

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

Finding	Recommendation(s)	Management Response as of January 20, 2017	Management Response as of July 20, 2018	Anticipated Completion Date & Contact
<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>Management Response as of July 20, 2017: 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>Complete – New contract has been negotiated and will be in place July 1, 2018</p>	<p>Complete Cathy McEachron 245-3274</p>

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		<p>Management Response as of January 20, 2018: 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>		
DVR omitted a penalty from Amendment #1, Contract #14-135.	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.	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. Management Response as of July 20, 2017: Review process - Completed	Complete – New contract has been negotiated and will be in place July 1, 2018	Complete Cathy McEachron 245-3274

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		<p>Contract rewrite – 9/30/17</p> <p>Management Response as of January 20, 2018: 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>		

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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>ServiceSource and DVR have been negotiating the new contract over the past six months. The contract is now executed as of July 1, 2018. The new contract consolidated five previous contracts around the state into one contract. The contract language now allows for ServiceSource to move vacant positions from one office to another to meet the needs of the units without Contract Amendments in the future. The new contract also allows for the addition of more VR Counselors, an Assistant Project Director for the South Regions, and a Consultant Position for Unit 20A, which is the largest unit in the State. ServiceSource has already</p>	<p>Tina Herzik Vice President of Operations</p> <p>Completed 7/1/2018</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>filled the Assistant Project Director Position as of July 9, 2018. The Consultant Position has been posted as well as the Counselor positions. These positions will be filled within the next 90 days. These additional positions will be of great assistance to our contract in assuring that our deliverables are met.</p> <p>In our January, 2018 update, we discussed negotiating a new Supervisor position for our Keys Units. After further discussion, we were unable to fund the additional position. However, we were able to negotiate a part time State Analyst to serve these units. We have also worked out the schedule of our current</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>Supervisor for the appropriate presence in these units. These units, 23L and 230, have made a tremendous improvement in their compliance and performance over the past six months.</p> <p>There are no longer any issues with accurate data collection in the RIMS system. The Bureau has worked out a way to send us our correct data monthly, and this has been working out for our monthly recording.</p> <p>The Bureau agreed to a meeting on July 13, 2018 of all of the parties on the ServiceSource and State side that work with the contract to go over all of the</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>new contract language and responsibilities. The State Analysts were present, and the four-business day rule was addressed again for the future flow of casework approval. This meeting was very helpful to ensure we are all working together under the new contract.</p>	

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		<p>Management Response as of July 20, 2017</p> <p>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.</p> <p><i>Anticipated Completion: 1/1/18</i></p>		

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		<p>Management Response as of January 20, 2018 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 needs of units without Contract Amendments in the future. Over</p>		

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		<p>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 had to be sent by mail to be approved under the current contract by the State Analyst in the Unit 23O. This has resulted in some cases being approved late and management of casework being delayed. These</p>		

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		<p>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 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</p>		

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		<p>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 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</p>		

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		<p>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 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</p>		

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		<p>causing reasons for justifications for casework not met.</p> <p>Over the past twelve months, the Bureau has 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>Anticipated Completion: Execution of new contracts is anticipated by July 1, 2018. Staffing is ongoing.</p>		