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit during the week of May 20-28, 2007, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, identify promising practices and areas for improvement;
- provided technical assistance;
- worked with ASDVR and stakeholders to develop goals, strategies, and evaluation methods to address performance and compliance issues; and
- identified the technical assistance that RSA would provide to help improve program performance.

As a result of the review, RSA:

- identified promising practices;
- identified performance and compliance issues;
- ASDVR developed performance and compliance goals and strategies related to selected issues;
- identified the technical assistance that RSA would provide to assist the agency to achieve the goals identified as a result of the review;
- made recommendations related to issues covered during the review; and
- identified potential issues for further review.

Strengths and Challenges:

ASDVR has a staff who are committed to delivering the best services to individuals with disabilities in American Samoa. The VR and IL counselors exercise great creativity and talent in

maximizing the resources available to them in a way that is culturally appropriate and yet advances the opportunities for individuals with disabilities in the territory.

ASDVR faces substantial challenges in its ability to deliver quality services in a timely manner to consumers with individualized plans for employment. Timeliness of service delivery is a significant problem for the VR and IL programs. In large part this issue is a result of the inability to fully control and manage the financial resources of the grants. Costs are charged to the grant that should not be, and there is no comprehensive annual budget for ASDVR. Service providers are unwilling to work with ASDVR because of the delay in payments, and the program is forced to purchase equipment and services from a very limited number of companies that frequently charge substantial mark-ups.

Introduction

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

In order to fulfill its monitoring responsibilities, RSA:

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

Scope of the Review

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

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

In addition, RSA also reviewed ASDVR's progress on:

- the agency's Corrective Action Plan that was established as a result of findings from RSA's FY 2004 Section 107 monitoring review; and
- the assurances that ASDVR made to RSA in conjunction with its FY 2007 state plan.

Territory of American Samoa Administration of the VR, SE, IL, and OIB Programs

All of the above programs are administered by the American Samoa Division of Rehabilitation Services (ASDVR), which is currently housed under the Department of Human and Social Services. ASDVR is the sole agency providing vocational rehabilitation services in the territory.

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

Appreciation

RSA wishes to express appreciation to the representatives of the Department of Human and Social Services and ASDVR, the State Rehabilitation Council, the Statewide Independent Living Council, and the stakeholders who assisted the RSA monitoring team in the review of ASDVR.

Chapter I: RSA's Review Process

Data Used During the Review

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

Review Process Activities

During the review process RSA's American Samoa state team:

- gathered and reviewed information regarding ASDVR's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit during the week of May 20-28, 2007, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, identify promising practices and areas for improvement;
- provided technical assistance to ASDVR;
- worked with ASDVR to develop goals, strategies, and evaluation methods to address performance and compliance issues;
- made recommendations to related to issues covered during the review;
- identified potential issues for further review; and
- identified the technical assistance that RSA would provide to help ASDVR improve its performance.

RSA American Samoa State Team Review Participants

Members of RSA's American Samoa state team included representatives from each of the five functional units within the State Monitoring and Program Improvement Division. The review team was led by state liaison to the territory, Brian Miller (vocational rehabilitation unit) and the following RSA AS team members: Regina Luster (fiscal unit); Darryl Glover (fiscal unit); Thomas Dolan (technical assistance unit); Pamela Hodge (independent living unit); and Padma Soundararajan, who provided reader services.

Information Gathering

During FY 2007, RSA began its review of ASDVR by analyzing information including, but not limited to, RSA's various data collections, ASDVR's VR and IL state plans, the FY 2004 monitoring report, ASDVR's performance on the standards and indicators, and the FY 2005 annual report. After completing its internal review, the RSA team carried out the following information gathering activities with ASDVR and stakeholders in order to gain a greater understanding of ASDVR's strengths and challenges:

- the RSA state liaison conducted a series of individual teleconferences with the ASDVR management team as well as stakeholders between December 2006 and May 2007;
- The RSA liaison met with the ASDVR administrator at the CSAVR conference in April 2007, to discuss the final monitoring focus areas;
- The RSA conducted an on-site visit to American Samoa from May 20-28, 2007;
- The RSA review team met with the state rehabilitation council (SRC) and the statewide independent living council (SILC) while on-site in Pago Pago;
- The RSA review team met with the client assistance program (CAP) program manager while on-site in Pago Pago;
- The RSA team visited several locations on the island of Tutuila to meet with individual consumers who had been served by the VR and IL programs, with a particular focus on those who achieved a self-employment outcome;
- The RSA review team met with the director of the designated state agency at the beginning and end of the on-site week to provide updates on review findings and activities;
- The state liaison/VR specialist met with the ASDVR VR counselors while on-site to discuss issues concerning the delivery of VR services;
- The RSA VR specialist reviewed service records of individuals served by the older blind formula grant, as well as the VR basic support grant; and
- RSA met with AS budget and procurement officers, as well as the territorial comptroller.

Chapter 2: Vocational Rehabilitation and Supported Employment Programs

Program Organization

The VR program in American Samoa is administered by the Division of Vocational Rehabilitation, which has one main office in Pago Pago, and a satellite office on the islands of Manu'a. From the main office VR counselors provide services across all the islands, including Aunu'u, Tutuila, and Manu'a.

There are approximately 14 full-time staff at ASDVR working for the basic support and supported employment grants, with four VR counselors, plus two employment specialists.

The VR agency is not on an order of selection at this time and is able to serve all eligible individuals in the territory.

Most of the supported employment (SE) services are provided by the VR agency SE specialist. While 63 percent of those individuals who achieved an employment outcome in FY 2006 received supported employment services, there were no individuals who exited the program with a supported employment goal.

**Table 1
FY 2002 through FY 2006 ASDVR VR and SE Program Highlights**

AMERICAN SAMOA	2002	2003	2004	2005	2006
Total funds used	\$784,359	\$786,348	\$786,067	\$947,350	\$0
Individuals served during year	201	205	180	188	246
Applicants	171	133	114	160	188
Closed after receiving services	26	40	19	29	23
Closed with employment outcomes	20	39	18	23	18
Employment outcomes without supports in an integrated setting	7	10	4	7	6
Average cost per individual served	\$3,902.28	\$3,835.84	\$4,367.04	\$5,039.10	\$0.00
Average cost per employment outcome	\$39,217.95	\$20,162.77	\$43,670.39	\$41,189.13	\$0.00
Employment outcomes per \$million spent	25.50	49.60	22.90	24.28	
Competitive employment outcomes per \$million spent	16.57	34.34	19.08	14.78	

AMERICAN SAMOA	2002	2003	2004	2005	2006
Average hourly earnings for paid employment outcomes	\$7.88	\$10.52	\$14.11	\$8.37	\$9.25
Average state hourly earnings					
Average hours worked per week for paid employment outcomes	0.00	0.00	0.00	39.29	36.00
Percent of transition age served to total served	11.54	2.50	5.26	3.45	
Employment rate for transition age served	66.67	100.00	100.00	100.00	
Average time between application and closure (in months) for individuals with successful paid employment outcomes	42.00	22.90	31.20	32.90	29.80
Average number of individuals served per total staff	11.82	10.79	10.00	11.06	

Please note that the above table does not include all of FY 2006 data as ASDVR's RSA-II report was not finalized as of the writing of this monitoring review report.

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

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

- provided feedback to the agency on its need to acquire an electronic case management system;
- met with VR partners at the American Samoa community college to discuss more collaborative efforts; and
- provided input on the FY 2008 state plan attachments.

Effective VR and SE Practices Identified by ASDVR and Stakeholders During the Review Process

RSA's review process solicited input from ASDVR and stakeholders about promising practices. The following promising practices were identified:

1. Utilization of architectural students at the American Samoa Community College (ASCC) for modification projects.

ASDVR has harnessed the architectural studies program at the community college for modification projects under both the VR and IL programs. Students take on as projects the

modifications of homes and worksites, providing valuable experience, and reducing ASDVR's overall costs dramatically. Additionally, given the extremely small number of providers that could otherwise perform this work, this effort ensures that services are provided in a more timely manner.

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

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

- timeliness of services due to procurement and budget office interference;
- expanding procurement options for service provision, instead of relying on local providers who often charge enormous mark-ups for equipment;
- the proper disposition of equipment, and not counting as inventory items purchased for individual consumers; and
- the need for an electronic case management system.

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

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

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

1. Expansion of job training and placement opportunities

Issue: Input from VR counselors and other stakeholders in American Samoa highlighted the significant need to develop more job training and placement opportunities in the territory for clients of VR. Since the closure of the Goodwill store, there are no non-profit private community rehabilitation programs. Currently, the vast majority (three-quarters) of individuals served by ASDVR who achieve an employment outcome have self-employment as their vocational goal. While this may often be an appropriate goal given the social and economic realities of the territory, the lack of job placement and job training opportunities severely limits the range of possibilities for consumers.

Goal: Expand job training and placement opportunities in the territory.

Strategies:

1. Develop employer networks through community outreach efforts.
2. Work more closely with the American Samoa Community College (ASCC) to establish job-training opportunities that are linked to vocational education programs.

3. Work with the Fono (legislature) to establish incentives for employers to hire VR consumers.
4. Identify solutions for transportation problems. For example, contract Aigna buses to take consumers to and from work sites.

2. Strengthen role of the state rehabilitation council (SRC)

Issue: The SRC does not appear to play a significant role in the shaping of the VR agency's goals and priorities as identified in the state plan. Record keeping of meeting minutes, council membership, and information on council activities is very limited. Furthermore, the council has not produced an annual report in years. This makes it very difficult to verify that the SRC is complying with its roles and responsibilities as described in 34 CFR 361.17(h).

Goal: Strengthen the role of the SRC to ensure it carries out its assigned roles and responsibilities.

Strategies:

1. the SRC is required to meet at least quarterly;
2. ensure there is a quorum of voting members at such meetings;
3. keep accurate minutes of all meetings;
4. produce an annual report;
5. provide substantive input to the VR program, including the joint development of goals and priorities, and the triennial comprehensive statewide needs assessment; and
6. conduct annually a consumer satisfaction survey.

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

RSA and ASDVR agreed on the following compliance goals, strategies to achieve these goals, method of evaluation to determine that the compliance issue has been resolved, and technical assistance that RSA will provide to assist ASDVR to achieve each goal. These goals, strategies, and methods of evaluation constitute ASDVR's Corrective Action Plan to address these compliance issues.

3. Timeliness of services

Issue: VR program regulations require that the Individualized Plan for Employment (IPE) be implemented in a timely manner and that it include timelines for the delivery of services (34 CFR 361.45 (a)(2)). ASDVR continues to fail to meet timelines established in IPEs for the delivery of VR services. The RSA liaison/VR program specialist verified this in the service records of individual consumers. The service record review indicated that frequently months and years pass between the implementation of the IPE and the delivery of vital VR services.

The problem appears to lie primarily in the process for issuing purchase orders for services, but other factors also lead to extended delays in the delivery of services including, but not limited to: lack of a clear budget developed by the VR agency; uncertainty about availability of VR basic

support grant funds; the inability of VR counselors and consumers to purchase from a wider range of providers, many of whom will no longer accept purchase orders from VR due to long delays in payment; and the over-reliance on a handful of providers as a result of territorial procurement laws that favor locally owned businesses, which routinely charge exorbitant rates for equipment.

Goal: Establish procedures and practices to ensure that VR services are provided to consumers in a timely manner, and according to the timelines established in the individualized plan for employment (IPE), in accordance with 34 CFR 361.45(a)(2).

Strategies:

1. Establish a yearly budget for the VR program so that VR counselors are fully aware of the resources available for service provision.
2. Clearly identify all available grant funds to facilitate the development of a realistic budget.
3. Streamline the procurement process as much as possible under current territorial law.
4. Explore the option of giving VR counselors more freedom to make direct purchases for clients -- through the use of a purchase/debit card, for example. Any such options would have to include sufficient safeguards, and any purchases would need to be linked directly with the services identified on the IPE.

Method of Evaluation: ASDVR VR supervisor will conduct a service record review of open cases on at least a quarterly basis to monitor the delivery of services identified in the IPE. Issues of service delivery should also be discussed at weekly staff meetings and strategies for improving timeliness must be identified and implemented.

4. Placement of the VR agency

Issue: Grantees are given flexibility to determine what organizational structure will work best for the VR program in their state. Some states choose to use a designated state agency and designated state unit structure, whereas others choose to use only a designated state agency structure. In addition, some states choose to have a separate agency for the blind and others choose to serve all disabilities under one program. American Samoa is not granted the same flexibility. The Rehab Act and the VR regulations specifically require that the governor of American Samoa be the “appropriate state agency” for the VR program (see section 101(a)(2)(A)(iii) of the Act and 34 CFR 361.13(a)(2) of the VR regulations).

ASDVR is currently housed within the Department of Human and Social Services. This is not in compliance with the requirement in Section 101(a)(2) of the Act and 34 CFR 361.13 of the VR regulations, which require that the governor of the territory be the Designated State Agency for the administration of the VR program.

Therefore, the following requirements must be met:

1. Only the governor may sign the State Plan for the VR program since he/she is head of the designated state agency in American Samoa (34 CFR 361.10(a));

2. The State Plan must specify that the governor is the designated State agency for the VR program; (section 101(a)(2)(A)(iii) of the Act and 34 CFR 361.13(a)(2)) and
3. The Division of Vocational Rehabilitation (DVR) must be: primarily concerned with VR, have a full time director, have a staff that works primarily full time on the VR program, and is located at an organizational level/has an organizational structure within the designated State agency that is comparable to other major organizational units of that designated agency.

Goal: ASDVR will be moved from the Department of Human and Social Services and the governor will become the designated state agency before the end of FY 2008.

Strategies:

1. ASDVR, along with the DHSS director, and the governor of the territory shall draft and implement a plan transferring of the VR agency.
2. The governor shall establish the VR agency under his or her office, and ensure that DVR has equivalent status as other agencies under the governor.
3. Identify resources of the governor's office that DVR may utilize, such as budget and procurement processing services, and other administrative supports in accordance with the requirements of 34 CFR 361.13.

Method of evaluation: ASDVR will report to RSA on a quarterly basis on the progress toward establishing the agency under the governor's office. The state plan will reflect the new designated state agency, and the governor will sign the plan.

All of this shall be completed no later than September 30, 2008.

Recommendations

RSA recommends that ASDVR develop goals and strategies to further strengthen its policy related to the achievement of a homemaker outcome. The RSA liaison/VR program specialist met with VR counselors as well as the DVR administrator while on-site in Pago Pago to discuss policies and practices with respect to individuals who have homemaker as their vocational goal. Until recently, DVR very strongly discouraged counselors from allowing homemaker as a vocational goal. However, the counselors felt that this was, in some cases, a legitimate vocational outcome, especially given the context of island culture.

ASDVR recently revised its homemaker policy in order to assist counselors in assessing when this was a suitable vocational outcome. RSA supports the concern of the ASDVR administrator to strongly focus on competitive placements, while at the same time recognizing that homemaker is an allowable vocational outcome under the basic support program when appropriate for the individual.

Additionally, the RSA VR program specialist suggested strengthening the policy even further by delineating the exact functions of a homemaker (e.g., financial management, child care, freeing up another individual to earn income outside the home).

Chapter 3: Fiscal Review of the VR Program

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

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

Table 2
Fiscal Data for ASDVR for FY 2002 through FY 2006

Fiscal Year	American Samoa (C)				
	2002	2003	2004	2005	2006
Grant Amount	817,517	738,967	738,967	867,728	891,016
Required Match	221,259	200,000	200,000	234,849	241,152
Federal Expenditures	736,699	738,967	738,967	867,728	891,016
Actual Match	0	0	0	34,849	35,784
Over (Under) Match	(221,259)	(200,000)	(200,000)	(200,000)	(205,368)
Carryover	80,818	0	0	0	0
Program Income	0	0	0	0	0
Maintenance of Effort (MOE)	23,392	31,886	0	0	0
Administrative Costs	180,403	180,860	243,681	312,625	83,448
Total Expenditures	784,359	786,348	786,067	947,350	700,360
Percent Admin Costs to Total Expenditures	23.00%	23.00%	31.00%	33.00%	11.92%

Explanations Applicable to the Fiscal Profile Table

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

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

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

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

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

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

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

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

outlined in 34 CFR 361.62(a)(1). The match and maintenance of effort requirements are two separate requirements. Each must be met by the state.

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

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

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

RSA provided technical assistance related to the financial management of the programs by:

- Providing a synopsis of each requirement and reviewed with financial staff RSA's assessment of the agency's compliance with specific financial requirements – match, maintenance of effort (MOE), carryover, reallotment, program income, liquidation of outstanding obligations and grant closeout.
- Discussing with staff ASDVR's FY 2007 match requirement, \$50,194, and the challenges faced in providing sufficient match to utilize the entire federal VR program allotment each year. Also discussed the possibility of claiming a use allowance for the space occupied by VR staff in two buildings owned by the government of American Samoa. While this is a typical allowable charge to federal grant programs, documentation to substantiate the original cost and source of construction funding was not available to determine the appropriate charge to the VR program. Absent such documentation, and further examination to ensure compliance with the requirements in OMB Circular A-87, a use allowance charge would be a questionable source of match for the VR program.
- Discussing the reallotment process and ASDVR's responsibility to release federal funds through this process that cannot be matched in any fiscal year. If ASDVR cannot expend or obligate sufficient match on or before September 30, 2007, \$185,457 in VR program grant funds should be released in FY 2007.
- Reviewing reporting requirements (including due dates) for all formula grant programs. Provided technical assistance related to the use of RSA's Management Information System. Began review of reported information, which was halted after reporting inaccuracies surfaced.
- Reviewing administrative costs charged to the VR program that are three times higher than national averages for such costs charged by all VR agencies and combined VR agencies. The review disclosed that rent for ASDVR's offices in Manua and Ofu/Olosega are charged to administrative costs, rather than counseling, guidance and placement. This provides a partial explanation of ASDVR's extremely high administrative costs.

- Discussing issues/obstacles related to consumer purchases and a number of delays related to the high cost and time required to obtain goods and services off-island. Others relate to the reluctance of vendors to provide goods or services to the Government of American Samoa unless they are paid for in advance.

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

1. Match

Issue: Shortfall in state matching funds. ASDVR is unable to match its entire VR program federal allotment each fiscal year.

Goal: To obtain full match for each federal fiscal year.

Strategies:

1. Continue to explore options/strategies to obtain sufficient match for each fiscal year. As a beginning step, obtain documentation to support charging a use allowance for space occupied by VR staff in two buildings on Pago Pago.
2. Determine the actions to be taken (including timetables) to obtain matching funds from the government of American Samoa.

2. VR program financial accountability

Issue: Financial Status Reports (SF-269s) and Annual Vocational Rehabilitation Program/Cost Reports (RSA-2s) have longstanding issues related to the accuracy and timely submission of both reports.

Goal: Ensure the accuracy and timely submission of SF-269 and RSA-2 reports.

Strategies:

1. Assign responsibilities for the preparation, review and approval of all required SF-269's and the RSA-2 report.
2. In coordination with RSA, complete a listing of all outstanding reports.
3. Identify and remove impediments to the timely and accurate submission of required reports.
4. Submit missing reports, along with any supporting documentation requested by RSA necessary to review the accuracy of reported information.
1. Establish internal policies and procedures to ensure the accurate and timely submission of required reports.

VR and SE Fiscal Compliance Issues, Goals, Strategies, Methods of Evaluation, and Technical Assistance

3. Reconstruction of VR program expenditures

Issue: A limited review of VR program expenditures disclosed that the Government of American Samoa has used VR program funds for expenses that are not allocable or allowable charges against this program. An example of this is the charging of the salaries and accrued leave for a number of non-VR employees in September 2005. This appears to be a common practice if one federal program runs out of money and funds are available in another program. Funds were so tangled that RSA could not determine the accuracy of financial reports submitted (or prepared) for the VR program.

In accordance with Education Department General Administrative Regulations, 34 CFR 80.20(a), "Fiscal control and accounting procedures must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes."

Goals:

1. ASDVR must reconstruct all program expenditures for FYs 2003, 2004, 2005, 2006 and 2007, and revised Financial Status Reports submitted to RSA within 90 days. These reports must reflect the correct (accurate) charges against the VR program for each fiscal year. In addition, documentation must be provided to RSA to support the charges claimed for each fiscal year. Upon review and acceptance, RSA will determine the extent to which VR program funds have been misspent and the harm, if any, to the federal government.
2. Develop policies, procedures and appropriate internal controls to ensure that grant funds are expended only in accordance with federal requirements and reports are submitted within the timeframes prescribed by RSA.

Strategies:

1. Devise a methodology to reconstruct expenditures for FYs 2003, 2004, 2005, 2006, and 2007.
2. Meet with RSA to obtain approval of the reconstruction methodology and determine the supporting documentation that must be submitted to obtain approval of revised Financial Status Reports.
3. Submit revised Financial Status Reports and supporting documentation in accordance with established timetables.

Method of Evaluation: SA will review and approve reconstructed expenditures and revised reports.

Technical Assistance: RSA will be available throughout the reconstruction process to provide technical assistance to ensure that all federal requirements and the goal are met.

VR and SE Issues for Further Review

Throughout FY 2008, RSA will continue the monitoring review of ASDVR, focusing on the following:

- Administrative costs –ensuring the appropriate classification and reporting of costs on the RSA-2 Report.
- Budget development – Understanding the process used by ASDVR to develop overall budget.
- Procurement – Examine reasons for delays and cost efficiency of process.
- Indirect cost proposal – determine status of Indirect Cost Negotiation Agreement for FY 2004, 2005, 2006 and 2007. (Approved agreement for FY 2003 was dated May 2, 2006).
- Time distribution – Ensure that time distribution documentation requirements are met and in compliance with the OMB Circular A-87 semi-annual certification requirement applicable to all staff charged 100 percent to any federal grant program.

Chapter 4: The Independent Living (IL) Program

Program Organization

Independent living services in American Samoa are provided directly by ASDVR staff under the supervision of Ester Pelefoti-Solaita. All Title VI funds, including the OIB grant, are administered by ASDVR.

Table 3
FY 2005 and FY 2006 ASDVR IL Program Highlights

	Amounts of Funding
Part B Funds	27,953
Older Blind	40,000
Other Federal Funds	0
State Funds	0
Local Government	0
Private/Other Funds	0
Total	67,953

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

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

- provided training materials for independent living staff, including regulations, guidance on the role of the SILC and DSU in delivering IL services;
- provided guidance on preparing the state plan for independent living; and
- met with IL counselors to discuss issues related to delivering IL services on the island.

Effective IL Practices Identified by ASDVR and Stakeholders During the Review Process

RSA's review process solicited input from ASDVR and stakeholders about promising practices. As described in the VR chapter of this report, ASDVR has collaborated with the American Samoa Community College (ASCC) architectural vocational program to recruit students to modify homes or workplaces as school projects/internships. This speeds the delivery of services and alleviates the lack of contract services, as well as being cost effective.

Issues Identified by ASDVR and Stakeholders During the Review Process

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

- the timely delivery of IL services;
- lack of accessible public transportation on the island; and
- the dearth of contractors who can modify homes or workplaces for accessibility.

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

IL Performance Issues, Goals, Strategies, and Technical Assistance

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

1. Strengthen the role the statewide independent living council (SILC)

Issue: The statewide independent living council (SILC) in American Samoa must play a larger role in ensuring the implementation of the state plan for independent living.

The RSA liaison met with the American Samoa SILC while on-site in Pago Pago. During discussions with the present members, it became clear that the council had little input into the development of the SPIL goals and priorities. Members were also unaware of the need for the requirement of development of a resource plan. There appeared to be an over-reliance on the DSU IL supervisor to draft the SPIL in its entirety, rather than it being jointly developed with the SILC.

Council members also expressed a desire to have more training on the roles and responsibilities of the council. Understanding of the function of the SILC appears limited, based on the views expressed by members during the on-site meeting.

Goal: Strengthen the role of the SILC in the implementation of the SPIL.

Strategies:

1. Disseminate the training materials provided to the SILC by RSA while on-site in Pago Pago.
2. Dedicate time during SILC meetings to utilize and discuss the training materials, emphasizing the roles and responsibilities of the SILC.
3. The DSU must ensure that the SILC is actively involved in the development of the goals and priorities for independent living services in the territory.

Technical Assistance:

RSA will provide any technical assistance requested by the independent living unit of ASDVR to facilitate the implementation of this goal.

IL Compliance Issues, Goals, Strategies, Methods of Evaluation, and Technical Assistance

RSA and ASDVR agreed on the following IL compliance goals, strategies to achieve those goals, method of evaluation to determine that the compliance issue has been resolved, and technical assistance that RSA would provide to assist ASDVR achieve each goal.

Chapter 5: The Independent Living for Older Individuals who are Blind (OIB) Program

Program Organization

The independent living formula grant for older individuals who are blind (OIB) is administered by ASDVR, and directed by Mr. Uaea Satele. American Samoa currently receives only the minimum allotment under Title VI Part C chapter II, of \$40,000. All OIB services are provided directly by ASDVR and the program manager, Mr. Satele.

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

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

- reviewed service records of individuals receiving services under this program;
- discussed the need to facilitate the establishment of consumer-driven advocacy and support groups of the blind on the island;
- discussed strategies of maximizing the extremely limited grant resources; and
- explored options for solving the issue of the desperate need for transportation of consumers to OIB activities and training.

OIB Issues Identified by ASDVR and Stakeholders During the Review Process

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

- no public transportation;
- lack of service providers on the island;
- the need for consumer driven advocacy on the island; and
- the need for greater resources to strengthen the grant.

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

OIB Performance Issues, Goals, Strategies, and Technical Assistance

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

1. Consumer advocacy

Issue: The OIB program in American Samoa has long had as its goal the establishment of a consumer-based advocacy and support group of the blind on the island. To date, this has not

been accomplished. The current program manager for the OIB grant, has a strong background in consumer advocacy, and has made the establishment of such a group a top priority. Given the extremely limited resources of the grant, the greater involvement on the part of consumers, the more effective the program will be.

The OIB program should foster the establishment of a consumer group, but it should then quickly step back to allow consumers the opportunity to independently express their will.

Goal: Foster the establishment of a consumer-driven advocacy and support group of the blind in American Samoa.

Strategies:

1. conduct a survey of the blind population on the island to discern the level of interest in a consumer group, and determine the kinds of issues that are of greatest priority;
2. identify the kinds of resources needed to establish such a group and the sources of support;
3. establish support networks with older blind programs in other states and territories to share promising practices; and
4. consult consumer advocacy groups such as the National Federation of the Blind and the American Council of the Blind for suggestions about how to organize support groups of the blind. These groups each have affiliates in Hawaii, which could be of substantial assistance.

2. Collaboration with Ho’opono

Issue: The OIB program in American Samoa receives only the minimum allotment of \$40,000 under this formula grant. After factoring in administrative costs, there is very little money to provide direct services to individuals who need them. The Ho’opono training center for the blind in Honolulu, Hawaii can be a valuable partner in bridging gaps in services, providing staff training, and technical assistance that is sensitive to the unique cultural dynamics of the Pacific islands.

Mr. Satele, the OIB program manager in American Samoa, is a graduate of Ho’opono, and is familiar with their programs, methodologies, and staff. This will facilitate the development of a solid partnership with Ho’opono.

Goal: Strengthen collaborative working relations with the Ho’opono training center for the blind in Honolulu, Hawaii.

Strategies:

1. Identify the kinds of services and technical assistance needs that Ho’opono may be able to provide.
2. Identify a liaison in Hawaii with whom ASDVR can routinely communicate needs, interests, and resource ideas.

Chapter 6: Progress on Issues Raised in Previous Reviews

As a result of the RSA review conducted with ASDVR in FY 2004, the agency developed a Corrective Action Plan (CAP).

Corrective Action Plan

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

- clarifications on VR service provision policies to alleviate confusion about possible limits on services;
- service record documentation issues, including verification of disability for eligibility determination, IPE development, and delivery of VR services;
- time standard for IPE development; and
- clarification of the self-employment policy.

Chapter 7: Summary Conclusion

ASDVR has a staff who are committed to delivering the best services to individuals with disabilities in American Samoa. The VR and IL counselors exercise great creativity and talent in maximizing the resources available to them in a way that is culturally appropriate and yet advances the opportunities for individuals with disabilities in the territory.

Nevertheless, ASDVR faces substantial challenges in its ability to deliver quality services in a timely manner to consumers with individualized plans for employment. Timeliness of service delivery is a significant problem for the VR and IL programs. In large part this issue is a result of the inability to fully control and manage the financial resources of the grants. Costs are charged to the grant that should not be, and there is no comprehensive annual budget for ASDVR. Service providers are unwilling to work with ASDVR because of the delay in payments, and the program is forced to purchase equipment and services from a very limited number of companies that frequently charge substantial mark-ups.

ASDVR must gain greater control over the fiscal management of its grants in order to effectively provide the services and to be compliant with the requirements of the Act and regulations.

RSA will provide the necessary support and technical assistance as ASDVR moves from the DHSS to the office of the governor, and begins the process of rectifying its accounts and financial statements.

Table 4 summarizes the results of RSA’s review.

Table 4

Agency: ASDVR		
Program: VR		
Goal	Strategies	Technical Assistance
1. Expand job training and placement opportunities in the territory.	1. Develop employer networks through community outreach efforts. 2. Work more closely with the American Samoa Community College (ASCC) to establish job training opportunities that are linked to vocational education programs. 3. Work with the Fono (legislature) to establish incentives for employers to hire VR consumers. 4. Identify solutions for transportation problems -- for example, contract Aigna buses	RSA will provide any technical assistance necessary to facilitate the implementation of this goal.

	to take consumers to and from work sites.	
2. Strengthen the role of the state rehabilitation council (SRC) to ensure it carries out its assigned roles and responsibilities.	<ol style="list-style-type: none"> 1. The council must meet at least quarterly; 2. Ensure there is a quorum of voting members at such meetings; 3. Keep accurate minutes of all meetings; 4. Produce an annual report; 5. Provide substantive input to the VR program, including the joint development of goals and priorities, and the conduct of a triennial comprehensive needs assessment; and 6. Conduct annually a consumer satisfaction survey. 	RSA will provide whatever necessary technical assistance to ensure the implementation of the above goal.
3. Establish procedures and practices to ensure that VR services are provided to consumers in a timely manner, and according to the timelines established in the individualized plan for employment (IPE), in accordance with 34 CFR 361.45(a)(2).	<ol style="list-style-type: none"> 1. Establish a yearly budget for the VR program so that VR counselors are fully aware of the resources available for service provision. 2. Clearly identify all available grant funds to facilitate the development of a realistic budget. 3. Streamline the procurement process as much as possible under current territorial law. 4. Explore the option of giving VR counselors more freedom to make direct purchases for clients -- through the use of a purchase/debit card, for example. Any such options would have to include sufficient safeguards, and any purchases would need to be linked directly with the services identified on the IPE. 	RSA will provide whatever technical assistance necessary to implement the above goal.
4. ASDVR will be moved from the Department of Human and Social Services and the governor will become	1. ASDVR, along with the DHSS director, and the governor of the territory shall draft and implement a plan of	RSA will provide whatever technical assistance necessary to implement the above goal.

<p>the designated state agency before the end of FY 2008.</p>	<p>transference of the VR agency. 2. The governor shall establish the VR agency under his or her office, and ensure that DVR has equivalent status as other agencies under the governor. 3. Identify resources of the governor's office that DVR may utilize, such as budget and procurement processing services, and other administrative supports in accordance with the requirements of 34 CFR 361.13.</p>	
<p>Program: Fiscal</p>		
<p>Goal</p>	<p>Strategies</p>	<p>Technical Assistance</p>
<p>1. To obtain full match for each federal fiscal year.</p>	<p>1. Continue to explore options/strategies to obtain sufficient match for each fiscal year. As a beginning step, obtain documentation to support charging a use allowance for space occupied by VR staff in two buildings on Pago Pago. 2. Determine the actions to be taken (including timetables) to obtain matching funds from the government of American Samoa.</p>	<p>RSA will provide the technical assistance required throughout this process to ensure that the goal is met.</p>
<p>2. Ensure the accuracy and timely submission of SF-269 and RSA-2 reports.</p>	<p>1. Assign responsibilities for the preparation, review and approval of all required SF-269's and the RSA-2 report. 2. In coordination with RSA, complete a listing of all outstanding reports. 3. Identify and remove impediments to the timely and accurate submission of required reports. 4. Submit missing reports, along with any supporting</p>	<p>RSA will provide the technical assistance required throughout this process to ensure that the goal is met.</p>

	<p>documentation requested by RSA necessary to review the accuracy of reported information.</p> <p>5. Establish internal policies and procedures to ensure the accurate and timely submission of required reports.</p>	
<p>3. (a) ASDVR must reconstruct all program expenditures for FYs 2003, 2004, 2005, 2006 and 2007, and revised Financial Status Reports submitted to RSA within 90 days. These reports must reflect the correct (accurate) charges against the VR program for each fiscal year. In addition, documentation must be provided to RSA to support the charges claimed for each fiscal year. Upon review and acceptance, RSA will determine the extent to which VR program funds have been misspent and the harm, if any, to the federal government.</p> <p>(b) Develop policies, procedures and appropriate internal controls to ensure that grant funds are expended only in accordance with federal requirements and reports are submitted within the timeframes prescribed by RSA.</p>	<p>1. Devise a methodology to reconstruct expenditures for FYs 2003, 2004, 2005, 2006 and 2007.</p> <p>2. Meet with RSA to obtain approval of the reconstruction methodology and determine the supporting documentation that must be submitted to obtain approval of revised Financial Status Reports.</p> <p>3. Submit revised Financial Status Reports and supporting documentation in accordance with established timetables.</p>	<p>RSA will be available throughout the reconstruction process to provide technical assistance to ensure that all federal requirements and the goal are met.</p>
<p>Recommendations: Modify homemaker policy to provide guidance to counselors and consumers, and to eliminate arbitrary limits on the outcome.</p>		
<p>Issues for Further Review:</p>		
<p>1. Administrative costs –ensuring the appropriate classification and reporting of costs on the RSA-2 Report.</p>		
<p>2. Budget development – Understanding the process used by ASDVR to develop overall budget.</p>		
<p>3. Procurement – Examine reasons for delays and cost efficiency of process.</p>		

4. Indirect cost proposal – determine status of Indirect Cost Negotiation Agreement for FY 2004, 2005, 2006 and 2007. (Approved agreement for FY 2003 was dated May 2, 2006.)		
5. Time distribution – Ensure that time distribution documentation requirements are met and in compliance with the OMB Circular A-87 semi-annual certification requirement applicable to all staff charged 100 percent to any federal grant program.		
Program: IL		
Goal	Strategies	Technical Assistance
1. Increase the role of the SILC in the implementation of the SPIL.	<ol style="list-style-type: none"> 1. Disseminate the training materials provided to the SILC by RSA while on-site in Pago Pago. 2. Dedicate time during SILC meetings to discuss the roles and responsibilities of the SILC. 	RSA will provide any technical assistance requested by the independent living unit of ASDVR to facilitate the implementation of this goal.
Program: OIB		
Goal	Strategies	Technical Assistance
1. Foster the establishment of a consumer-driven advocacy and support group of the blind in American Samoa	<ol style="list-style-type: none"> 1. Conduct a survey of the blind population on the island to discern the level of interest in a consumer group, and determine the kinds of issues that are of greatest priority; 2. Identify the kinds of resources needed to establish such a group and the sources of support; 3. Establish support networks with older blind programs in other states and territories to share promising practices; and 4. Consult consumer advocacy groups such as the National Federation of the Blind and the American Council of the Blind for suggestions about how to organize support groups of the blind. These groups each have affiliates in Hawaii which could be of substantial assistance. 	RSA will provide whatever technical assistance requested by ASDVR and the OIB program manager in the implementation of this goal.
2. Strengthen collaborative working relations with the Ho’opono training center for the blind in Honolulu, Hawaii.	<ol style="list-style-type: none"> 1. Identify the kinds of services and technical assistance needs that Ho’opono may be able to provide. 	RSA will provide any requested technical assistance necessary for the implementation of this goal.

	2. Identify a liaison in Hawaii with whom ASDVR can routinely communicate needs, interests, and resource ideas.	
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Please take a moment to participate in a survey about RSA's performance on the FY 2007 monitoring of Vocational Rehabilitation agencies.

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