

Program Evaluation and Justification Review

**Rehabilitation Program
Administered by the
Department of Labor and Employment
Security**

July 1998

OPPAGA Mission Statement

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The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



John W. Turcotte, Director

July 1998

The President of the Senate,
the Speaker of the House of Representatives,
and the Legislative Auditing Committee

I have directed that a program evaluation and justification review be made of the Rehabilitation Program administered by the Department of Labor and Employment Security. The results of this review are presented to you in this report. This review was made as a part of a series of justification reviews to be conducted by OPPAGA under the Government Performance and Accountability Act of 1994. This review was conducted by Janice Foley and Jonathan Swift under the supervision of Debbie Gilreath

We wish to express our appreciation to the staff of the Department of Labor and Employment Security for their assistance.

Sincerely

John W. Turcotte
Director

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Program Evaluation and Justification Review of the Rehabilitation Program Administered by the Department of Labor and Employment Security

Scope

This is the second of two reports presenting the results of OPPAGA's Program Evaluation and Justification Review of the Department of Labor and Employment Security's Rehabilitation Program. The Government Performance and Accountability Act of 1994 directs OPPAGA to complete a justification review for each state program after its first year of operation under a performance-based program budget. OPPAGA is to review each program's performance and identify alternatives for improving services.

Background

This program is composed of the Vocational Rehabilitation (VR) component and the Brain and Spinal Cord Injury (BSCI) component. They work in tandem to reintegrate disabled individuals into the community and to return them to employment. The VR component provides services to individuals with disabilities to maximize their employment, economic self-sufficiency, and independence. The BSCI component stabilizes and rehabilitates individuals with brain and spinal cord injuries to facilitate their reintegration into the community or referral to the VR component.

The VR component is the largest part of the Rehabilitation Program. During federal Fiscal Year 1996-97, VR served 46,963 customers with 1,073 authorized positions and a budget that exceeded \$107 million. VR is funded through a state and federal matching agreement. In state Fiscal Year 1996-97, the state contributed \$22.8 million (21.3%) and received approximately \$84.2 million (78.7%) in federal matching funds.

The BSCI component is the smaller of the two Rehabilitation Program components. During state Fiscal Year 1996-97, the BSCI component was authorized 56 positions and served 4,679 customers. The cost of care for individuals with brain or spinal

cord injuries and BSCI's administrative costs are covered by the BSCI Rehabilitation Trust Fund. This fund receives 8.2% of all civil penalties levied by county courts, after a \$2 deduction per levy, \$60 from each driving or boating under the influence fine received by a county court, and \$1 from each temporary license plate issued by the Department of Highway Safety and Motor Vehicles. In Fiscal Year 1996-97, the BSCI component received \$13.9 million in revenue and expended \$13.4 million.

Conclusions

Available data illustrates that the performance of the Vocational Rehabilitation component of the program is mixed. Persons who complete program services are more than twice as likely to become employed and self-supporting than persons who do not complete services. However, over two-thirds (68%) of the cases closed during Fiscal Year 1996-97 were closed before completing the program, generally because the customers refused services, failed to cooperate, or could not be located. Reasons for the low rate of successful outcomes include the fact that rehabilitation services can require a high physical and emotional commitment from persons already suffering from a disability. However, the program also has a high employee turnover rate, particularly of its senior counselors who tend to produce the highest levels of successful outcomes. The program's method of performance-based contracting with non-profit community rehabilitation providers has also led to providers leaving the system. To address these issues, the VR component should increase its use of private providers. However, to do so the program will need to revise its contracting system to provide a more equitable payment system.

The program's Brain and Spinal Cord Injury component has demonstrated the ability to reintegrate disabled individuals into the community and to make these persons ready to receive vocational rehabilitation services. During Fiscal Year 1996-97, the program reintegrated 426 persons into the community and referred 187 injured persons for vocational rehabilitation services. While the number of persons referred to the Brain and Spinal Cord Injury component has steadily increased over time, the revenues available to fund program services (derived from civil penalties and fines) has declined. The program needs to take additional steps to assure that it is receiving the full amount of collected court assessments. The program also needs to develop a plan to prioritize customers to be served and services to be provided.

Recommendations

The performance-based program budgeting “cost per case” measures, as defined, fail to consider the cost of services provided by VR and BSCI staff such as counseling and case management. To ensure a more complete measure of the cost per case, we recommend that the department revise the "cost per case" measure to include both external expenditures and internal (VR and BSCI) case costs.

Currently, performance information is not available to identify the cost of VR services. Without good information, there is no way to gauge whether customers are receiving the best services for the least number of dollars. To ensure information is available to identify whether customers are receiving the best services for the least dollars, we recommend that the department collect performance information to identify the cost of VR services and develop performance standards.

With the move toward giving preference to the most severely disabled, private providers are the most ready form of adding service capacity for this population. However, the VR component's contracting system does not provide adequate opportunity for providers to compete and succeed in the provision of services. To improve the VR components' current contracting system, we recommend that the department ensure that the contracting system:

- considers the delivery of intermediate outcomes and the quality of outcomes, including customer and employer satisfaction;
- reflects the diversity of barriers to employment in the contract reimbursement system; and
- adjusts contract payment rates for groups of customers who have more significant barriers to employment.

The BSCI component is faced with limitations in program revenue and an increasing population of individuals eligible for program services. To fully maximize funding and optimize BSCI customer outcomes under limited resources, we recommend that the department:

- periodically monitor trust fund remittances in the future, and encourage accurate remittances to the trust fund through education of the courts and county clerks;
- consider the type and level of services and number of customers that could be served under different levels of funding limitations; and

- consider the mix of customers and services that will result in optimum customer outcomes while meeting trust fund objectives.

Agency Response

The Secretary of the Department of Labor and Employment Security provided a detailed response to our preliminary and tentative findings and recommendations. (See Appendix D, page 48.)

Chapter 1: Introduction

Purpose

This is the second of two reports presenting the results of OPPAGA's Program Evaluation and Justification Review of the Department of Labor and Employment Security's Rehabilitation Program. The Government Performance and Accountability Act of 1994 directs OPPAGA to complete a justification review for each state program after its first year of operation under a performance-based program budget. OPPAGA is to review each program's performance and identify alternatives for improving services.

This report analyzes the services provided by the Rehabilitation Program and identifies alternatives for improving these services.¹ Appendix A summarizes our conclusions regarding the nine issue areas the law requires to be considered in a program evaluation and justification review.

Background

This program is composed of the Vocational Rehabilitation (VR) component and the Brain and Spinal Cord Injury (BSCI) component.² They work in tandem to reintegrate disabled individuals into the community and to return them to employment. The VR component provides services to individuals with disabilities to maximize their employment, economic self-sufficiency, and independence. The BSCI component stabilizes and rehabilitates individuals with brain and spinal cord injuries to facilitate their reintegration into the community or referral to the VR component.

¹ *Review of the Fiscal Year 1996-97 Performance of the Department of Labor and Employment Security's Rehabilitation Program Compared to General Appropriations Act Performance Standards*, OPPAGA Report No. 97-53, February 1998, addresses the program's performance compared to its 1995-96 performance-based program budgeting measures and standards and makes recommendations for improving these measures and standards. Together the two reports address the areas required by law.

² Blind Services will be added as a third program component in Fiscal Year 1998-99.

**The VR Component Served
Approximately 47,000
Individuals**

The VR component is the largest part of the Rehabilitation Program. During federal Fiscal Year 1996-97, VR served 46,963 customers with 1,073 authorized positions and a budget that exceeded \$107 million.³

The VR component provides individually tailored services and job training to people with disabilities who want to work. These services include assessment of eligibility and rehabilitation needs; counseling and guidance; vocational and on-the-job training; personal assistance, physical and mental restoration, transportation, vehicle, home, or work site modification. To be eligible for services, a person must have a physical or mental impairment that is a substantial impediment to employment; be able to become employed after receiving VR services; and require VR services to enter and retain employment.

VR programs are required, under federal law, to give priority to serving the severely disabled.⁴ In addition, the Federal Rehabilitation Act requires that the VR process be timely and ensure customer choice. In 1992, the importance of customer choice was reinforced with the mandate to involve individuals with disabilities in all aspects of the VR process. Overall, the VR component's objectives are for the customer to maintain long term employment and become self-sufficient.

**The Federal Government
Provides Most of the VR
funds**

VR is funded through a state and federal matching agreement. In state Fiscal Year 1996-97, the state contributed \$22.8 million (21.3%) and received approximately \$84.2 million (78.7%) in federal matching funds.

For the last four years, more than 98% of the state's matching requirement has come from general revenue. The remainder of the match has been provided through contracts with other state programs. This has allowed the department to secure all basic federal grant allotments.

³ This is not the same number of customers reported by the Vocational Rehabilitation component for the state fiscal year. The component reported 138,734 customers, which included as customers persons who had some contact with the program even if they did not apply for services. The department has requested that the performance-based program budgeting definition of customers served be aligned to match the federal definition used here.

⁴ Although the federal government does not require a distinction in measurement, the state's performance measures distinguish between severely and most severely disabled.

After states meet initial matching requirements, federal law allows them to apply for additional funds. These additional funds are available at the end of the federal fiscal year when the federal agency identifies grant funds not used by other states. These "reallotment" funds require a match from the state, and federal law further requires a state that receives a reallotment to maintain this increased level of matching funds in future years. Florida's VR program has not applied for or received reallotment funding since state Fiscal Year 1990-91.

The VR component has eight district offices located throughout the state. District staff coordinate with other programs that provide training or rehabilitative services, such as School-to-Work transitioning and Centers for Independent Living. School-to-Work transitioning is a collaborative effort between VR, local schools, and job training programs to assist disabled secondary school students in making the transition from school to the adult community. Centers for Independent Living provide services to persons with significant disabilities so they may have access to their community, its resources, and social opportunities.

**The BSCI Component Served
Over 4,600 Individuals**

The BSCI component is the smaller of the two Rehabilitation Program components. During state Fiscal Year 1996-97, the BSCI component was authorized 56 positions and served 4,679 customers.

The Legislature established the BSCI component to provide all eligible injured individuals with the opportunity to secure the necessary services to enable them to return to an appropriate level of functioning in their community or be referred to the VR component. To ensure the referral of eligible individuals to the BSCI component, the identification or diagnosis of any person with a moderate to severe brain or spinal cord injury must be reported to a central registry within five days of occurrence.⁵

Counselors meet with all individuals reported to the registry and determine their eligibility for services. For eligible individuals, counselors provide case management services and develop a plan of services. These services include acute care, rehabilitation care, medical services, diagnostic services, adaptive modifications, and equipment. If individuals are

⁵ The state definition of "brain injury" is an injury to the skull, brain or its covering, resulting from external trauma, which produces an altered state of consciousness or anatomic, motor, sensory, cognitive or behavioral deficits. The state definition of "spinal cord injury" is a lesion to the spinal cord or *cauda equina* with evidence of significant involvement of two of the following: motor deficit, sensory deficit, or bowel and bladder dysfunction.

ineligible for services, the counselors may refer the individual to other programs (e.g., directly for VR services). In the absence of other available funds, the BSCI Trust Fund will provide for needed services as the payor of last resort.

**The BSCI Component Is
Funded Through Civil Fines
And Penalties**

The cost of care for individuals with brain or spinal cord injuries and BSCI's administrative costs are covered by the BSCI Rehabilitation Trust Fund. This fund receives 8.2% of all civil penalties levied by county courts, after a \$2 deduction per levy, \$60 from each driving or boating under the influence fine received by a county court, and \$1 from each temporary license plate issued by the Department of Highway Safety and Motor Vehicles. In Fiscal Year 1996-97, the BSCI component received \$13.9 million in revenue and expended \$13.4 million.

Chapter 2:

General Conclusions

The Rehabilitation Program serves two groups of customers -- individuals whose disabilities impede their ability to gain employment and individuals who have been disabled due to brain and spinal cord injuries. These individuals frequently have difficulty securing jobs or incur substantial long-term medical and public assistance costs. For example, according to Census Bureau statistics, between 1992 and 1995, persons without a disability had an employment rate of 82.1%.⁶ In comparison, the persons with non-severe disabilities had an employment rate of 76.9%, while individuals with severe disabilities and psychological disabilities had employment rates of 26.1% and 41.3%, respectively. The Rehabilitation Program is required by federal law to focus on individuals with severe disabilities.

The Rehabilitation Program Is Beneficial and Should Be Continued

Although historically the provision of rehabilitative services has not been seen as an essential government service, the program is beneficial and should be continued. Medical and other technologies have enabled individuals with disabilities and brain and spinal cord injuries to live longer, more productive lives. Consequently, the resources needed to pay for their care often outstrip the ability of families and charitable organizations. To encourage states to provide a program of rehabilitative services, the federal government has agreed to fund a major portion of the program.

The program enables many disabled individuals to become rehabilitated whom otherwise could require even more long-term public assistance and services. Approximately 8,800 individuals with disabilities and brain and spinal cord injuries successfully completed program services in Fiscal Year 1996-97. Data indicates that individuals who complete the program's vocational rehabilitation services are more likely to find and retain employment than persons who do not complete program services. In addition, services to individuals with brain and spinal cord injuries have been shown to reduce the long-term medical and public assistance costs for those individuals by dealing early and effectively with medical problems before they

⁶ Employment rate data are derived from *Americans with Disabilities: 1994-95*, United States Department of Commerce Economics and Statistics Administration, Census Bureau Report P70-61, August 1997.

worsen. If the program were to be discontinued, the responsibility for those individuals whose needs could not be met by families and charitable organizations would ultimately fall to the state, without the benefit of the over \$80 million in federal assistance. Most available employment training programs are not oriented to serve individuals with disabilities. Therefore, these individuals would be served by social service programs that do not have employment as a goal, which would further increase public assistance in that they most likely would not obtain employment. Due to these factors, the Rehabilitation Program should be continued.

The VR Component Should Increase Its Use of Private Providers

Available data illustrates that the performance of the Vocational Rehabilitation component of the program is mixed. Persons who complete program services are more than twice as likely to become employed and self-supporting than persons who do not complete services. However, over two-thirds (68%) of the cases closed during Fiscal Year 1996-97 were closed because the customers refused services, failed to cooperate, or could not be located. Reasons for the low rate of successful outcomes include the fact that rehabilitation services can require a high physical and emotional commitment from persons already suffering from a disability. However, the program also has a high employee turnover rate, particularly of its senior counselors who tend to produce the highest levels of successful outcomes. The program's method of performance-based contracting with non-profit community rehabilitation providers has also led to providers leaving the system. To address these issues, the VR component should increase its use of private providers. However, to do so the program will need to revise its contracting system to provide a more equitable payment system.

The Program Needs To Prioritize Which BSCI Customers Will Be Served and What Services Will Be Provided

The program's Brain and Spinal Cord Injury component has demonstrated the ability to reintegrate disabled individuals into the community and to make these persons ready to receive vocational rehabilitation services. During Fiscal Year 1996-97, the program reintegrated 426 persons into the community and referred 187 injured persons for vocational rehabilitation services. We have previously recommended and the program is in the process of improving the transfer of customers to the Vocational Rehabilitation component by adopting a coordinated system of care. These efforts should increase the number of brain and spinal cord injured customers accepted in the Vocational Rehabilitation component and increase the number

of individuals who are successfully rehabilitated. While the number of persons referred to the Brain and Spinal Cord Injury component has steadily increased over time, the revenues available to fund program services (derived from civil penalties and fines) has declined. The program needs to take additional steps to assure that it is receiving the full amount of collected court assessments. In addition, the program should develop a plan to prioritize customers to be served and services to be provided.

Our specific recommendations for improving the Rehabilitation Program are summarized in the following table and are discussed in detail in Chapters 3 and 4. (See Exhibit 1.)

Exhibit 1: Summary of Conclusions and Recommendations

Program Component	Conclusion	Recommendation
Vocational Rehabilitation and Brain and Spinal Cord Injury	The performance-based program budgeting “cost per case” measures, as defined, fail to consider the cost of services provided by VR and BSCI staff such as counseling and case management.	To ensure a more complete measure of the cost per case, we recommend that the department revise the "cost per case" measure to include both external expenditures and internal (VR and BSCI) case costs.
Vocational Rehabilitation	Currently, performance information is not available to identify the cost of services. Without good information, there is no way to gauge whether customers are receiving the best services for the least number of dollars.	To ensure information is available to identify whether customers are receiving the best services for the least dollars, we recommend that the department collect performance information to identify the cost of services and develop performance standards.
Vocational Rehabilitation	With the move toward giving preference to the most severely disabled, providers are the most ready form of adding service capacity for this population. However, the current contracting system does not provide adequate opportunity for providers to compete and succeed in the provision of services.	To improve the VR components' current contracting system, we recommend that the department ensure the contracting system: <ul style="list-style-type: none"> • considers the delivery of intermediate outcomes and the quality of outcomes, including customer and employer satisfaction; • reflects the diversity of barriers to employment in the contract reimbursement system; and • adjusts contract payment rates for groups of customers who have more significant barriers to employment.
Brain and Spinal Cord Injury	The BSCI component is faced with limitations in program revenue and an increasing population of individuals eligible for program services.	To fully maximize funding and optimize customer outcomes under limited resources, we recommend that the department: <ul style="list-style-type: none"> • periodically monitor trust fund remittances in the future, and encourage accurate remittances to the trust fund through education of the courts and county clerks; • consider the type and level of services and number of customers that could be served under different levels of funding limitations; and • establish a plan to serve the maximum number of customers with the highest level of quality while meeting trust fund objectives.

Source: Developed by OPPAGA

Chapter 3:

Vocational Rehabilitation Component

Introduction

The Vocational Rehabilitation (VR) component provides services and job training to people with disabilities to help them find and retain jobs and, eventually, become self-sufficient. To be eligible for services, a person must have a physical or mental impairment that is a substantial impediment to employment; be able to become employed after receiving VR services; and require VR services to enter and retain employment. The federal government directs VR to focus its efforts on the most severely disabled, while ensuring consumer choice and timely services. During federal Fiscal Year 1996-97, the VR component served 46,963 customers. In that same year, the program had 1,073 authorized positions and a budget that exceeded \$107 million.⁷

In the vocational rehabilitation process, a counselor takes a customer's application and makes an eligibility determination. After making the eligibility determination, the VR counselor and customer create a plan, often in association with a community rehabilitation program. The VR counselor manages the case until closure, directly providing some services such as counseling and job referral. The counselor purchases other services from community rehabilitation programs including diagnosis, intense counseling, vocational training, and medical restoration. These services are tailored to meet individualized customer needs; some customers receive only one service, while others receive more than a dozen services. In addition, the counselor helps locate certain services that are paid for by other agencies. For an illustration of these services, see Exhibit 2.

⁷ The number of customers served was expected to increase as a result of Florida's efforts to move welfare recipients to work; however, the impact, to date, has been negligible. Only 679 customers were referred to Vocational Rehabilitation from the state's welfare program between July 1, 1997, and March 31, 1998.

Exhibit 2: An Illustration of Services Provided by the VR Component

One customer, recovering from a severe automobile accident that resulted in paraplegia, sought vocational rehabilitation assistance. She conferred with a counselor and together they identified the paralegal profession as a viable employment option. The customer was in need of an electric wheelchair, which vocational rehabilitation purchased. With the counselor's assistance the woman enrolled in paralegal studies that were paid for with federal Pell Grants at the local community college. After she completed the necessary course work, the VR counselor helped her with job contacts, job readiness training, and interview coaching. Ultimately, the woman found a job.

Many Vocational Rehabilitation Services Are Purchased From Private Providers

Many of the services provided by the VR component are purchased from community rehabilitation providers. Federal law mandates that vocational rehabilitation agencies use community rehabilitation programs (providers) to the maximum extent feasible. Providers are also used to handle fluctuations in workload or to provide services requiring substantial expertise, such as in the case of supported employment where services are labor intensive and follow-up services are long term.⁸ The VR component does not retain the level of staffing or expertise to substitute for the work accomplished by providers. (See Appendix B for examples of the services for which VR contracts with providers.)

The VR component does not typically competitively bid for provider services nor engage in a formal decision to purchase the services or provide them in-house. Florida law exempts the VR component from competitively bidding services as long as not-for-profit corporations deliver those services. Similarly, when VR determines whether it will contract for services or provide them in-house, there is no legal obligation to engage in any formal comparative analysis.⁹

The amount of money spent on purchased goods and services by the VR component is significant. VR spent approximately \$18 million in Fiscal Year 1996-97 for evaluation and rehabilitative service contracts and an additional \$34 million on one-time purchases for customers. These dollars make up 48%

⁸ "Supported Employment" means placement in a competitive mainstream employment setting with additional long-term services for customers designated by the program as having the most severe disabilities. For these customers, competitive employment traditionally has not occurred or has been intermittent. Individuals with developmental disabilities or severe mental illnesses are often served through supported employment training models.

⁹ Florida law is silent on this issue (Ch. 287, F.S.). While federal law directs federal agencies to compare the cost of contracting and the cost of in-house performance (OMB Circular A-76), it does not specifically address state agencies receiving matching funds.

of the VR component's budget.¹⁰ Roughly 14% of the individuals that are placed in jobs through the VR component are directly placed by community rehabilitation providers. Providers also provide services that contribute to the outcomes produced by VR counselors.

Program Performance

The Rehabilitation Program's Performance-Based Program Budgeting (PB²) measures and related data provide a mixed picture of the VR component's performance. Persons who complete program services are more than twice as likely to become employed and self-supporting than persons who do not complete services. The program increased the proportion but decreased the number of customers achieving desired employment outcomes. This was coupled with a minimal increase in customer's wages of 5%. However, over two-thirds (58%) of the cases closed during Fiscal Year 1996-97 were closed because the customers refused services, failed to cooperate, or could not be located.

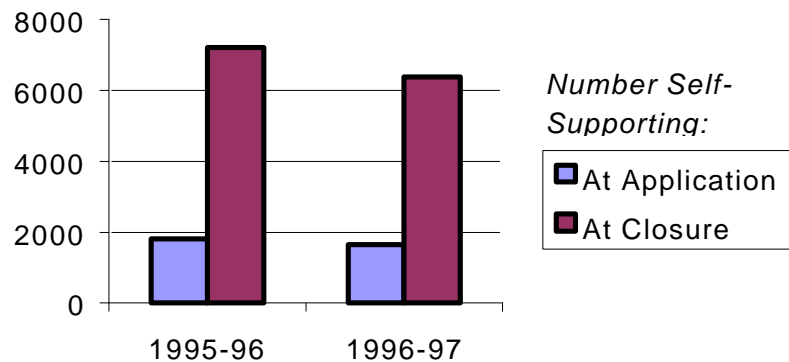
Due to problems in the data used by the program to develop its PB² measures and performance standards, only limited conclusions can be made using the program's performance-based program budgeting measures.¹¹ In order to ascertain the performance of the VR component, we examined other available data.

The alternative data indicates that VR places customers in jobs and helps them gain self-sufficiency. Customers who successfully complete their plan of services are more likely to remain employed, earn a higher salary, and become self-supporting than those disabled persons who do not complete the program. As shown in Exhibit 3, customers are more able to support themselves after completing rehabilitation services.

¹⁰ The Brain and Spinal Cord Injury Component procured an additional \$11 million in goods and services for customers during the fiscal year.

¹¹ For additional discussion of the measures reported to the Legislature, see Appendix C.

Exhibit 3: Customers Are More Able to Support Themselves After Completing Rehabilitation Services



Source: Department of Labor and Employment Security, Division of Vocational Administration

During Fiscal Year 1996-97, of the customers who were able to gain employment after receiving services, 76% were able to support themselves primarily through their own means. Also, those who completed program services increased their overall average annual earnings from \$2,425 before receiving services to \$12,263 after services in 1995-96 and from \$2,710 to \$12,880 in 1996-97. Vocational rehabilitation customers, who completed the vocational rehabilitation program, were more successful in retaining employment than those who did not complete the program. As shown in Exhibit 4, 53% of the customers who completed rehabilitation services during the two quarters, January through June 1996, remained employed one year later and 31% in full-time employment. In contrast, only 28% of the customers who did not complete the program were employed the year after being closed from the program.

Exhibit 4: Vocational Rehabilitation Customers Who Complete the Program Are Better Off Than Customers Who Do Not Complete the Program

January through June 1996 Closures Followed-Up in January through June 1997	Completed Program		Did Not Complete Program	
Total individuals followed-up	4,654		7,042	
Total employed	2,466	53%	1,968	28%
Total working full-time	1,459	31%	883	13%

¹ Our analysis includes customers closed from the program for any one of several reasons including: transferred, unable to locate or contact, declined further services, failure to cooperate, or customer institutionalized. Customers closed due to unfavorable medical prognosis or death were not included in this analysis.

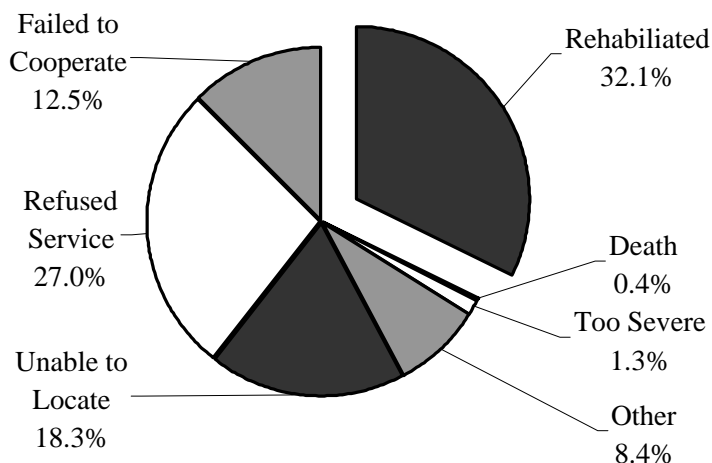
² Vocational Rehabilitation customers who dropped out of the program prior to the development of the plan were slightly more successful in gaining employment than those who dropped out of the program after plan development. Vocational Rehabilitation staff believe that many of these customers had employment skills and may have decided that they did not need the services.

Source: Florida Education and Training Placement Information Program and Department of Labor and Employment Security, Division of Vocational Rehabilitation

Most Customers Do Not Complete the Program

Although the program had a positive effect on those who completed services, most customers did not complete the program. As shown in Exhibit 5, of the 26,102 customers who were closed from the program during Fiscal Year 1996-97, over two-thirds (68%) were closed before completing the program. The reasons given were varied ranging from death (less than 1%) to the customer refusing services (27%). The three largest categories of closures before completion of the program consisted of failure to cooperate, unable to locate, and refused services, comprising 58% of the total number of cases closed. This was almost twice the number of customers who were successfully rehabilitated. Thirty-nine percent of those individuals closed in the three categories did not progress past a determination of eligibility and did not receive services beyond diagnostics. Of the individuals who were closed before completing the program, a substantial amount of time and money was spent on diagnosis, evaluation, plan development and the purchase of goods and services. However, as discussed on page 16, the agency does not maintain adequate data to identify the cost of services provided to these individuals.

Exhibit 5: Over Two-thirds of All Customers Did not Complete the Program During Fiscal Year 1996-97 When Cases Were Closed



Source: Department of Labor and Employment Security, Division of Vocational Rehabilitation

Several Factors Contribute to the Low Percentage of Customers Who Complete the Program

We identified several factors that contribute to the low percentage of customers who successfully complete the program. These include the fact that rehabilitation services can be difficult for disabled individuals to undertake; the limited emphasis placed on employment training services; program staffing problems, which hinder case management; and disruptions in the program's private provider base due to problems with its contracting system.

A primary factor affecting the program's success rate is the difficulty of serving the disabled population. This population, by definition, faces substantial impediments to employment. Planned rehabilitation services such as physical therapy and counseling can require significant physical and emotional effort from customers, some of whom can be unwilling to make the necessary commitment. Consequently, many customers leave the program after refusing services or failing to cooperate.

Another factor that can affect program outcomes is that the program does not always stress job-training services in its rehabilitation plans. VR spends roughly 17% of its budget on the direct purchase of training services. The U.S. General Accounting Office has reported criticism that VR agencies spend too much time and effort on such agency-provided services as guidance and counseling, at the expense of

providing and purchasing educational and training services that could enhance skills necessary for long-term success in the labor market.¹² In a past report, OPPAGA recommended that state employment training programs invest more into vocational educational programs for their customers to improve long-term outcomes for participants.¹³

A third factor affecting the program's outcomes is staffing problems. During calendar year 1997, the program experienced a 21.5% turnover rate for its counselors.¹⁴ Of those counselors, 64.5% had two or more years of experience. Program managers attribute this turnover to the higher salary levels offered by the private rehabilitation providers. For example, the salary range for senior rehabilitation counselors is \$25,117 to \$41,022, while the salary range for private providers is \$30,000 to \$50,000. The Department of Management Services has recommended that these salary levels be increased to address this issue. A related staffing problem is that the federal government has increased the educational requirements for vocational rehabilitation counselors. The program is currently developing a plan to retrain or hire counselors to meet these requirements. With only 20% of the program's current staff meeting the requirements, staffing problems will be aggravated.

Staff turnover can affect case outcomes by disrupting the provision of services to customers. Managers indicate that a customer can go without contact for several months when their counselor changes due to turnover. These customers can lose motivation and become frustrated during this period or can move without leaving a forwarding address (the program closed 4,774 cases during Fiscal Year 1996-97 due to the inability to locate customers). The turnover in senior staff is also significant because the program is shifting, under federal mandate, towards serving the most severely disabled persons. Experienced counselors have greater success in rehabilitating persons than new staff.

The fourth factor that affects program outcomes is disruptions in the program's private provider base due to the method it is using to implement an outcome-based contracting system. A reasonable way to address the program's staffing problems is to further privatize service delivery. For example, due to

¹² *Vocational Rehabilitation: Evidence for Federal Program's Effectiveness is Mixed*, General Accounting Office, August 1993

¹³ *Employment Training Programs: Varied Purposes and Varied Performance*, Office of Program Policy Analysis and Government Accountability, Report 95-24, January 9, 1996

¹⁴ The federal Rehabilitation Services Administration, in a 1997 comprehensive review of the Division of Vocational Rehabilitation, cited high counselor turnover rates as seriously affecting the success of vocational rehabilitation in Florida.

counselor retention problems, the program recently contracted for all services in Monroe County. The flexibility of the private sector in resource allocation makes it able to meet increasing service demands and pay higher wages to insure greater retention.¹⁵ The same senior counselors who are leaving VR to work for providers are often used to deliver contracted services to the VR component.

In 1992, the division adopted an outcome-based method of contracting with private providers. In this system, the program switched from paying providers a fee for each service they delivered to paying providers when they achieved specified performance outcomes, such as placing a customer in stable employment after they complete services. Performance contracting can produce benefits by focusing attention on desired outcomes rather than the number of services provided. However, the division's method for integrating performance measures into its contracts has resulted in a reduction in the number of providers willing to contract with the program. This reduction can adversely affect the program's ability to serve its customers, as the program does not retain the level of staffing or expertise needed to serve the persons needing services, particularly the most severely disabled population that the program now is mandated to serve.

**Performance Information Is
Not Currently Available to
Identify the Full Cost of
Services**

A major weakness in the program's performance accountability system is that it does not maintain adequate data to assess the cost-efficiency of its services. The program has a performance-based program budget measure of "cost per case." However, this measure is not accurate because it does not include all of the program's costs of serving each case. Instead, the reported "cost per case" data includes only the costs of those services the program purchases from private providers, and excludes the program's in-house costs. Thus, the cost of services provided by VR staff, such as counseling, case management, and job placement, are not counted in the cost data. While the program counted \$52 million of purchased goods and services toward their case costs in Fiscal Year 1996-97, \$55 million in counselor and administrative expenses were not counted. As a result, the program's reported reduction in cost per case from 1995-96 to 1996-97 is the result of a shift in the use of resources rather than an actual increase in performance.¹⁶

¹⁵ In exit interviews, counselors cited low pay as the primary reason for leaving the VR component.

¹⁶ The program's reported average cost of case life declined for severely disabled from \$3,557 in Fiscal Year 1995-96 to \$3,010 in Fiscal Year 1996-97; the reported costs for serving the most severely disabled declined from \$3,446 and \$3,417 over this period.

The lack of valid cost data limits the program's ability to gauge whether customers are receiving the best services for the least number of dollars. This data is particularly important because the program provides some services using in-house staff while purchasing many services from private providers. Reliable unit cost data would enable the program to compare the cost of serving customers with its in-house staff to the cost of serving customers through private providers. This information would also enable the program to establish performance standards for its providers and compare the costs of its various providers. Ultimately, this information would enable the program to either discontinue contracts with providers who do not provide cost-effective services or to identify why some providers have the best outcomes.

Options for Improving Program Performance

A primary means by which the program can improve its performance is to enhance its ability to obtain rehabilitation services from private providers. Federal law mandates that the program contract with available community rehabilitation providers to the maximum extent possible. Using private providers does not require increased state staffing and the providers have greater flexibility to expand services and modify compensation levels to meet service demands. The program does not retain the level of staffing or expertise needed to serve the most severely disabled persons whom federal law mandates be given priority for service.

The Program's Contracting System Hinders Its Ability to Attract and Retain Private Providers

In recent years, the department has attempted to integrate the program's performance measures into provider contracts, which has resulted in a reduction in the number of providers willing to contract with the program to serve individuals with a disability. While performance contracting can produce benefits by shifting focus to the expected outcomes of services, the program's current process creates problems that will hinder its ability to attract and retain qualified providers, including:

- contracts with providers do not consider the delivery of intermediate outcomes or the quality of outcomes;
- contract rates do not consider the mix of customers referred to providers; and
- the contracting process does not account for the diversity of barriers to employment.

Until 1992, the program's contracts with rehabilitation providers were awarded on a cost reimbursement basis—payments were based on the number and costs of services provided, regardless of the outcome. Gradually, the program moved to outcome-based contracting and currently uses a combination of fixed price and outcome-based service agreements. The current contracts require providers to meet the state's performance-based budgeting measures, such as placing and maintaining customers in gainful employment for at least 90 days.¹⁷ Providers do not receive payment for serving customers unless the outcome objectives are met.

Contracts Contain No Intermediate Outcomes

A problem with the program's current contracts is that they do not provide for intermediate deliverables or outcomes. Providers incur substantial costs without reimbursement when providing services over an extended period to individuals. However, providers are paid only when all of the services are delivered and customers attain a specified outcome, such as employment for 90 days. For example, VR contracts with providers for placement of individuals with most severe disabilities in competitive employment settings and for additional long-term services that are needed by the individuals to stabilize and maintain their employment status. These supported employment contracts are currently paid in two payments. The provider receives 30% of the contracted price when the customer is employed for 90 days and the remaining 70% after the customer is employed for 150 days.¹⁸ The total contracted price varies depending on the provider, district, and type of disability.

A solution to this problem would be to establish an intermediate payment system that provides a percentage of the total payment as the customer moves toward the final desired outcome and compensates providers for providing benefits during the process. For example, interim payment (a percentage of the contracted price) might be provided for supported employment after the determination of the customer's rehabilitation needs is completed and at the point when an individual is employed with subsequent payments made when the customer has maintained employment for 90 and 150 days.

¹⁷ Other outcomes include VR customers placed in competitive employment and VR customers in employment after one year.

¹⁸ The program has recently moved to add one additional payment to supported employment contracts.

**Contracts Do Not
Reward for the Quality
of Outcomes**

Another related weakness in the current contracts is that they do not reward for the quality of outcomes, which can affect provider costs. For example, the quality of job placements, such as whether a job pays high wages or provides medical benefits, is not considered in the provider's payment level, nor is the customer's satisfaction with the services they receive considered. Consequently, a provider that places individuals only in low-wage jobs and does not meet a customer's needs receives the same payment level as a provider that works to comprehensively meet customer needs and obtain placements in jobs with good pay and benefit levels.

This weakness could be remedied through the use of customer satisfaction surveys that assess the customer and the employer's satisfaction as well as integrating performance standards into contracts. For example, a contract could stipulate that a provider could receive a bonus by placing 50% of mentally ill customers in jobs that have medical benefits and receiving good satisfaction ratings from 85% of the customers served.

**Contract Rates Do Not
Account For the Mix of
Customers Referred to
Providers**

The current contracting system does not adjust contract payment rates for groups of customers who have more significant barriers to employment. Under the terms of a service agreement contract, the program agrees to send a specified number of cases to the provider (although more than the specified number can be referred). The program's strategy is to send providers the most severely disabled customers. The problem with this strategy is that even though the hardest-to-serve customers have the lowest rate of success, the number of successes is not guaranteed and the ratio of successes to failures is not estimated. Thus, the type of caseload a provider receives (and corresponding chance for a successful outcome) may vary between providers. When success rates fall below a threshold of risk too high for providers to bear, they leave the system.

In addition, the tendency of districts to primarily contract cases which are the most difficult to serve, creates a barrier to increasing the capacity of providers in some areas. In part, the efficiency of the private sector is based on its flexibility in resource allocation. Some providers who have historically provided services are no longer contracting with the VR component due to the high risk and low pay. Providers who remain with the system have no incentive to expand capacity for the same reasons. For example, even though the hardest to

serve customers generally have the lowest rates of success, a number of program managers indicated that they refer groups of the most severe and difficult to serve cases to providers while retaining the easier to serve groups of customers. Some providers also assert that the ratio has shifted to serving more of the most severely disabled for which they will have lower success rates and will not be compensated. Thus, the type of caseload a provider receives has a lower chance of success than the caseload that is retained by VR counselors. An alternative strategy for VR could provide a mix of less and most severe cases to the provider, which would reduce the net risk and provide incentive to expand their service base.

**The Contracting Process
Does Not Account for the
Diversity of Customers'
Barriers to Employment**

For example, the program currently makes payments to providers at the same points in time for customers with developmental disabilities as those with severe mental illnesses.¹⁹ Yet, stabilization in employment for an individual with severe mental illness is sporadic requiring a process of “work hardening” where the individual is placed in a series of competitive employment settings. Employment has historically been more difficult to retain for the mentally ill than for those with physical disabilities. Thus, even though providers serve a diversity of individuals, contracts are structured to pay for services as if individuals go through the same types of rehabilitation process.

¹⁹ The Rehabilitation Services Administration recommended that there should be increased use of supported and transitional employment for consumers with severe mental illnesses. Vocational services should come from psychiatric rehabilitation providers wherever possible, and there should be greater use of post-employment services to address the ongoing or intermittent need for vocational supports.

Oklahoma Has Developed A Successful Contracting System That Addresses the Program's Problems

Oklahoma has created a system that successfully addresses the problems discussed. Oklahoma has successfully deployed a payment system for vocational rehabilitation that provides for intermediate multiple outcomes, rewards for quality outcomes, and compensates for risk. The Oklahoma system has produced significant gains in efficiency and effectiveness. Preliminary evaluations indicate that the average cost per case declined by 36% while the total number of outcomes from providers increased by 75%. In total, the Oklahoma system has allowed the state to produce more 90-day employment outcomes with roughly the same number of dollars.

A key element in the success of the Oklahoma model with intermediate multiple outcomes is the commitment to creating a payment system that meets customer needs while addressing the financial realities of both the state agency and its service vendors. In addition, Oklahoma found that one of the best predictors of job success is whether the employer and the consumer of services are satisfied with the job placement and services.²⁰ The Florida program can enhance the quality of provider outcomes by identifying more intermediate outcomes, rewarding for quality outcomes, and making use of customer satisfaction measures.

Oklahoma's bid process adjusts for risk, by allowing a vendor to include in average cost calculations the projected number of "drop outs" at each milestone as well as the cost of providing pre-defined quality outcomes. To reduce the disincentives to serve the most difficult customers, the milestone system requires multiple bids based on the anticipated level of need or difficulty. The payment system reinforces outcomes by increasing the percentage of total payment as the consumer moves toward the final desired outcome.

The Oklahoma model utilizes a weighted formula with contracts that differ between the developmentally disabled and the mentally ill. The reimbursement system reflects both the process of rehabilitation for the differing populations and the level of risk associated with serving the particular population. Financial incentives are created through multiple levels of payment based on the severity of the individual's disability through paying for increments of pre-defined outcomes (milestones) at rates that are negotiated with the vendor.

²⁰ The Oklahoma system requires that before the final milestone payment can be made, the employer and consumer of services must be satisfied.

Implementing a system similar to Oklahoma's should correct some of the current problems in Florida's contracting process by providing a more equitable payment system, streamlining service delivery, and increasing customer satisfaction. Based on the experience of Oklahoma, this system can increase client outcomes while decreasing the cost per outcome, although the impact can not be reliably estimated because Oklahoma began with a different system than that being used in Florida.

Conclusions and Recommendations

The Rehabilitation Program's 1996-97 measures reported to the Legislature provide a mixed picture of the VR component's performance. The program increased the proportion but decreased the number of customers achieving employment outcomes. This was coupled with a minimal increase in customer's wages of 5%. Due to problems with the available data, our conclusions were limited to using those measures that we were able to corroborate. In addition, most of the standards used were not reasonable.²¹ In order to ascertain the performance of the VR component, we examined other available data.

VR has demonstrated the ability to place customers in jobs and help them gain self-sufficiency. However, the program is not collecting and reporting performance information that identifies the full cost of services and allows an analysis of whether customers are receiving the best services for the least number of dollars.

The performance-based program budgeting "cost per case" measures, as defined, fail to consider the cost of services provided by VR staff such as counseling, case management and job placement. To ensure a more complete measure of the cost per case, we recommend that the department revise the "cost per case" measure to include both external expenditures and internal (VR) case costs. To ensure information is available to identify whether customers are receiving the best services for the least dollars, we also recommend that the department collect performance information to identify the cost of services and develop performance standards.

²¹ For additional discussion of the measures reported to the Legislature, see Appendix C.

Although the program's shift to outcome-based contracting focuses more attention on the results of program services, the current system is causing several problems. The contracting system does not provide payment to providers until after most services have been provided, nor does it consider the quality of the outcome or customer satisfaction. In addition, contract rates do not account for the mix of customers referred to providers. Also, the contracting process does not account for the diversity of customers' barriers to employment. As a result, some providers are no longer contracting with VR to provide services. With the move toward giving preference to the most severely disabled, providers are the most ready form of adding service capacity for this population.

Oklahoma has successfully deployed a milestone payment system for vocational rehabilitation that provides for intermediate multiple outcomes, rewards for quality outcomes, and compensates for risk. To improve the VR components' current contracting system, we recommend that the department implement a system similar to the Oklahoma model. The department should ensure that the contracting system:

- considers the delivery of intermediate outcomes and the quality of outcomes, including customer and employer satisfaction;
- reflects the diversity of barriers to employment in the contract reimbursement system; and
- adjusts contract payment rates for groups of customers who have more significant barriers to employment.

Implementing these changes should provide a more equitable payment system, streamline service delivery, and increase customer satisfaction. The system also has the potential to increase client outcomes while decreasing the cost per outcome.

Chapter 4:

Brain and Spinal Cord Injury Component

Introduction

The Legislature established the Brain and Spinal Cord Injury (BSCI) component to provide all eligible brain and spinal cord injured individuals with the opportunity to obtain the necessary services to enable them to return to an appropriate level of functioning in their community or be referred to the Vocational Rehabilitation (VR) component.²² BSCI counselors provide eligible individuals with case management services. These services include identifying the individual's rehabilitative needs, programs or facilities that can provide services to meet those needs, and any benefits, such as Medicaid, available to fund the needed services. The component purchases needed goods and services as the payor of last resort.²³

Revenues for the BSCI Trust Fund come from civil penalties and fines for driving and boating under the influence levied by county courts and temporary license plates issued by the Department of Highway Safety and Motor Vehicles.

Program Performance

The BSCI component has demonstrated the ability to reintegrate disabled individuals into the community or refer them to the VR component. According to information provided by BSCI staff, during Fiscal Year 1996-97, the program reintegrated 426 individuals into the community and referred 187 individuals to the VR component.²⁴

Based on the Rehabilitation Program's 1996-97 measures reported to the Legislature, no conclusions could be drawn about the performance of the BSCI component due to unverifiable data. In addition, BSCI staff do not participate in the performance-based program budgeting reporting process.

²² Eligibility criteria are referral to the BSCI Central Registry; legal residency in Florida at the time of application; medical stability; meets state definition for moderate to severe brain or spinal cord injury; and there is a reasonable expectation that the individual will benefit from rehabilitation services.

²³ Needed goods and services could include diagnostic services, hospital care, prostheses and orthopedic equipment, and transitional living services.

²⁴ This information does not agree with performance information reported to the Legislature for Fiscal Year 1996-97.

Consequently, information generated and reported by BSCI staff conflicts with information reported to the Legislature.²⁵

The Program's PB² Measures Do Not Identify the Full Cost of Services

While the program positively impacts the customers served, as with the VR component, the performance-based program budgeting “cost per case” measure fails to consider the cost of services provided by VR staff. (See page 16 for discussion.) Including such costs as counseling and case management in this measure will provide a more accurate accounting of the cost of services.

Policy Issues

Although the number of individuals referred to BSCI has steadily increased, the revenues available to fund BSCI services have declined. (See Exhibit 6.) Between Fiscal Years 1991-92 and 1996-97, referrals of new customers increased 30% and appropriations grew by 25%. However, actual revenues decreased 28%.

Exhibit 6: Brain and Spinal Cord Injury Program Annual Revenues Collected from Fines and Fees Have Declined

Source of Revenue ¹	1991-1992	1992-93	1993-94	1994-95	1995-96	1996-97
Civil Penalties		Not available		\$9,308,001	\$9,527,449	\$8,932,694
DUIs		Not available		2,019,495	1,932,261	1,321,844
Temporary Tags		Fee added July 1, 1994		1,806,229	2,190,772	2,152,549
BUIs			Fee added July 1, 1997			
Total Revenues	\$17,247,819	\$12,675,910	\$10,318,623	\$13,133,725	\$13,650,482	\$12,407,087
Total Referrals	2,111	2,178	2,439	2,562	2,592	2,751

¹ The Impaired Drivers and Speeders Trust Fund was created in 1988 and funded through surcharges on fines for speeding and driving under the influence. Effective October 1, 1991, the fees were collected from all civil penalties. A fee on temporary tags was added July 1, 1994. Fines for boating under the influence were added effective July 1, 1997.

Source: BSCI Program Annual Reports for 1991-92 through 1996-97 and corrected information provided from 1996-97. The breakout of revenues was not provided in earlier years.

Program revenue from civil penalties and fines for driving under the influence are assessed by the courts, collected by county

²⁵ For example, the program reported in the 1998-99 LBR that BSCI returned 613 customers to the community in 1996-97. In contrast, BSCI indicated that they returned 665 to the community.

clerks, and remitted to the Department of Highway Safety and Motor Vehicles. A report indicating the amount and fund to which the remittances are to be distributed is provided with each remittance. The Department of Highway Safety and Motor Vehicles depends on the recipient programs to check the reasonableness of these amounts.

**The BSCI Component Is Not
Assuring Receipt of All
Potential Trust Fund Revenue**

The department has not reviewed remittances from the county clerks' offices to determine if amounts are correctly assessed and appear reasonable. As a result, the department may have lost a significant amount of potential trust fund revenue. On July 1, 1997, the fine for driving under the influence increased from \$25 to \$60; however, available information indicates that revenue for Fiscal Year 1997-98 will decrease from the prior year. Our review of remittances for driving under the influence identified at least 12 counties that continue to remit \$25 through March 1998.²⁶ An April 1998 report provided by the Department of Highway Safety and Motor Vehicles shows six counties that have not remitted any fines for driving under the influence during the fiscal year.²⁷ In two prior reports, OPPAGA recommended that the department periodically monitor BSCI Trust Fund revenues for reasonableness.²⁸ The department did not begin monitoring efforts until May 1998 and has not ascertained why they have not received all remittances.

Even if the department is able to improve the remittance of statutory fees and fines, the program component will face limitations in revenue growth. This is due in part to projections of little growth in speeding citations (a civil penalty) and arrests for driving under the influence. The Department of Highway Safety and Motor Vehicles predicts the growth in these fines will increase by less than 1% in 1998-99. In addition, the need for temporary license plates is being decreased through the implementation of an electronic filing system, through motor vehicle dealers, for license plate registration. Continued implementation of this filing system should result in the near obsolescence of temporary license plates and the potential loss of a large percentage of approximately \$2 million in associated revenue. This translates into a loss of 15% of total revenue for the BSCI component.

²⁶ Bradford, Columbia, Flagler, Jefferson, Lake, Levy, Marion, Okaloosa, Palm Beach, Polk, St. Lucie and Suwannee counties

²⁷ DeSoto, Holmes, Jackson, Lafayette, St. Johns, and Union counties

²⁸ *Review of the BSCI Program within the Department of Labor and Employment Security*, OPPAGA Report No. 95-23, January 1996 and in *Follow-Up Report on the Review of the BSCI Program Administered by the Department of Labor and Employment Security*, Report No. 97-32, issued January 1998.

The Program Needs to Prioritize Which BSCI Customers Will Be Served and What Services Will Be Provided

Faced with an increasing customer population and decreasing revenues the department will be forced to decide which individuals to serve and the type and level of services to provide. To optimize customer outcomes in an environment of declining revenues, the department must assess the best manner in which to provide these services. The department has the authority, under the Florida Statutes, to establish an order of selection plan for the BSCI program in the event they are unable to provide services to all eligible individuals. In response to this need, the department plans to develop an order of selection to prioritize customers to be served and services to be provided.

Conclusions and Recommendations

The performance-based program budgeting "costs per case" measure, as defined, fails to consider the cost of services provided by BSCI staff such as counseling and case management. While the program counted \$11.4 million of purchased goods and services toward their case costs in Fiscal Year 1996-97, \$2 million in counselor and administrative expenses were not counted. To ensure a more complete measure of the cost per case, we recommend that the department revise the "cost per case" measure to include both external expenditures and internal (BSCI) case costs.

The BSCI component is faced with limitations in program revenue and an increasing population of individuals eligible for program services. To fully maximize funding and optimize customer outcomes under limited resources, we recommend that the department:

- periodically monitor trust fund remittances in the future; and encourage assessment of fines and accurate remittances to the trust fund through education of the courts and county clerks;
- consider the type and level of services and number of customers that could be served under different levels of funding limitations; and
- consider the mix of customers and services that will result in optimum customer outcomes while meeting trust fund objectives.

Appendices

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C. <i>Review of the Fiscal Year 1996-97 Performance of the Department of Labor and Employment Security's Rehabilitation Program Compared to General Appropriations Act Performance Standards</i> , OPPAGA Report No. 97-53, February 1998	36
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Appendix A

Statutory Requirements for Program Evaluation and Justification Reviews

Section 11.513(3), F.S., provides that OPPAGA Program Evaluation and Justification Reviews shall address nine issue areas. Our conclusions on these issues as they relate to the Retirement Program are summarized in Table A-1. As appropriate, Table A-1 makes references to pages in this report and Appendix C where our analysis of the program's performance based on its performance-based program budgeting measures and standards is discussed at greater length. Appendix C contains the full text of our earlier performance report.

Table A-1
**Summary of the Program Evaluation and Justification
Review of the Rehabilitation Program**

Issue	OPPAGA Conclusions
The identifiable cost of the program	<p>In state Fiscal Year 1996-97, the state contributed \$22.8 million and received \$84.2 million in federal matching funds for the Vocational Rehabilitation component.</p> <p>In Fiscal Year 1996-97, the state received \$13.9 million in revenue and expended \$13.4 million for the Brain and Spinal Cord Injury component.</p>
The specific purpose of the program, as well as the specific public benefit derived therefrom	The Division of Vocational Rehabilitation provides vocational services to individuals with mental or physical disabilities in an effort to enable these individuals to live and work as independently as possible.
Progress towards achieving the outputs and outcomes associated with the program	The Rehabilitation Program's 1996-97 measures provide a mixed picture of the Vocational Rehabilitation component's performance. The program increased the proportion but decreased the number of customers achieving employment outcomes. This was coupled with a minimal increase in customers' wages. The department also reported a decrease in the cost of case life. However, the performance-based program budgeting "cost per case" measures include only the cost of purchased goods or services and do not consider the cost of services provided by Vocational Rehabilitation staff, such as counseling, case management, and job placement. Due to problems with the available data, our conclusions were limited to using those measures that we were able to corroborate.
An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, F.S., associated with the program	Vocational Rehabilitation has demonstrated the ability to place customers in jobs and help them gain self-sufficiency. Customers who successfully complete their plan of services are more likely to remain employed and earn higher salaries than those who do not.

Issue	OPPAGA Conclusions
	<p>While the program positively affects the customers served, the cost-efficiency of providing these services is unclear because the reported measures of cost-efficiency are flawed. The program's reported reduction in cost per case from 1994-95 to 1996-97 does not necessarily reflect increased efficiency, only a shift in the use of resources.</p> <p>The division asserts that the decline in the number of individuals attaining employment may be a reflection of the federal shutdown in November 1995 and the budget impasse that lasted into January 1996. During this time, access to federal dollars was limited and sporadic. There was a series of Congressional resolutions that continued funding for the federal government; however, federal staff was not always available to transfer funds when needed. This was especially critical because drawdowns of federal funds are made almost daily by program staff. Consequently, service delivery was slowed and Vocational Rehabilitation limited purchases to those that were immediate and necessary.</p>
<p>Alternative courses of action that would result in administering the program more efficiently and effectively</p>	<p>To ensure a more complete measure of the cost per case, we recommend that the division revise the "cost per case" measure to include both external expenditures and internal (Vocational Rehabilitation and Brain and Spinal Cord Injury) case costs.</p> <p>To ensure information is available to identify whether customers are receiving the best services for the least dollars, we recommend that the department collect performance information to identify the cost of services and develop performance standards.</p> <p>To improve the Vocational Rehabilitation component's current contracting system, we recommend that the department implement a contracting system that:</p> <ul style="list-style-type: none"> • considers the delivery of intermediate outcomes and the quality of outcomes, including customer and employer satisfaction; • reflects the diversity of barriers to employment in the contract reimbursement system; and • adjusts contract payment rates for groups of customers who have more significant barriers to employment. <p>The Brain and Spinal Cord Injury component is faced with limitations in program revenue and an increasing population of individuals eligible for program services. To fully maximize funding and optimize customer outcomes under limited resources, we recommend that the department:</p> <ul style="list-style-type: none"> • periodically monitor trust fund remittances in the future, and encourage accurate remittances to the trust fund through education of the courts and county clerks; • consider the type and level of services and number of customers that could be served under different levels of

Issue	OPPAGA Conclusions
	<p>funding limitations; and</p> <ul style="list-style-type: none"> consider the mix of customers and services that will result in optimum customer outcomes while meeting trust fund objectives.
The consequences of discontinuing the program	<p>The program enables many disabled individuals to become rehabilitated whom otherwise could require even more long-term public assistance and services. Approximately 8,800 individuals with disabilities and brain and spinal cord injuries successfully completed program services in Fiscal Year 1996-97. Data indicates that individuals who complete the program's vocational rehabilitation services are more likely to find and retain employment than persons who do not complete program services. In addition, services to individuals with brain and spinal cord injuries have been shown to reduce the long-term medical and public assistance costs for those individuals by dealing early and effectively with medical problems before they worsen.</p> <p>If the program were to be discontinued, the responsibility for those individuals whose needs could not be met by families and charitable organizations would ultimately fall to the state, without the benefit of the over \$80 million in federal assistance. As most available employment training programs are not oriented to serve individuals with disabilities, these individuals would shift to social service programs that do not have employment as a goal, which would further increase public assistance in that they most likely would not obtain employment.</p>
Determination as to public policy; which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part	<p>Although rehabilitation services are not considered essential government services, they are beneficial. Vocational rehabilitation services improve public welfare by enabling many disabled individuals to become employed. Individuals who complete vocational rehabilitation services are more likely to find and retain employment than individuals who do not complete services. In addition, services to individuals with brain and spinal cord injuries have been shown to reduce long-term medical and public assistance costs. Ultimately the burden of caring for those individuals whose needs could not be met by families and charitable organizations would fall to the state, without the benefit of federal assistance. Due to these factors, the Rehabilitation Program should be continued.</p>
Whether the information reported pursuant to s. 216.03(5), F.S., has relevance and utility for the evaluation of the program	<p>Some of the program's performance-based program budgeting measures are not valid indicators of program performance and should be changed. In addition, the program's five "cost per case" outcome measures are incomplete, reflecting only the cost of purchased goods and services, while excluding counselor costs and other overhead considerations. The Governor's Office recently approved changes to some measures. However, some measures remain unchanged and invalid. Finally, the program's performance measures cannot be used to evaluate some aspects of its performance, such as</p>

Issue	OPPAGA Conclusions
	the self-sufficiency of customers or the effects of sub-programs such as School-to-Work transitioning and Centers for Independent Living.
Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports	<p>The Inspector General identified system controls for ensuring the reliability of the information reported to the Legislature, but these procedures have not been fully implemented. While the program has made progress towards implementing these procedures, problems persist that hinder the substantiation of information. Problems include:</p> <ul style="list-style-type: none"> • procedural documentation for the data compilation process or supporting records of the data production; • quality assurance procedures associated with the compilation process; and • management of system controls over the data compilation process that would allow performance numbers to be reconciled back to the number of records in the original data set. <p>These data concerns limited the conclusions made about the program's performance using this data and limit the Legislature's ability to compare performance data over time.</p>

Source: Developed by OPPAGA

Appendix B

Contracts With Community Rehabilitation Providers

Many of the services provided by the VR component are purchased from community rehabilitation providers. Federal law mandates that vocational rehabilitation agencies use community rehabilitation programs (providers) to the maximum extent feasible. Providers are also used to handle fluctuations in workload or to provide services requiring substantial expertise, such as in the case of supported employment where services are labor intensive and follow-up services are long term. (See Table B-1.)

Table B-1
Vocational Rehabilitation Contracted with Community Rehabilitation Providers
For the Following Types of Services During Fiscal Year 1996-97

Types of Services	Description of Services	Number of Contracts with Providers
Vocational Development	<p>A program of services provided for consumers to enhance their ability to become employed and remain on the job. Services include:</p> <p><i>Vocational Evaluation:</i> A service provided for the purpose of determining individual vocational objectives, assets, limitations, and behaviors in the context of work environments to assist the consumer in the development of a plan which is designed to achieve these objectives.</p> <p><i>Work Adjustment:</i> A service provided to assist consumers in understanding and developing appropriate behaviors in order for them to obtain and maintain employment.</p> <p><i>Job Placement:</i> A service organized to assist consumers in identifying, obtaining, and/or maintaining employment commensurate with their vocational, social, psychological, and medical needs.</p>	65
Supported Employment	<p>A program of services that may include consumer assessment, job development and analysis, consumer job matching, job placement, or training provided on or off the job site in work related skills needed by the consumer to succeed on a job. It may also include advocacy for consumers, such as facilitating positive relationships with co-workers and supervisors, and assisting with transportation. The final outcome of supported employment is Job Coaching.</p> <p><i>Job Coaching:</i> Services provided by a job coach or employment specialist to ensure the consumer maintains stabilization in competitive employment.</p>	104

Source: *Annual Report for Contracts and Grants*, Department of Labor and Employment Security, Division of Vocational Rehabilitation, Fiscal Year 1996-97.

Appendix C

Review of the Fiscal Year 1996-97

Performance of the Department of Labor and Employment Security's Rehabilitation Program Compared to General Appropriations Act Performance Standards, OPPAGA Report No. 97-53, February 1998

Abstract

- The Vocational Rehabilitation component's performance measures provide a mixed picture of performance in which the costs per case decreased while the number of customers employed decreased.
- The Brain and Spinal Cord Injury component's measures could not be used to evaluate performance.
- The division should revise some performance measures to enhance the usefulness of the information.

Purpose

This is the first of two reports presenting the results of our program evaluation and justification review of the Department of Labor and Employment Security's Rehabilitation Program. This program is composed of two components: Vocational Rehabilitation (VR) and Brain and Spinal Cord Injury (BSCI). The law directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to complete a program evaluation and justification review of each state agency program that is operating under a performance-based program budget. OPPAGA is to review each program's performance-based program budgeting measures and standards and identify alternative means for providing program services.

This report addresses the performance of the Rehabilitation Program using its 1996-97 General Appropriations Act measures and standards. In this review, we examined the program's performance compared to historical trends in performance as well as the legislative standards for Fiscal Year 1996-97 and

options for improving the program's Fiscal Year 1998-99 performance-based program budgeting measures and standards. OPPAGA's second report addressing the program's performance and policy alternatives for reducing costs and improving services will be published before July 1, 1998.

Background

The VR and BSCI components work in tandem to return disabled individuals to employment and to reintegrate them into the community. The major activities of the VR component include providing services to individuals with disabilities in order to maximize their employment, economic self-sufficiency, and independence. Simultaneously, the BSCI component stabilizes and rehabilitates injured individuals to facilitate reintegration into the community or referral to the VR component. During federal Fiscal Year 1996-97, the VR component served 46,963 customers.¹ During state Fiscal Year 1996-97, the BSCI component served 4,679 customers. The VR component provides services and job training to people with disabilities who want to work. To be eligible for services, a person must have a physical or mental impairment that is a substantial impediment to employment; be able to benefit from VR services in terms of employment; and require VR services to prepare for, enter, engage in, or retain employment. VR is federally mandated to serve the severely disabled.²

VR's employment objectives are to produce outcomes that are long term and enable the individual to become self-sufficient. The Federal Rehabilitation Act requires that the vocational rehabilitation process be timely and

¹ This is not the same number reported by the VR component for the state fiscal year, 138,734. The program's number included, as customers, persons who had some contact with the program even if they did not apply for services. However, the department has requested that the performance-based program budgeting definition of customers served be aligned to match the federal definition used here.

² Although the federal government does not require a distinction in measurement, the state's performance measures distinguish between severely and most severely disabled.

customer choice ensured. In 1992, the importance of choice was reinforced with the mandate to include and involve individuals with disabilities in all aspects of the vocational rehabilitation process. VR produces these outcomes through eight district offices and additional efforts such as School-to-Work transitioning and Centers for Independent Living.³

VR is funded through a federal/state matching agreement whereby the state contributes 21.3%. In state Fiscal Year 1996-97, the state contributed \$22,794,768 and received \$84,222,905 in federal matching funds. In Fiscal Year 1996-97, the VR component was authorized 1,073 positions.

The Legislature established the BSCI component to provide all eligible injured individuals with the opportunity to obtain the necessary services to enable them to be referred to the VR component or to an appropriate level of functioning in their community. To ensure the referral of eligible persons with brain or spinal cord injuries to BSCI, the identification or diagnosis of any person with a moderate to severe brain or spinal cord injury must be reported to a central registry within five days of occurrence.

The cost of care for individuals with brain or spinal cord injuries and BSCI's administrative costs are covered by the Brain and Spinal Cord Injury Rehabilitation Trust Fund, which receives revenues from 8.2% of all civil penalties levied by county courts pursuant to s. 318, F.S. (after a \$2 deduction per levy), \$60 from each driving or boating under the influence fine received by a county court, and \$1 from each temporary license plate issued by the Department of Highway Safety and Motor Vehicles. In Fiscal Year 1996-97, the BSCI component received \$13.9 million in revenue, expended \$13.4 million, and was authorized 56 positions.

The 1994 Government Performance and Accountability Act directs state agencies to provide the Legislature with budget requests that include measures and standards that can be used to judge program

³ School-to-Work transitioning refers to the collaborative effort between VR, local schools, and job training programs focusing on students, in secondary schools, making the transition from school to the adult community. Centers for Independent Living provide services to persons with significant disabilities so they may access their community, its resources, and social opportunities.

performance. The Legislature approves programs, performance measures, and standards in the General Appropriations Act.⁴ State agencies must report annually on their performance against these standards in subsequent legislative budget requests. The Legislature considers this information in evaluating program performance and may award incentives and disincentives for performance that exceeds or fails to meet the established standards.

The Legislature authorized the Rehabilitation Program to operate under a performance-based program budget in Fiscal Year 1996-97, and specified 22 outcome and 8 output measures.⁵ In 1997-98, VR and BSCI continue to operate under performance-based program budgeting. The number of outcome measures was reduced to 19 and the number of output measures to 7 (see Appendix A).

Findings

Using the Rehabilitation Program's performance-based budgeting measures, what can be concluded about its performance in Fiscal Year 1996-97?

The Rehabilitation Program's 1996-97 measures provide a mixed picture of the VR component's performance. The program increased the proportion of customers achieving employment outcomes while decreasing the cost of case services. These gains were coupled with the program employing fewer customers and a minimal increase in customers' wages. Due to problems with the available data, our conclusions were limited to using those measures that we were able to corroborate (see Appendix B).⁶ We were able to comment on three areas specifically related to the VR component-case costs; rate and number of customers employed; and quality of employment.

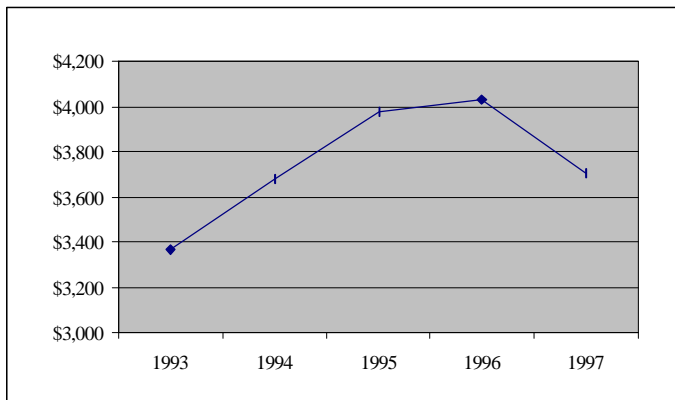
⁴ Standards are expected levels of performance against which actual performance is to be compared.

⁵ Output measures should reflect actual services or products delivered by a state agency, while outcome measures should be an indicator of the actual impact or benefit of a program

⁶ The Department maintains a second set of measures, which are reported to the federal government. The Rehabilitation Service Administration scrutinizes these measures and numerous quality assurance controls are in place to ensure the replicability and credibility of the data. This data was compared with reported state measures to verify the trends reported to the Legislature.

Case Costs. According to three measures of cost efficiency, performance improved substantially in 1996-97. The measure “cost of case life” stabilized for the most severely disabled and declined sharply for the severely disabled (from \$3,557 to \$3,010). Overall costs of case life decreased by 8% or approximately \$300 – a significant reduction. (See Exhibit 1.)

Exhibit 1
Case Cost for Successful Rehabilitations
Decreased in 1996-97

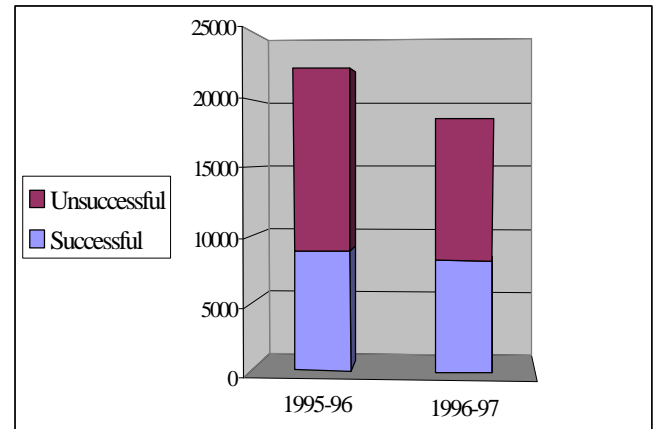


Source: Rehabilitation Service Administration, Federal Department of Education

Some program managers reported that the increased focus on reducing costs contributed to this gain in efficiency. To illustrate, one program manager pointed out that some requests for expenditures, not directly related to the employment outcome objective, such as dental work, were disallowed. In the past many of these same expenditures were acceptable. In addition, limits on living expenses became VR policy in 1996-97, further reducing case costs.

Rate and Number of Customers Employed. While VR rehabilitated an increased proportion of customers, the number of customers employed decreased. (See Exhibit 2.) Similarly, the proportion of both severe and most severely disabled customers employed increased while the actual number of *most* severely disabled customers employed decreased. The performance measures illustrate the commitment of VR to serve the severely disabled which composed 80.8% of those successfully placed. Overall, VR demonstrated the ability to place a significant proportion of customers in jobs, while the number of customers served decreased.

Exhibit 2
The Proportion of Successful Cases
Increased, While the Number of Cases Decreased



Source: Department of Labor and Employment Security, Division of Vocational Rehabilitation

The division asserts that the decline in the number of individuals attaining employment may be a reflection of the federal shutdown in November 1995 and the budget impasse that lasted into January 1996. During this time, access to federal dollars was limited and sporadic. There was a series of Congressional resolutions that continued funding for the federal government; however, federal staff was not always available to transfer funds when needed. This was especially critical because drawdowns of federal funds are made almost daily by program staff.⁷ Consequently, service delivery was slowed and VR limited purchases to those that were immediate and necessary.

The division also indicated that counselors focused on existing customers and redoubled efforts within the community to place customers. Individuals accepted for services continued to receive services. This mitigated some of the resource conflict between new and existing customers, resulting in increased levels of services from the counselors to existing customers.

Quality of Employment. The VR component demonstrated a small increase in the rate at which rehabilitated customers were placed in competitive employment (from 96.4% to 96.5%).⁸ This increase is attributable to VR’s emphasis on the goal of achieving

⁷ The timing is determined by agreement with the federal government under the “Cash Management Improvement Act” of 1990, 31 CFR 205.

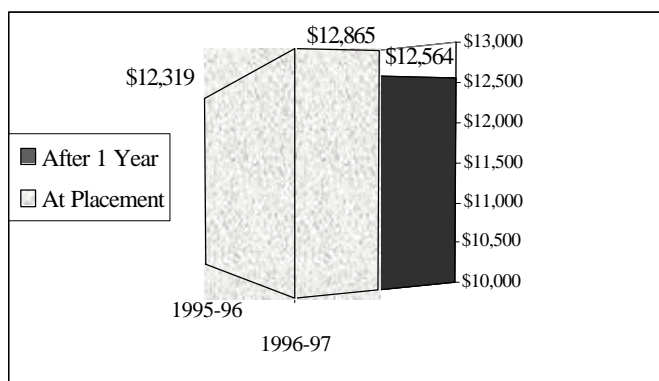
⁸ Competitive Employment refers to earning at or above the minimum wage. The state definition excludes work in a sheltered workshop, self-employment, or state-agency-managed business enterprise.

placements in integrated competitive employment for all customers.

In addition, the self-reported average **annual earnings** of VR customers **at placement** increased from \$12,319 to \$12,865. The degree to which the division affected the income increase is unclear. On October 1, 1996, minimum wage increased from \$4.25 to \$4.75 (an 11.7% increase). For an individual making minimum wage this would amount to \$780 in 1996-97, which could account for much of VR's increase. Also, average annual earnings after one year (\$12,564) was less than the earnings at placement (\$12,865). (See Exhibit 3.) This apparent decrease may be the result of the way that VR's two income amounts are determined; income at placement is self-reported, while income after one year is obtained from employer reports. Overall the increase in placement wages may be a reflection of the increase in minimum wage, while the decline in wages after one year in employment may be the consequence of differences in the way the information is reported.

Exhibit 3

Income at Placement Increased, But Income After One Year Was Less Than at Placement



Source: Florida Education and Training Placement Information Program and Department of Labor and Employment Security, Division of Vocational Rehabilitation

What improvements can be made to the program's performance-based program budgeting measures and standards for Fiscal Year 1998-99?

The performance measures for the Vocational Rehabilitation component reflect an orientation toward employment outcomes that are timely and cost effective. At the same time there are elements of performance that should be addressed to enhance the information the division provides to the Legislature. They include:

- The information reported to the Legislature should be documented and verifiable.
- The BSCI information could not be used to assess performance.
- Measures for School-to-Work transitions and Centers for Independent Living are needed.
- A customer satisfaction measure is needed.
- Some measures for assessing the program's performance were not valid and should be revised.
- When practicable, federal and state measures should be the same.
- Performance standards should be reasonable and balanced.
- Inconsistencies between measures should be eliminated to simplify the interpretation of the program's performance.

The information reported to the Legislature should be documented and verifiable.

The division could not provide information that would allow us to verify the accuracy of 24 of the 26 measures reported to the Legislature. However, we identified alternative sources of information for 13 of the measures (2 output and 11 outcome measures). Information reported to the Legislature should be documented and readily verifiable through records maintained by the division.

The Inspector General identified system controls for ensuring the reliability of the information reported to the Legislature, but these procedures have not been fully implemented. Problems hindering the substantiation of information include a lack of:

- procedural documentation for the data compilation process or supporting records of the data production;
- quality assurance procedures associated with the compilation process; and,
- management or system controls over the data compilation process that would allow performance numbers to be reconciled back to the number of records in the original data set.

These data concerns limited the conclusions made about the program's performance and limit the Legislature's ability to compare performance data over time. While the division indicated that it would take steps to correct these deficits in the reporting and verification process, little progress has been made. To ensure that the division provides the Legislature with accurate and readily verifiable information, the division should implement the corrective actions outlined by its Inspector General.

The BSCI information could not be used to assess performance.

No conclusions could be drawn about the performance of the BSCI component due to unverifiable data. In addition, BSCI staff does not participate in the performance-based program budgeting reporting process. Consequently, information generated and reported by BSCI staff conflicts with information reported to the Legislature.⁹

One of the fundamental purposes of performance-based program budgeting is to enhance the performance of agencies. If an entire operational section takes no part in generating information, reporting information, or creating standards, the value of those measures is limited.

At minimum, the BSCI component should be allowed to verify the calculations of performance measures before they are reported to the Legislature and negotiate its own performance standards.

Measures for school-to-work transitions and Centers for Independent Living are needed.

Additional output measures are needed to more readily relate the activities of the VR component to budgetary decision-making. In particular, outputs are needed which relate the efforts of the School-to-Work transitions and Centers for Independent Living to the division's existing performance measures.

In 1996-97, the program served 6,238 customers through School-to-Work transitioning. VR maintains an ongoing relationship with schools and provides vocational rehabilitation services for eligible high

⁹ For example, the program reported in the 1998-99 LBR that BSCI returned 613 customers to the community in 1996-97. In contrast, BSCI indicated that they returned 665 to the community.

school students ages 15 through 21. Similarly, VR provides approximately 43% of the public funding for 13 Centers for Independent Living across the state. These centers serve approximately 9,000 individuals a year. While not all of these customers are referred to VR, the centers provide a variety of community supports for the disabled.

The division should consider including two output measures that relate the activities of School-to-Work transitioning and Centers for Independent Living to the performance of the program. Measures for School-to-Work transitions might include "number of individuals served" (from applicant status through closure). In addition, the division, in cooperation with the Florida Independent Living Council, should develop measure(s) to introduce a level of accountability for the centers and relate their work back to the self-sufficiency objective of the program.

A customer satisfaction measure is needed.

Currently no performance measure exists which relates the idea of choice to the VR component. However, informed choice is a federally mandated part of the process and is perceived as an integral element of quality employment outcomes.¹⁰ There is some evidence that the extent to which VR customers perceive themselves as having choice in determining their services and employment objectives will effect the customer's outcome.¹¹

The federal government's concern for consumer choice necessitated that State Rehabilitation Advisory Councils develop a consumer satisfaction survey. The survey is one way to assess the degree of choice insured in the process. Florida's Rehabilitation Advisory Council anticipates completion of a final survey instrument in 1998. In the future, the division should report a measure of consumer satisfaction to reflect the impact of involving individuals in choosing services and selecting their vocational outcomes.

Some measures for assessing the program's performance were not valid and should be revised.

¹⁰ An individual's plan for rehabilitation is to be designed to reflect the individual's interests and informed choice to the extent that these factors are consistent with the individual's strengths, resources, priorities, concerns, and abilities.

¹¹ See "A Longitudinal Study of the Vocational Rehabilitation Service Program, Second Interim Report: Characteristics and Perspectives of VR Consumers," December 1996, submitted by Research Triangle Institute to RSA, U.S. Department of Education.

While most of the program's measures are valid indicators of performance, some improvements are necessary. The measures that attempt to (1) illustrate timeliness of service; (2) quantify recoveries from third-party payers; (3) demonstrate the impact of the program on welfare recipients; and (4) measure the performance of the BSCI component, are problematic.

1. Timeliness of Service. The Rehabilitation Program uses three output measures that attempt to illustrate timeliness of service. The program should eliminate two of these measures and revise the third measure.

There is no element in the database or consistent definition of "planned services" which would allow the program to measure the "average time lapse between eligibility determination for the Vocational Rehabilitation component and the beginning of planned services." This measure should be eliminated.

The "average time lapse (in days) between referral and eligibility determination for BSCI customers" is misleading and has little value. The measure definition reflects eligibility for Vocational Rehabilitation Services, not eligibility for Brain and Spinal Cord Injury services. In addition, federal regulations allow certain clients to be placed in extended evaluation prior to eligibility determination or to agree to an extension, which would increase the time lapse without affecting client services. This measure should be eliminated.

The third measure, which attempts to reflect compliance with federal law by providing the "average number of days between application and eligibility determination for Vocational Rehabilitation customers," should be revised. The way in which compliance is reported—an average number of days—is inappropriate. An average fails to demonstrate compliance because compliance can be met in several ways. The program should report the "percentage of applications processed in compliance with federal law."

2. Recoveries from Third-Party Payers. The measure "percentage of case costs covered by third-party payers" does not accurately reflect the ability of the program to recoup costs. The measurement includes estimates made by field staff on a case-by-case basis. Several program managers indicated that there was historical confusion as to what should be included in these estimates. As a result, a significant portion of the recoveries included in this calculation is subject to error. The measure would be more accurate if the inconsistently defined estimates were not a part of the

reported information. Instead, the total dollars recovered from the Social Security and Social Security Disability programs and legal settlements should be reported (two of the three existing components of this measure).

3. The Impact of the Program on Welfare Recipients. The following three measures are not accurate reflections of the program's performance: (1) rate and number receiving temporary family assistance at VR closure for gainfully employed; (2) rate and number receiving temporary family assistance at VR closure for other VR closures; and (3) percentage reduction in temporary family assistance for gainfully employed VR customers at closure. VR does not target welfare recipients and recorded serving only 445 temporary family assistance recipients. This comprises 2.4% of those served by the Rehabilitation Program. The Federal Rehabilitation Act provides no mandate for the program to serve this population; the program is not income based.

While intervention by the VR component resulted in a reduction in welfare payments for a few customers, VR's substantive impact is in preventing dependence on public assistance programs by increasing self-sufficiency. A measure of self-sufficiency is currently tracked for federal reporting purposes, accurately reflecting the component's performance.

Overall, the component has a constant and substantial increase in customers supporting themselves at closure, as compared to those supporting themselves at time of application. In **federal** Fiscal Year 1996-97, 8,381 individuals were rehabilitated.¹² Of these customers, 1,646 or 19.6% were self-sufficient at time of application, which increased to 6,386 or 76.2%, at closure.

The sufficiency of the wage in covering the expenses of the individual indicates the quality of the employment outcome. Because this measure provides an accurate reflection of the program's purpose and illustrates the impact of the program on a significant population, it should be used in place of the temporary family assistance measures.

4. The Performance of the BSCI Component. Currently, the "rate and number of customers gainfully

¹² The federal fiscal year spans from October 1 to September 30. In addition, the federal definition of rehabilitated differs slightly from the state's definition, including self-employed, unpaid family workers, and homemakers as successful (110 of the 8,381).

employed of BSCI customers referred to the Vocational Rehabilitation Program” is an outcome of the VR component, not of the BSCI component, and should be eliminated. The outcome measure “rate (and number) of BSCI customers returned (reintegrated) to their communities at an appropriate level of functioning for their injuries” includes those individuals referred to VR for employment.

When practicable, federal and state measures should be the same.

The division tracks, maintains, and reports two sets of performance measures, one for the federal government, the other for state performance reporting. This dual system creates unnecessary administrative burdens and hinders the use of comparable state information to assess Florida’s performance.

Between these two measurement sets, there are 10 measures, which were designed to convey the same information yet contain slight variations between state and federal definitions. These differences limit the ability to compare Florida’s performance to that of other states. In addition, the federal measures predate Florida’s performance-based budgeting efforts and offer historical performance data, as well as proven quality controls in the compilation and reporting process.

To reduce the administrative burden of performance measures and devise more accurate standards, we recommend that, where performance measures are substantially similar, the state utilize the federal definition of the measures (see Appendix C).

Performance standards should be reasonable and balanced.

The reasonableness of 15 of the standards is unknown due to either questionable or unverifiable data. Of the 11 standards evaluated, only 4 were reasonable compared with the program’s historical performance.

In some cases, the program surpassed the standard even though performance declined from the prior year. For example, the number of customers gainfully employed declined from 8,850 in 1995-96 to 8,208 in 1996-97, yet the standard was only 7,957. At the same time, the rates of rehabilitation were set too high. In 1995-96 the VR component achieved a 39.7% success rate and in 1996-97 the success rate was 44.3%, a clear and substantial increase. However, the standard was set at 53% which would require a 33% increase in

performance. The reasonableness of standards is summarized in Appendix B.

The division can increase the accuracy of standard setting in three ways (1) update standards when historical data becomes available; (2) set standards based on the tradeoffs between measures; and, (3) where practicable, use comparable states’ performance to devise performance standards.

1. Update Standards. To correct the overstatements and understatements of targets, the division should ensure that its standards are updated to reflect current performance. Division staff projected performance standards in early 1996 through the year 2001. The division did not update its standards for 1996-97 prior to adoption by the Legislature and has not updated standards for the 1998-99 Legislative Budget Request. The division continues to use the standards created in 1996.

2. Reflect the Tradeoffs Between Measures in Standards. To reflect the tradeoffs between standards, the division should consider the interaction between measures. Some of the program’s standards attempt to maximize opposing objectives without consideration of the tradeoffs between alternative actions, making the standards contradictory.

In any environment, there are tradeoffs between quality, efficiency, and timeliness. For VR, reducing the cost of a case may affect the long-term employment retention rates by providing the customer with inadequate training or resources. Similarly, decreasing the amount of time spent on assessing the individual’s needs may hinder the accuracy and thoroughness of the assessment. As quality outcomes, such as long-term retention and consumer choice, are given emphasis, there may be a threshold of cost which the division cannot move below.

3. Use Comparable States to Devise Standards. We recommend that, where practicable, the division consider the comparable performance of other state VR agencies when setting standards. The federal government tracks all 50 states with a range of performance measures. The program has identified states that are comparable geographically and demographically. Using comparisons provides a context for standard setting beyond historical trends and hypothesized opportunities and threats.

Inconsistencies between measures should be eliminated to simplify the interpretation of the program's performance.

The ability to assess progress in a program's achievement of its goals and objectives is central to performance-based program budgeting. In some cases, the VR component's measures do not use similar definitions, creating difficulties in understanding the logical linkage between measures. For example, there are five cost measures that include the costs of both successful and unsuccessful closures, while the measures for employment outcomes only include successful closures. Without comparable definitions, the Legislature cannot use the measures in combination to draw conclusions about performance.

Ideally, performance measures should focus attention on the intended performance. In this case, it is to produce more employment outcomes at a minimal cost. Therefore, calculating costs as a function of successful closures reflects the cost of an employment outcome and should be used consistently across measures. The division should revise its cost measures to reflect the case costs of achieving an employment outcome-the cost of a successful rehabilitation.

Conclusions and Recommendations

The Rehabilitation Program's performance measures provide a limited yet accurate depiction of the VR component's ability to efficiently produce employment outcomes for its customers. The performance measures illustrate that VR has gained substantial ground in reducing case costs and increased the rate of employment outcomes. Conversely, the overall number of individuals placed in employment declined and the extent to which the program increased the wages of its customers is uncertain.

Improvements can be made to the proposed 1998-99 measures, providing the Legislature with a more complete and accurate view of the program's performance (summarized in Appendix C). Recommended changes include:

- revising measures which illustrate the timeliness of service, quantify recoveries from third-party payers, demonstrate the impact of the program on welfare recipients, and measure the performance of the BSCI component;

- adding measures for School-to-Work transitions, Centers for Independent Living, and customer satisfaction; and
- when practicable, substituting federal measure definitions for state measure definitions.

To ensure that the division provides the Legislature with reliable information about program performance, the division should implement the corrective actions outlined by their Inspector General. Also, the division should adjust its baseline and standards when historical and comparable data become available.

Finally, to ensure the accuracy and usefulness of the Brain and Spinal Cord Injury components performance information, BSCI staff should participate in the performance-based program budgeting reporting process, verify the calculations of their own performance measures, and negotiate their own performance standards.

Agency Response

The Secretary of the Department of Labor and Employment Security generally agreed with our review and described actions being taken to implement our recommendations. However, he disagreed that reporting the “percentage of applications processed in compliance with federal law” should be the replacement measure used to illustrate federal compliance.

Also, where OPPAGA recommended that “the division should revise its cost measures to reflect the case costs of achieving an employment outcome – the cost of a successful rehabilitation” the agency responded:

“The Division disagrees. The cost measures for the VR and BSCI customers were defined to reflect the cost of serving all the Division’s customers, not only those with a successful outcome. These are efficiency measures for all program services. The Division would consider adding a measure to report the average cost of a successful closure, if this additional information is useful.”

A copy of the Secretary’s complete response is available on request.

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision-making, to ensure government accountability, and to recommend the best use of public resources. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

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Appendix A
Information Technology Program
Performance-Based Program Measures for Fiscal Year 1996-97

<i>Outcome Measures</i>	<i>Explanation</i>	<i>Indicator of</i>
1. Rate and number of customers gainfully employed (rehabilitated) at least 90 days	The number of customers who are continuously employed (rehabilitated) for 90 days. The measure has a second component: the proportion of successfully rehabilitated individuals as a percentage of those unsuccessfully closed (not rehabilitated). This is the core measure of the VR component's success, revealing the ratio of successful to unsuccessful efforts.	VR Success
a. of VR severely disabled	This is one part of the above population. The severely disabled are one of two target populations of Vocational Rehabilitation.	VR Success
b. of VR most severely disabled	This is one part of the above population. The most severely disabled are one of two target populations of Vocational Rehabilitation.	VR Success
c. of BSCI customers referred to VR	This is one part of the above population. BSCI customers typically fall in the severely and most severely disabled categories. Note: this is a measure of the performance of Vocational Rehabilitation (not of the BSCI component). The BSCI component is not mandated to produce employment outcomes.	VR Success
d. of all other VR disabled	This is one part of the above population. This category includes non-severe customers. Vocational Rehabilitation is not mandated to serve the non-severely disabled.	VR Success
2. Rate and number of VR customers placed in competitive employment	Rate and number of rehabilitated VR clients placed in competitive employment. Competitive Employment refers to earning at or above the minimum wage. The state definition excludes work in a sheltered workshop, self-employment, or state-agency-managed business enterprise. This measure is a reflection of the quality of jobs obtained by VR clients.	VR Quality
3. Rate and number of VR customers retained in employment after one year	The number of customers employed one year following successful case closure divided by the total number of gainfully employed. This is an indicator of the quality of the rehabilitation process and the long-term success of the program.	VR Quality
4. Projected average annual earnings of VR customers at placement	The sum of weekly wages for all gainfully employed customers multiplied by 52 weeks, divided by the number of gainfully employed customers both full and part-time. This is an indicator of the quality of the employment outcome.	VR Quality
5. Average annual earnings of VR customers after one year	The average earnings of customers found gainfully employed in each quarter of follow-up data are multiplied by the number found employed for each quarter; the earnings found for each quarter is summed and divided by the total number of customers found in each quarter of the follow-up fiscal year. This is an indicator of the quality of the rehabilitation process and the long-term success of the program.	VR Quality
6. Rate (and number) of BSCI customers returned (reintegrated) to their communities at an appropriate level of functioning for their injuries	Appropriate level of functioning includes returning a child to school, home and living under the care and supervision of family members, to the workforce after completing the necessary rehabilitation and training or entering a group home to live as independently as possible while receiving assistance with daily living.	BSCI Success
7. Rate (and number) receiving temporary family assistance at VR closure:	This is a measure reflecting VR's role in moving individuals from reliance on public assistance to increasing their independence through gainful employment. VR does not target this population who make up only a small percentage of VR customers served.	VR
a. of gainfully employed	This is one part of the above population and includes only those gainfully employed at closure.	VR
b. of other VR closures	This is one part of the above population and includes only those who were not gainfully employed at closure.	VR
8. Percentage reduction in temporary family assistance (TFA) for gainfully employed VR customers at closure	This reflects the effects of gainful employment on the reliance on public assistance. VR does not target this population who make up only a small percentage of VR customers served.	VR
9. Percentage of case costs covered by third-party payers	Illustrates the extent to which the program has been successful in recovering costs from other programs and private sources. One element of this measure, comparable services and benefits, is estimated on a case by case basis and highly unreliable.	BSCI & VR Program Efficiency
10. Average cost of case life (to Division) for:	Illustrates the average unit cost by type of client served for both successful and unsuccessful closures regardless of whether there is a cost associated with the customer.	VR Cost Efficiency
a. severely disabled VR customers		VR Cost Efficiency
b. most severely disabled VR customers		VR Cost Efficiency
c. all other disabled VR customers		VR Cost Efficiency
d. brain injured BSCI customers		BSCI & VR Cost Efficiency
e. spinal cord injured BSCI customers		BSCI & VR Cost-Efficiency

Appendix A (Continued)

<i>Output Measures</i>	<i>Explanation</i>	<i>Indicator of</i>
1. Number of Customers Reviewed for Eligibility	Reviews for eligibility of all determinations, both those in which the customer is determined eligible for services from VR or BSCI and customers who are determined ineligible.	BSCI & VR Services Delivered
2. Number of Individualized Written Plans for Services	The total number of plans to provide services to customer written by the counselor or case manager, after the individual has been determined to be eligible for services from the VR or BSCI component.	BSCI & VR Products Delivered
3. Number of Customers Served	This includes all applicants from referral to closure currently active within the program.	BSCI & VR Services Delivered
4a. Average time lapse (in days) between application and eligibility determination for VR customers.	This is a federally mandated requirement illustrating the timeliness of determination for the customer. This includes customers reviewed for eligibility whose eligibility determination was made during the time period assessed.	VR Timeliness
4b. Average time lapse (in days) between referral and eligibility determination for BSCI customers	There is no time requirement for BSCI eligibility determinations. This illustrates the timeliness of determination for the customer.	VR Timeliness
5. Average time lapse (in days) between eligibility determination for the VR program and the beginning of planned services	This illustrates the timeliness of providing planned services to the customer.	VR Timeliness
6. Customer caseload per counseling/case management team member	This illustrates the productivity of counselor, case manager, and rehabilitation technician positions	VR & BSCI Program Productivity

Source: OPPAGA analysis

Appendix B
Only a Few Measures Could Be Used to Assess Performance
For Most of Those Measures, Standards Were Not Reasonable

<i>Measure</i>	<i>Fiscal Year 1995-96</i>	<i>Fiscal Year 1996-97</i>	<i>Performance Improvement in Fiscal Year 1996-97?</i>	<i>1996-97 GAA Standard</i>	<i>Standard Reasonable?</i>
Outcomes					
1. Rate and number of customers gainfully employed (rehabilitated) at least 90 days	39.7% (8,850)	44.3% (8,208)	Mixed; absolute number decreased while rate improved	53% (7,957)	No. Number is too low. Percentage is too high.
a. of VR severely disabled	39.7% (2,726)	46.6% (2,833)	Yes	45% (1,710)	Mixed. Number is too low. Percentage is accurate.
b. of VR most severely disabled	37.5% (4,446)	40.2% (3,803)	Mixed; absolute number decreased while rate improved	55.9% (4,735)	No. Number and percentage are too high.
d. of all other VR disabled	47% (1,678)	53.1% (1,572)	Mixed; absolute number decreased while rate improved	58.6% (1,512)	No. Number is too low. Percentage is too high.
2. Rate and number of VR customers placed in competitive employment	96.4% (8,659)	96.5% (8,158)	Mixed; absolute number decreased while rate improved	97% (7,718)	Mixed. Number is too low. Percentage is reasonable.
3. Rate and number of VR customers retained in employment after one year	Not available	58.2 % (4,776)	Unknown; no historical data.	65% (5,183)	Unknown. No historical data.
4. Projected average annual earnings of VR customers at placement	\$12,319	\$12,865	Yes	\$12,800	Yes.
5. Average annual earnings of VR customers after one year	Not available	\$12,564	Unknown; no historical data.	\$12,950	Yes. The program estimated that, income at one year should be higher than at placement.
10. Average cost of case life (to Division) for:					
a. severely disabled VR customers	\$3,557	\$3,010	Yes	\$3,846	No. The historical trend moves in opposite direction.
b. most severely disabled VR customers	\$3,446	\$3,417	Yes	\$3,468	Yes.
c. all other disabled VR customers	\$308	\$401	No	\$1,201	No. The cost does not agree with historical information.

Source: OPPAGA analysis

Appendix C

Measures Should Be Added, Eliminated and Revised

Action	Outcome Measure & Number	What Are the Difficulties?	How Can They be Corrected?
Add	NEW MEASURE	Currently no performance measure exists which relates the idea of choice to the Vocational Rehabilitation component. However, consumer choice is a federally mandated part of the process and is perceived as an integral element in quality employment outcomes. There is some evidence that the extent to which VR customers perceive themselves as involved in determining their services and employment objectives, determines the quality of services and outcomes.	Report a measure of consumer satisfaction to reflect the impact of involving the individual in the rehabilitation process and selection of the vocational outcome. Include a measure of consumer satisfaction in the 1999-2000 LBR developed in partnership with the Florida Rehabilitation Advisory Council.
Align	1. Rate (and number) of customers gainfully employed (rehabilitated) at least 90 days	This is reported as a federal measure. Because the state excludes a small customer population, the agency must make a separate set of calculations to report for program-based performance budgeting. The difference is 110 cases.	Use the federal measures to eliminate additional calculations and reduce the potential for errors. This also allows comparability to other states.
Align	a. of Vocational Rehabilitation severely disabled	Same as measure 1.	Same as measure 1.
Align	b. of Vocational Rehabilitation most severely disabled	Same as measure 1.	Same as measure 1.
Eliminate	c. of BSCI customers referred	This is not a BSCI outcome. A measure of success for the BSCI component is return to work or reintegration into the community or referral to the VR component.	Eliminate as a separate measure. Outcome measure 6 “rate (and number) of BSCI customers returned (reintegrated) to their communities at an appropriate level of functioning for their injuries” includes those individuals referred to VR for employment.
Align	d. of all other Vocational Rehabilitation disabled	This is reported as a federal measure. However, this requires the agency to make a separate set of calculations to report for program-based performance budgeting.	Use the federal measures to eliminate additional calculations and reduce the potential for errors. This also allows comparability to other states.
Align	2. Rate (and number) of Vocational Rehabilitation customers placed in competitive employment	Due to change in federal measure definition, the state cannot use the federal measure without a change in the state measure definition.	Use the federal measures to eliminate additional calculations and reduce the potential for errors. This also allows comparability to other states.
Eliminate/ Replace	7. Rate (and number) receiving temporary family assistance at Vocational Rehabilitation closure:	The component purpose is aimed at serving all customers with disabilities with a barrier to employment and does not target this population. Therefore the results are only coincidental. The number of customers on Temporary Family Assistance (welfare) is not substantial.	Replace with measure of self-sufficiency: “percentage increase in rehabilitated customers self-sufficient at closure compared with self sufficiency of rehabilitated customers at application.” Self-sufficiency information is readily available and reported to the federal government.
Eliminate/ Replace	a. of gainfully employed	Same as 7.	Same as 7.
Eliminate/ Replace	b. of other Vocational Rehabilitation closures	Same as 7.	Same as 7.
Eliminate/ Replace	8. Percentage reduction in Temporary Family Assistance for gainfully employed Vocational Rehabilitation customers at closure	Same as 7.	Same as 7.

<i>Action</i>	<i>Output Measure & Number</i>	<i>What Are the Difficulties?</i>	<i>How Can They be Corrected?</i>
Revise	9. Percentage of case costs covered by third-party payers	One number used in the calculation, comparable benefits, is based on a total of estimates of external case costs made by individual counselors for individual cases. The reliability is questionable not only because of the estimation, but because there is not agreement as to what external costs are to be included in each of the individual estimates.	Eliminate comparable benefits from the calculation and report measurable cash recoveries (i.e. SSDI reimbursements, subrogation recoveries) as an output rather than an outcome.
	10. Average cost of case life (to Division) for:		
Revise/ Align	a. severely disabled Vocational Rehabilitation customers	Measure is an average cost of all cases, whether successful or not. Value is in measuring the cost of success.	Change to average cost of a successful case, which is already reported to the federal government.
Revise/ Align	b. most severely disabled Vocational Rehabilitation customers	Same as measure 10 a.	Same as measure 10 a.
Revise/ Align	c. all other disabled Vocational Rehabilitation customers	Same as measure 10 a.	Same as measure 10 a.
Revise	d. brain injured BSCI customers	Measure is an average cost of all cases, whether successful or not. Value is in measuring the cost of success.	Report the average cost of a successful Brain Injury case to the BSCI component.
Revise	e. spinal cord injured BSCI customers	Same as measure 10.d.	Report the average cost of a successful Spinal Cord Injury case to the BSCI component.
<i>Action</i>	<i>Output Measure & Number</i>	<i>What Are the Difficulties?</i>	<i>How Can They be Corrected?</i>
Add	NEW MEASURE	Vocational Rehabilitation provides approximately 43% of the public funding for 13 Centers for Independent Living (CILs) across the state. These CILs serve approximately 9,000 individuals a year. There are no measures that relate the activities of CILs to budgetary decision-making.	The division, in cooperation with the Florida Independent Living Council, should develop measure(s) to introduce a level of accountability for CILs and relate their work back to the self-sufficiency objective of the Rehabilitation Program.
Add	NEW MEASURE	In 1996-97, the division served 6,238 customers through School-to-work transitioning. There are no measures that relate the activities of School-to-work transitioning to budgetary decision-making.	Report the "number of individuals served through the school-to-work program" (from applicant status through closure).
Align	3. Number of Customers Served	Includes all contacts whether they apply for services or not.	Align with federal measure which reports only those who applied for services.
Revise	4a. Average time lapse (in days) between application and eligibility determination for Vocational Rehabilitation customers	The way in which compliance is reported-an average number of days-is inappropriate. An average fails to demonstrate compliance because compliance can be met in several ways.	The program should report the "percentage of applications processed in compliance with federal law."
Eliminate	4b. Average time lapse (in days) between referral and eligibility determination for BSCI customers	The measure definition reflects eligibility for Vocational Rehabilitation Services, not eligibility for Brain and Spinal Cord Injury services. In addition, Federal regulations allow certain clients to be placed in extended evaluation prior to eligibility determination or to agree to an extension which would increase the time lapse without affecting client services.	Eliminate measure.
Eliminate	5. Average time lapse (in days) between eligibility determination for the Vocational Rehabilitation component and the beginning of planned services	There is no element in the database or consistent definition of "planned services" which would allow the program to measure the "average time lapse between eligibility determination for the Vocational Rehabilitation component and the beginning of planned services."	Eliminate measure.

Source: OPPAGA analysis

Appendix D

Response From the Department of Labor and Employment Security

In accordance with the provisions of s. 11.45(7)(d), F.S., a list of preliminary and tentative review findings was submitted to the Secretary of the Department of Labor and Employment Security for his review and response.

The department's written response is reprinted herein beginning on page 50.



**Florida Department of Labor and Employment Security
Office of the Secretary**

Lawton Chiles
Governor

Doug Jamerson
Secretary

July 17, 1998

Mr. John W. Turcotte, Director
Office of Program Policy Analysis and
Government Accountability (OPPAGA)
Room 312, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32301

Dear Mr. Turcotte:

As required by Section 11.45(7)(d), Florida Statutes, the Department of Labor and Employment Security is submitting the enclosed response to OPPAGA's preliminary findings and recommendations for the program evaluation and justification review of the Rehabilitation Program administered by the Department of Labor and Employment Security.

We appreciate the opportunity to comment on this report. We also wish to thank OPPAGA staff for their diligent work in reviewing and making recommendations to us for improving our performance. If you have any questions, please contact Ms. Tamara Allen, Director, Division of Vocational Rehabilitation at 488-0059.

Sincerely,

Doug Jamerson
Doug Jamerson

DJ/cmj

Enclosure

cc: Ms. Debbie Gilreath
Mr. James F. Mathews
Ms. Tamara Allen

**RESPONSE TO
OPPAGA'S PROGRAM EVALUATION AND JUSTIFICATION REVIEW OF
THE REHABILITATION PROGRAM ADMINISTERED BY
THE DEPARTMENT OF LABOR AND EMPLOYMENT SECURITY**

The Division of Vocational Rehabilitation has carefully reviewed the findings and recommendations and appreciates the time and effort that went into this review. We have carefully considered the recommendations and have proposed implementation processes.

The Division does disagree with the methodology used by OPPAGA to calculate program success because it includes customers never approved for program service. The Federal measure for program success is based upon only those customers who receive a program service. The Division's success rate is 60%, using the federal definition.

Recommendation: To ensure a more complete measure of the cost per case, we recommend that the department revise the "cost per case" measure to include both external expenditures and internal (VR and BSCI) case costs.

Response: The Division will conduct a literature review to determine the methods of cost analysis used by other social service agencies. Based on the results of this review, the Division will seek the necessary budgetary approval for a needs assessment to determine the feasibility of collecting the internal cost data. This assessment would also include an estimate of the resources required to implement and maintain such systems.

Recommendation: To ensure information is available to identify whether customers are receiving the best services for the least dollars, we recommend that the department collect performance information to identify the cost of services and develop performance standards.

Response: Once the Division has established an internal system through the above study, similar performance information will be required of the private contractors.

Recommendation: To improve the VR components' current contracting system, we recommend that the department ensure the contracting system:

- **considers the delivery of intermediate outcomes and the quality of outcomes, including customer and employer satisfaction;**
- **reflects the diversity of barriers to employment in the contract reimbursement system; and**
- **adjusts contract payment rates for groups of customers who have more significant barriers to employment.**

Response:

The division has developed a methodology for the payment of intermediate outcomes. In order to base payment on quality outcomes and reflect the diversity of barriers to employment, the division will need to determine appropriate indicators of a quality outcome such as higher wage levels, benefits provided on the job or customer and employer satisfaction. The division will conduct a review which will include providers. Modifications to Division contracts will be incorporated in the next contracting cycle.

The Division currently provides contract incentives for supported employment contracts which serve only the most severely disabled individuals. The Division will consider additional payment incentives to adjust for the services provided to more severely disabled customers.

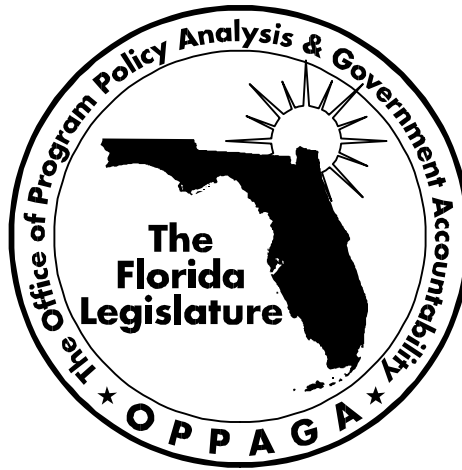
Recommendation: To fully maximize funding and optimize customer outcomes under limited resources, we recommend that the department:

- **periodically monitor trust fund remittances in the future, and encourage accurate remittances to the trust fund through education of the courts and county clerks;**
- **consider the type and level of services and number of customers that could be served under different levels of funding limitation; and**
- **consider the mix of customers and services that will result in optimum customer outcomes while meeting trust fund objectives.**

Response:

- The BSCI program has established a monitoring process to ensure accurate and timely remittances. The BSCI program has begun to provide ongoing training and education to the County Clerks Association and the County judges.
- The BSCI Advisory Council, in consultation with community partners, is developing a comprehensive strategic planning and evaluative process which will address the provision of services under various levels of funding. The BSCI program will continue to be the provider of last resort while continuing to provide case management services as needed.
- Through the above strategic planning process, the program will develop an order of selection contingency plan.

The Florida Legislature
Office of Program Policy Analysis
and Government Accountability



ANNOUNCEMENT

The Office of Program Policy Analysis and Government Accountability announces the availability of its newest reporting service. The **Florida Government Accountability Report (FGAR)**, an electronic publication specifically designed for the World Wide Web, is now up and operating for your use.

FGAR provides Florida legislators, their staff, and other concerned citizens with approximately 400 reports on all programs provided by the state of Florida. Reports include a description of the program and who is served, funding and personnel authorized for the program, evaluative comments by OPPAGA analysts, and other sources of information about the program.

Please visit **FGAR** at <http://www.oppaga.state.fl.us/government>. Your comments and suggestions about improving our services are always welcome.

Gena Wade, FGAR Coordinator (850/487-9245)

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Web site: <http://www.oppaga.state.fl.us>

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