

**Department of Education**  
**Office of Inspector General – Internal Audit**  
**Twelve-Month Status Report on: Service Source**  
**Report # A-1516-025**      **Issued: January 20, 2017**  
**Status as of January 20, 2018**

<b>Finding</b>	<b>Recommendation(s)</b>	<b>Management Response as of January 20, 2017</b>	<b>Management Response as of January 20, 2018</b>	<b>Anticipated Completion Date &amp; Contact</b>
<p>Service Source did not meet all required yearly deliverables.</p>	<p>We recommend DVR review the requirements for subsequent contracts to ensure that the deliverable amounts are achievable.</p>	<p>DVR and Service Source will be developing new contracts within the next six (6) months. DVR will ensure that the deliverable amounts are achievable.</p> <p><b>Management Response as of July 20, 2017:</b>  The Workforce Innovation and Opportunity Act (WIOA) has established six primary indicators of performance.</p> <p>Once the new performance measures are completed, DVR will be able to incorporate these measures into a new contract that will provide more achievable deliverables, which also align with DVR’s new primary goals.</p> <p><i>Anticipated Completion: 9/30/17</i></p>	<p>The new contracts are in negotiation stage with the DVR and Service Source.</p> <p>Target date for finalizing draft contract is January 30 2018. Contract execution set for July 1, 2018.</p>	<p>January 30, 2018</p> <p>Amanda Ulmer 245-3372</p>

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<p>DVR omitted a penalty from Amendment #1, Contract #14-135.</p>	<p>We recommend DVR improve their amendment review process to ensure all contractual requirements, penalties, and deliverables are accurately included in amendments prior to approval and execution. We also recommend DVR ensure the appropriate penalties are included in all future contracts.</p>	<p>DVR and Service Source will be developing new contracts within the next six (6) months. Desk procedures and monitoring tools will be created to improve the amendment review process. The new contracts will include the appropriate financial consequences as needed.</p> <p><b>Management Response as of July 20, 2017:</b>  Review process - Completed</p> <p>Contract rewrite – 9/30/17</p>	<p>The new contracts are in negotiation stage with the DVR and Service Source.</p> <p>Target date for finalizing draft contract is January 30 2018. Contract execution set for July 1, 2018.</p>	<p>January 30, 2018</p> <p>Amanda Ulmer 245-3372</p>

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<p>Service Source did not meet all required yearly deliverables.</p>	<p>We recommend that Service Source enhance its processes to ensure they meet all deliverable requirements.</p>	<p>Relative to the initial finding, not meeting the number of pre-eligibility determinations, I have the following comments, some of which we have discussed. There exists a significant issue with DVR performance reports wherein the final PBPB reports we use to reconcile contractual numbers to not match a number of other reports the system generates, nor do they match the numbers that the DVR Counselor Analysts document every month relative to performance. I have discussed this with the DVR leadership and one suggestion is that moving forward we begin to use the analyst reports as they have definitively signed off on the work performed. Region 20A is a very large unit and we missed by only 24, having 11 counselor FTE's and a significantly large</p>	<p>This responder has taken over the Project Director position as of 9/4/17. I worked as the Assistant Project Director with Steve Palumbo prior to my recent appointment, so I was involved in these processes. ServiceSource is currently involved with contract negotiations with DVR to add key positions that will assist with timeliness, compliance, and overall flow of the casework approval, leading to more accurate outcomes. An open discussion under the current contract negotiations involves contract language that would allow for ServiceSource to move vacant positions from one office to another to meet the</p>	<p>Tina Herzik, Vice President of Operations</p> <p>Execution of new contracts is anticipated by July 1, 2018. Staffing is ongoing.</p>

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		<p>goal.. Region 8H is a different matter as the restructuring of the unit responsibilities by the then Area Director had a deleterious effect on our case sizes and therefore performance, however we have renegotiated some of our responsibilities in the region and in calendar year 2016 we have met the pre-eligibility goal. We did miss our goal for pre-eligibility compliance within 60 days in Region 23L, however there are mitigating circumstances in this region. This region does not have a DVR Counselor Analyst on site, nor are we staffed for a supervisory position which necessarily slows down the review process. I will address this during our next contract negotiating session as well as with the DVR. As noted in your report the number and</p>	<p>needs of units without Contract Amendments in the future. Over the past twelve months, current Director has worked with a team of DVR Private Supervisors to assist regions 23L and 23O with their challenges in meeting their deliverables and meeting the State’s expectations. These units have improved with these extra supports. The proposed new contract would include a Supervisor position in the Keys 23L and the Area would then provide a part time State Analyst for assistance in this region. Training and monitoring is difficult in this area based on the distance of these offices from their current Supervisor. All cases have</p>	

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		<p>percentage of gainful employment was waived as a result of changing DVR priorities. We are continually monitoring our processes and we certainly need to come to an agreement with the DVR as to which numbers are the most reliable and accurate. Too, where there are inequities relative to our meeting certain goals, these need to be addressed and discussed with the DVR. In regions where timeframes were not met ServiceSource needs to review our own alert parameters to managers to more effectively manage these outcomes. Significant to the 90 day IPE goals that were missed, in the regions where we currently operate the DVR also did not meet this goal. In several regions we were only off by 2-3 percentage points and surpassed</p>	<p>had to be sent by mail to be approved under the current contract by the State Analyst in the Unit 230. This has resulted in some cases being approved late and management of casework being delayed. These new positions with reduce turnaround time on approvals, improving compliance and providing more oversight. Current Director has continued also acting as Assistant Project Director for the Southern Units until the new Position of Assistant Project Director is added under the new contract. The previous position was filled, and this position is currently supporting the Northern Units. Having that extra oversight over the past three</p>	

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		<p>the DVR area average performance. This measure is extremely difficult to track on a regional and monthly basis and we are dependent on DVR reports which come out monthly. Too, the RIMS system does not asterisk an appropriate waiver as it does for 60-day acceptance waivers, so there is a question of how the compliance count calculates. Additionally, we cannot track individual employee compliance as the system does not report on this, so it is not possible to initiate corrective action on those individuals who are most deficient in this area in the unit. This is definitively an issue where we will ask to have this measure removed from our contract in our upcoming negotiations.</p>	<p>months has been a great asset to the program. The second position will be a great asset to assist with the Southern offices as well. We have also requested an additional position in our largest unit 20A for a Consultant position. This unit has one of the largest caseloads in the State of Florida with two acting Counselor Analysts to support. There is only one Unit Supervisor supporting four county offices. This consultant will be of assistance to the Supervisor in maintaining compliance, training, and any other additional supports needed for this large group. The contract updates have been submitted and ServiceSource is waiting on</p>	

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		<p><b>Management Response as of July 20, 2017</b>  Relative to the first point, performance deliverables are different across several contracts. As per WIOA the performance indicators will change, along with the DVR RSA 911 report to our federal partners. This will probably clarify some of the discrepancies in reporting. We are also addressing through negotiations some of the staffing issues which will rectify some of these problems. Negotiations are on-going at this time. Through quality review we have also addressed some of the timeframe parameters which have improved; this is on-going.  <i>Anticipated Completion: 1/1/18</i></p>	<p>final approval from DVR. There are still challenges with accurate data collection in some of the measured areas with the DVR RIMS system. We have had some issues over the past twelve months in some of the offices with Field Services Operating Procedure that requires State Counselor Analysts to approve casework within 4 business days. This has led to some compliance issues in some offices. This Project Director has discussed the need for more consistency in these positions throughout the state with the Area Directors and Bureau Chiefs, and we are working together to ensure that these issues are being resolved. We all experienced Natural</p>	

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			<p>Disasters this past twelve months. The Hurricanes in September, 2017, closed many offices throughout the state for different periods of time. During the month of the hurricane and in some regions into the following month, we needed to justify some deliverables not being met. The Keys offices were closed for almost an entire month due to storm damage. Many participants moved out of the area causing case closures and consumer contacts not being able to be made in established timeframes. Other offices were also affected by these storms causing reasons for justifications for casework not met.</p> <p>Over the past twelve months, the Bureau has</p>	



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			<p>rolled out many new positive initiatives that our units have been participating in and complying with as well as keeping up with their deliverables in most cases. My team of Supervisors and Assistant Project Director have been working very closely with me to support the staff in working towards meeting their required yearly deliverables. I am confident that the new contract and its additions will also support our continued success.</p>	
<p>Service Source did not meet all required monthly deliverables and did not provide justification for all unmet monthly deliverables.</p>	<p>We recommend that Service Source enhance its processes to ensure they meet all deliverable requirements, and an appropriate justification and a plan for meeting the requirement in</p>	<p>This finding indicated there was several instances where we did not report on all required monthly minimums with an explanation. We have three sets of eyes looking at these reports on a monthly basis who are</p>	<p>ServiceSource provided justifications for every month over the past twelve months for all units that met less than the minimum standards under the current contract. We are continuing</p>	<p>Tina Herzik, Vice President of Operations  Completed.</p>

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	<p>subsequent months is included when they do not meet deliverable requirements.</p>	<p>involved in the reporting process and in most instances when this occurred the error was caught well before any billing was submitted. I myself will be more diligent in this area as I am responsible for generating the response. In a number of regions, the monthly was unmet but the annual goal was ultimately met. Often when the monthly minimum is unmet I review performance to date to ensure that we are not falling behind on the annual goal. We do address the issue but can include more detail in the future if required. Not all goals currently in the contracts are reasonable due to the changing nature of VR. We could not anticipate the need to immediately close cases negatively that were not currently active due to the DVR</p>	<p>to do so moving forward as well. Over the past few months, it has been an expectation of each DVR Area Director that ServiceSource attempt to reach 100% compliance with case alerts as well as 100% compliance in the 60 and 90 day goals for Eligibilities and IPE processing. The RIMS system does not take the extensions into consideration for this goal. This is not in line with our current contract expectations, but our units have been complying to the best of their ability along with paying attention to our current goals and deliverables as well. This recent focus by DVR is not part of ServiceSource's</p>	

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		<p>needing a more accurate assessment of their budgetary needs. Order of selection was another variable. The new RSA requirement to serve transitional youth with pre-employment services and 504 students is a federal mandate, however these cases will take a significant effort on the part of my staff with no anticipated outcomes. These issues and others will be a focal point of negotiations to try and attain more equity in the outcomes so that we may reasonably achieve all required outcomes. We will again also review our own internal review process to reviews areas where we might improve.</p> <p><b>Management Response as of July 20, 2017:</b> We have been more diligent in reporting on a monthly basis and</p>	<p>contract deliverables, but I'm assured will be added to the new contracts. This Director has supported this mission throughout the private units in the State. The State DVR is restructuring how they want cases to look as part of the changes brought with WIOA and the changes in RSA indicators. The shift has gone from quantity to quality, which is not completely reflected in the current deliverables. Quality is always an important part of our contract, and this is emphasized by me and my staff. They have also had to meet numeric deliverables that weren't required in State DVR units. Over the past twelve months, some of</p>	

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		<p>it is rare when a reporting item is missed. These are however picked up during the monthly billing reports. The monthly minimums are also looked at from the perspective of annual achievement; in some cases the monthly is unmet but we are ahead on the annual goal. Some of the DVR deliverables in the various contracts are no longer a priority for the DVR; some are no longer measured, such as 60 day acceptance compliance. These issues will be addressed in contract negotiations, which are in progress.</p> <p><i>Anticipated Completion: 1/1/18</i></p>	<p>our service areas have seen changes due to zip code assignments by Area offices. Some of this was done to ensure that all State offices were working with Transition Age students. Also, in some units, special projects were moved from offices and others added. For example, in Unit 230 we lost our Project Search caseload but we were given a Farm Worker Program. This program has needed Creole interpreting, so this has been a challenge at times for this unit. Over the past twelve months, Service Source has adopted DVR's new face to face monthly documentation for staff. In some units where we saw the need for additional reinforcements,</p>	

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			<p>we use this document on a weekly basis to support any staff that are in need of additional training or supports. This Project Director has identified units that are in need of further assistance in training and meeting compliance measures over the past twelve months, and we sent in teams of Supervisors on the Private side to provide this training. Ongoing contract negotiations are addressing some of these needs with the additions to positions in some areas/offices. Some of the monthly performance measures that we justified that were not met were rectified by the units meeting their numbers by the end of the contract year.</p>	