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Report No. 07-18

## The Division of Vocational Rehabilitation Has Taken Steps to Improve Performance; Employment Initiative Has Not Significantly Increased Referrals

### *at a glance*

In accordance with OPPAGA's recommendations, the Division of Vocational Rehabilitation has taken several steps to address employee turnover and satisfaction, and its preliminary analysis of its employee-lease agreements shows that they are generally cost-effective. The Agency for Persons with Disabilities also has implemented our recommendation to review its district implementation plans to determine if they correctly reflect the involvement of the division. However, the agency and division have not collaborated to estimate the number of referrals to the division that will be made as a result of the five-year employment initiative; these efforts may no longer be necessary, as the number of referrals via the initiative is significantly less than was anticipated. To ensure the successful employment of developmentally disabled clients, the agency and division are conducting a study to identify common barriers to employment.

### Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Division of Vocational Rehabilitation and the Agency for Persons with Disabilities in response to a 2005 OPPAGA report.<sup>1,2</sup> This report presents our assessment of the extent to which the division and agency have addressed the findings and recommendations included in our report.

<sup>1</sup> Section 11.51(6), F.S.

<sup>2</sup> *Vocational Rehabilitation Program's Performance Has Been Mixed Since the Abolishment of Occupational Access and Opportunity Commission*, OPPAGA [Report No. 05-14](#), March 2005.

### Background

The Division of Vocational Rehabilitation provides individually tailored rehabilitation and job training services to disabled people who can overcome barriers to employment and want to work. The division's goal is to enable clients to become self-sufficient through long-term employment.

Vocational rehabilitation services traditionally have been delivered by a combination of state employees and private providers. Federal law requires state employees to deliver certain client services, including determining client eligibility for program services, approving service plans, and closing cases.<sup>3</sup> These services are provided through six area offices that supervise employees in 24 service regions. Private providers generally supply rehabilitation services, such as medical treatment, counseling, and job training.

The division is funded through a state and federal matching agreement. A federal government grant provides 78.7% of division funds while the state contributes a 21.3% match. For Fiscal Year 2006-07, the division was appropriated \$209,284,604.

Our 2005 review concluded that the division's performance had been mixed under the Department of Education.<sup>4</sup> While its performance initially improved after the Occupational Access and Opportunity

<sup>3</sup> In addition, state employees traditionally have provided other basic program services, including client recruitment, intake, and case management.

<sup>4</sup> The Vocational Rehabilitation Program was under the purview of the Occupational Access and Opportunity Commission until the Commission was abolished in 2002. The program is currently housed in the Department of Education's Division of Vocational Rehabilitation.

Commission was abolished in 2002, performance declined during Fiscal Year 2003-04. The division took several steps to improve its performance, such as developing a five-year strategic plan, improving its contracting system, and developing innovative contracting methods to increase privatization and expand service capacity. However, these efforts were hampered by consistently high staff turnover. To address employee turnover, we recommended the Division of Vocational Rehabilitation

- fully implement employee empowerment strategies detailed in its strategic plan;
- develop employee turnover measurements and establish goals to reduce turnover;
- establish goals to improve employee satisfaction; and
- monitor the cost-effectiveness of employee leasing agreements to determine if the model could be expanded to meet staffing needs in other service regions.

Our 2005 review also noted that the Agency for Persons with Disabilities, as part of a five-year employment initiative, planned to move 25% of its clients receiving Adult Day Training into integrated employment, creating a potential substantial increase in demand for Division of Vocational Rehabilitation services. To aid the implementation of this employment initiative, we recommended that the Agency for Persons with Disabilities

- review its district implementation plans to determine whether they are consistent with the intent of the developmental disabilities employment initiative and correctly reflect the involvement of the Division of Vocational Rehabilitation; and
- periodically evaluate district progress in implementing these plans.

We also recommended that the agency collaborate with the division to

- develop realistic estimates of the number of clients that would be referred under the employment

initiative and the associated service needs and costs; and

- design a data collection system that identifies barriers to successful employment and measures initiative costs and savings.

## Current Status

Since our prior report, the Division of Vocational Rehabilitation has improved its performance. As we recommended, the division has taken several steps to address employee turnover and satisfaction, including increasing pay and initiating an employee recognition program. The division also conducted a preliminary cost-effectiveness assessment of its employee lease agreements and found that they are generally cost-effective.

The Agency for Persons with Disabilities has implemented our recommendation to review district implementation plans to determine if they correctly reflect the involvement of the Division of Vocational Rehabilitation. The agency and division have not collaborated to estimate the number of referrals that will be made to the division as a result of the five-year employment initiative. However, the number of referrals during the first two years of the employment initiative was much lower than expected. The agency and the division do not currently plan to implement a data collection system to identify barriers to successful employment.

The Division of Vocational Rehabilitation reports improved performance. Since our 2005 report, the Department of Education's Long Range Program Plan shows that the division has improved its performance across several major outcome measures. For example, from Fiscal Year 2004-05 to 2005-06, the overall number of clients gainfully employed increased by 15.4%. Other measures, such as the number of clients reviewed for eligibility and the number of plans for services, also demonstrate improved performance (see Exhibit 1).

### Exhibit 1

#### The Division of Vocational Rehabilitation Reports Improved Performance Across Several Major Outcome Measures

Performance Measures		Fiscal Year		Change from Prior Year
		2004-05	2005-06	
Number of significantly and most significantly disabled clients gainfully employed at least 90 days		7,109	8,181	15.1%
Number of all other clients gainfully employed		2,245	2,615	16.5%
Number of clients placed in competitive employment		9,347	10,767	15.2%
Number of clients gainfully employed		9,354	10,796	15.4%
Rate gainfully employed		56.9%	60.4%	3.5%
New Clients Served:	Clients reviewed for eligibility	23,424	26,287	12.2%
	Number of plans written	17,120	19,810	15.7%

Source: Florida Department of Education's Long-Range Program Plan.

The division has taken several steps to address employee turnover and satisfaction. Since our 2005 review, the division has implemented several strategies to reduce employee turnover. These have included providing targeted and team-based performance pay increases and implementing an employee recognition program.<sup>5</sup> These efforts appear to be beneficial, as the statewide number of counselor vacancies decreased from 117 in Fiscal Year 2004-05 to 86 in 2005-06, a 26% decline.<sup>6</sup> The division also has set a goal to decrease the rate of turnover among its staff to a level that is consistent with typical state employee turnover. In 2005, the division's rate of separation for the counselor position was 25.9%, which continued to be higher than the statewide separation rate of 18.2% for all career service employees.<sup>7</sup>

The division also has taken several steps to improve employee satisfaction, including implementing an employee recognition program and authorizing a training allowance for employees. In accordance with OPPAGA's 2005 recommendation, the division also has implemented employee empowerment strategies as detailed in its five-year strategic plan.<sup>8</sup> Implemented strategies include addressing caseload and workload equity issues and developing a system to increase counselor salaries. While the division has not established specific goals to improve employee satisfaction, it plans to assess the effectiveness of these efforts through an employee climate survey in the spring of 2007. The division should use the results of this survey to establish standardized goals for improving employee satisfaction.

Employee leasing agreements are generally cost-effective. In Fiscal Year 2003-04, the division initiated contracts to lease employees from a private provider in two division regions—9 (Gainesville) and 23 (Monroe). Consistent with our recommendation, the division has monitored the cost-effectiveness of these employee leasing agreements. Preliminary analysis indicates that the agreements have been cost-effective for the state.

Specifically, the division compared the costs of leased versus state employees for each fiscal year of the contracts since 2003-04.<sup>9</sup> In region 23, the leased staffing model achieved cost savings in each of the four fiscal years examined, while in region 9 the model produced cost savings in three of the four fiscal years examined.<sup>10</sup>

In our prior report, we also recommended that the division conduct an analysis that compares rehabilitation outcomes of clients served by the leasing program to those served under the traditional model. According to division officials, they plan to further assess the cost-effectiveness and performance of leased employees in determining whether or not to continue this staffing model. The assessment of the region 9 contract will be completed by the end of Fiscal Year 2006-07. The region 23 agreement will be reviewed at the end of its contract in Fiscal Year 2007-08. However, the division has not specifically addressed our recommendation to analyze rehabilitation outcomes. The division should consider rehabilitation outcomes as well as cost and performance in determining if employee lease agreement models should be continued.

Agency for Persons with Disabilities regularly reviews district five-year employment initiative implementation plans. In accordance with our recommendation, the Agency for Persons with Disabilities regularly reviews district implementation plans and requires them to be updated on at least a six-month basis. In reviewing these plans, the agency examines issues that require coordination with the Division of Vocational Rehabilitation, such as staff training. Results of these reviews are shared with the division through workgroups and conference calls. Representatives from the agency and the division also meet regularly to discuss topics such as implementation of the plan, training, and coordination in service delivery.

The five-year employment initiative has not significantly increased the number of referrals to the Division of Vocational Rehabilitation. The Division of Vocational Rehabilitation and Agency for Persons with Disabilities have not collaborated to estimate the number of referrals that will be made to division as a result of the five-year employment initiative. While the agency has the ability to track service needs and costs, it does not have the ability to accurately track referrals to the division due to data limitations. However, the need to

<sup>5</sup> In Fiscal Year 2005-06, the division provided \$228,050 in team-based performance pay increases to 258 employees. In Fiscal Year 2006-07, the division provided \$333,668 in team-based performance pay increases to 412 employees and \$1,127,080 in targeted pay increases to 584 employees.

<sup>6</sup> Data for November and December in Fiscal Year 2004-05 is not available due to the PeopleFirst conversion.

<sup>7</sup> The separation rate includes employer and employee initiated separation, dismissals, voluntary termination, retirement, and career advancement outside state government.

<sup>8</sup> This plan has been fully implemented with the exception of one strategy to develop a network of employers willing to serve as mentors to individuals with disabilities. This strategy was combined with a similar goal.

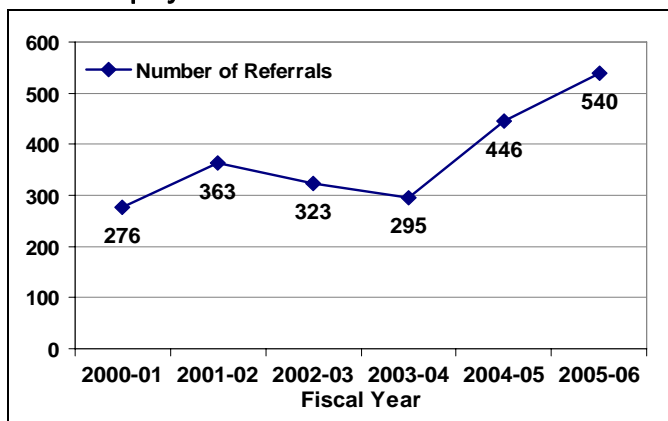
<sup>9</sup> As of Fiscal Year 2006-07, the division leases 7.25 FTEs in region 9 and 2.25 FTEs in region 23.

<sup>10</sup> Savings in region 9 averaged \$15,140 annually for all employees, but had an \$8,188 higher cost than state employees in Fiscal Year 2006-07 when the contract amount was raised. In region 23, the model achieved savings averaging \$165,504 annually for all employees.

estimate this information is lessened because the employment initiative has not significantly increased the number of referrals, and the division has the ability to track referrals made from the agency.

As noted in our 2005 report, the agency had predicted that its five-year employment initiative would significantly increase the number and associated service costs for clients referred to the division. For example, the division estimated that it would receive 1,000 referrals from the agency in Fiscal Year 2005-06. However, the number of referrals has been much lower than projected. The division reports that the number of clients referred for services grew by only 94 after the employment initiative was implemented in Fiscal Year 2005-06. This was well below the 1,000 referrals expected (see Exhibit 2).

**Exhibit 2**  
**The Division of Vocational Rehabilitation Saw Only a Slight Increase in the Number of Referrals from APD's Employment Initiative**



Source: Division of Vocational Rehabilitation.

The division and agency provided several possible reasons for the low number of referrals. The division reports that it follows a federal definition of competitive integrated employment and therefore cannot provide services to agency clients that have employment goals that do not meet this definition. Also, some clients may have taken jobs that do not require vocational rehabilitation services or made lateral moves between jobs that did not require additional skills or supports.

The division and agency have not designed a data collection system to identify barriers to employment. Consistent with our recommendation, the Division of Vocational Rehabilitation and Agency for Persons with Disabilities have collaborated through workgroups and other projects to identify barriers to employment for developmentally disabled clients. However, the two entities have not collaborated to create a joint data system for several reasons. Agency and division officials report that the two entities' data collections systems are very different and that developmentally disabled clients may experience numerous barriers to employment, which makes it difficult to classify and analyze these data. The entities currently do not plan to create a data system to track barriers to employment. However, the division and agency are conducting a study, the Community Employment Capacity Initiative, to identify common barriers to employment and possible strategies for overcoming those barriers.

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