

# oppaga



# PB<sup>2</sup> Performance Report

No. 98-67

February 1999

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## Vocational Rehabilitation Performance Measures, Accountability System Need Major Modifications

*This report assesses the performance of the Rehabilitation Program based on 1997-98 measures and comments on measures proposed for 1999-2000 under performance-based program budgeting (PB<sup>2</sup>).*

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### Summary

- Due to major problems with the reliability and credibility of the program's performance information, the Legislature can only rely on 2 of the program's 26 performance-based program budgeting measures. This limits evaluation to the employment outcomes of Vocational Rehabilitation Program completers. Data indicated that both employee retention and wages in Fiscal Year 1997-98, increased over prior year rates. However, these increases are primarily attributable to the strength of the economy.
- The program performance accountability system needs improvement to report accurate information on program performance to the Legislature and citizens of the state.
- Agency performance measures provide very little credible information and as a result need major modifications. Some of these issues should be addressed through the use of alternate definitions and data in Fiscal Year 1998-99. Additional changes are proposed for Fiscal Year 1999-2000. However, complete information on the cost-efficiency of the program will still be needed.
- The methodology used to establish the standards proposed for 1999-2000 was not documented. As a result, we cannot advise the Legislature as to their reasonableness.

## Background

This program is composed of three components: the Vocational Rehabilitation (VR) component, the Brain and Spinal Cord Injury (BSCI) component, and the Blind Services Component. The VR and BSCI components began operating under a PB<sup>2</sup> budget during Fiscal Year 1996-97. The 1998 Legislature added Blind Services to the Rehabilitation Program during Fiscal Year 1998-99.<sup>1</sup>

The VR and BSCI components 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 Blind Services component works with individuals whose primary impediment is visual to achieve maximum levels of employment, independence, and integration into the community.

**Vocational Rehabilitation Component.** The VR component is the largest component of the Rehabilitation Program. In 1997-98, the component operated with 1,134 authorized positions and a budget that exceeded \$110 million. It is funded through a federal/state matching agreement whereby the state contributes 21.3%. In state Fiscal Year 1997-98, the state contributed \$23,488,110 and received \$86,784,707 in federal matching funds. More than 78% of the component's budget comes from federal matching grants.

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 services in terms of employment; and require VR services to prepare for, enter into, engage in, or retain employment. The federal VR program has mandated that states prioritize serving the severely disabled.

The VR component's objectives are for the customer to maintain long term employment and become self-sufficient. The Federal Rehabilitation Act requires that the VR process be timely and that customer choice be informed and ensured. In 1992, the importance of choice was reinforced with the mandate to include and involve individuals with disabilities in all aspects of the VR process.

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 schools 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 access their community, its resources, and social opportunities.

**Brain and Spinal Cord Injury Component.** The BSCI component is the smallest of the three components that make up the Rehabilitation Program. During state Fiscal Year 1997-98, the BSCI component was authorized 56 positions and operated with revenues of \$12.4 million.

The Legislature established the BSCI component to provide all eligible 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 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

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<sup>1</sup> This report does not include an evaluation of past performance for the Blind Services component. However, proposed measures and standards for Fiscal Year 1999-2000 are reviewed.

days of occurrence.<sup>2</sup>

Counselors meet with all individuals reported to the registry and determine their eligibility for services. If eligible, the counselors provide case management services and develop an appropriate plan of services. If ineligible, 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.

**Blind Services Component.** In 1997-98, the Blind Services component operated with 310 authorized positions and a budget of approximately \$30 million. It is funded through the federal Rehabilitation Trust Fund, a federal/state matching agreement whereby the state contributes 21.3%.

The Blind Services component provides several services based on the needs of individuals with vision impairment. These services include vocational rehabilitation (services and training that allow individuals to return or enter employment), independent living services, the Braille and Talking Book Library, and the Business Enterprise Program. The program provides services directly through its 17 field offices throughout the state or indirectly through contracts with private providers.

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<sup>2</sup> The state definition of "brain injury" is an insult 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.

## Performance

The Rehabilitation Program's performance-based program budgeting (PB<sup>2</sup>) measures cannot be used to evaluate the performance of the BSCI component and provide a limited picture of the performance of the Vocational Rehabilitation component. Because much of the reported information is not reliable, the Legislature is unable to depend on the reported results for 24 of the 26 performance-based program budgeting measures. The limited data show that customers who completed program services in 1996-97 were more likely to retain employment at a higher rate of income in 1997-98 than prior program completers. However, the strength of the current economy is probably one of the greatest contributing factors to this outcome.

### *Outcome Measures That Can Be Relied On*

Performance		1997-98	Met	Comments
1996-97	1997-98	Standard	Standard?	
<b>Rate (and number) of VR customers retained in employment after one year</b>				
54.1%	61.4%	62%	Cannot be determined.	Much of the improvement in employment outcomes over prior year can be attributed to the current strength of the economy.
4,879	2,759	5,000	Based on two quarters of information	
<b>Average annual earnings of VR customers after one year</b>				
\$12,688	\$13,965	\$13,075	Yes	

Most of the reported measures cannot be relied on because the program's computer-based analysis is not documented in a manner which would allow verification. Other reasons are noted below.

- Some performance data differs considerably from other internal data provided by the department.
- The reported average cost of case life does not include the cost of the services that are provided by agency staff. As a result, decreases in cost data may be the result of a shift in the use of resources rather than an actual decrease in cost or increase in performance.
- Outcomes related to reductions in temporary family assistance are incidental to the program and do not reflect program goals. In addition, they relate to such a negligible client population that reported rates are subject to wide variances that are not proportionate to actual program results.

For these reasons, the measures included as Appendix A cannot be relied on as an indicator of program performance.

Beginning in Fiscal Year 1998-1999, the department intends to use a more reliable information source for reporting some of the outcome and output data. As a result, we expect there will be an increase in the number of measures that will be acceptable for evaluating program performance.

## Proposed Performance Measures

**Vocational Rehabilitation and Brain and Spinal Cord Injury Components.** Many of the standards proposed for individual performance measures do not appear reasonable. Documentation to describe the basis used to set these standards was not available, preventing a comprehensive evaluation. In addition, some standards were not logical when compared to historical performance or related measures, or when considering proposed changes to the measure definition. See Exhibit B for comments on each standard.

In *Program Evaluation and Justification Review of the Rehabilitation Program Administered by the Department of Labor and Employment Security*, [OPPAGA Report No. 98-04](#), July 1998, we recommended additional areas where measures should be created. While the department reports that it is researching possible measures, they have not yet been identified. See Exhibit C for additional measure recommendations.

**Blind Services Component.** The Blind Services Program component was added to performance-based program budgeting for Fiscal Year 1998-99. The measures for Blind Services are comprehensive and valid indicators of performance. Standards for the most part are set at levels higher than past performance and appear reasonable. The program should develop efficiency measures that relate cost to service, such as cost per client, as they improve their data systems. See Exhibit B for proposed 1999-2000 proposed standards. See Exhibit C for additional measure recommendations.

## Rating of Program Accountability

An *accountability system* consists of these key elements: program purpose or goals, performance measures, a process for valid and reliable data, and credible reports of performance that can be used to manage the program. Our rating tells decision-makers whether they can rely on the program's performance information. We compare the components of an accountability system against our established criteria to determine the rating.

Accountability System Component	Meets Expectations	Needs Some Modifications	Needs Major Modifications
Program Purpose and Goals	X		
Performance Measures			X
Data Reliability			X
Reporting Information and Use by Management		X	

Source: OPPAGA analysis

### Summary of Accountability Rating

The Rehabilitation program requires major efforts to meet OPPAGA's standards of an adequate accountability system.<sup>3</sup> While the program has a clearly defined purpose and broadly defined performance measures, it has failed to include valid cost measures. In addition, underlying data

<sup>3</sup> The accountability rating includes only the Vocational Rehabilitation and Brain and Spinal Cord Injury components. The Blind Services component was not added to the program until the 1998-99 fiscal year.

## *PB<sup>2</sup> Performance Report*

and standards are not reliable.

The program continues to rely on personal computer-based data analyses that have not been documented. Many of the numbers and rates reported differ from amounts reported in other department documents. As a result, the Legislature cannot rely on most program performance measures and is unable to determine whether program performance has improved or declined.

The program's performance measures do not adequately assess program costs and need some modifications. They continue to relate only the costs of services provided by outside vendors and exclude the cost of similar services provided in-house. Additional measures are needed which reflect the results of School-to-Work transitioning services and the Centers for Independent Living, program activities that are not covered by current measures.

The department has requested changes to several measure definitions that would allow use of data collected for the federal government. Because these measures are regularly scrutinized by the Federal Rehabilitation Services Administration and because numerous quality assurance controls are in place to assure the replication and credibility of the data, we feel that use of this data could correct many existing deficiencies. We will review and update our rating after these changes occur.

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## **For More Information**

See OPPAGA Report Nos. [98-04](#) and [97-53](#) for the results of the comprehensive program evaluation and justification review of the DMS Workforce Program. OPPAGA reports are on-line at <http://www.oppaga.state.fl.us/reports/reports.html>. Information regarding the Rehabilitation Program can also be found in the program's on-line FGAR profile at <http://www.oppaga.state.fl.us/profiles/4096/> or by calling Janice L. Foley at (850) 487-9266. Information from the program is available on its website at <http://www.state.fl.us/vocrehab/> or by calling (850) 488-0059.

## Appendix A:

### *Twenty-four of Twenty-six Performance-Based Program Budgeting Measures Cannot Be Relied on*

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#### **Outcome Measures That Cannot Be Relied On**

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Rate (and number) of customers gainfully employed (rehabilitated) at least 90 days

- a) of all customers
- b) of VR severely disabled
- c) of VR most severely disabled
- d) of BSCI customers referred to VR
- e) of all other VR disabled

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Rate (and number) of VR customers placed in competitive employment

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Projected average annual earnings of VR customers at placement

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Rate (and number) of BSCI customers returned (reintegrated) to their communities at an appropriate level of functioning for their injuries

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Rate (and number) receiving temporary family assistance of

- a) gainfully employed
- b) other VR closures

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Percentage reduction in temporary family assistance for gainfully employed at closure

Percentage of case costs covered by third party payers

Average cost of case life (to division) for

- a) of all customers
- b) of VR severely disabled
- c) of VR most severely disabled
- d) of BSCI customers referred to VR
- e) of all other VR disabled

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#### **Output Measures That Cannot Be Relied On**

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Number of customers reviewed for eligibility

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Number of written plans for service

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Number of customers served

Average time lapse (days) between

- a) application and eligibility determination for VR customers
- b) referral and eligibility determination for BSCI customers

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Average time lapse (in days) between Eligibility Determination for the VR program and the beginning of planned services

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Customer caseload per counseling/case management team member

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Source: Department of Labor and Employment Security, 1999-2000 Legislative Budget Request; *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; *Program Evaluation and Justification Review of the Rehabilitation Program Administered by the Department of Labor and Employment Security*, OPPAGA [Report No. 98-04](#), July 1998

## Appendix B

### *Documentation Is Not Available to Support Performance Standards Proposed for Fiscal Year 1999-2000 Measure*

#### *Fiscal Year 1999-2000 Outcome Measures*

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
<b>Vocational Rehabilitation and Brain and Spinal Cord Injury Component Outcome Measures and Standards</b>		
Rate (and number) of customers gainfully employed (rehabilitated) at least 90 days	62% 9,500	<b>We recommend retention of this measure.</b> However, because the reasons for establishing the standards at these levels are not documented, we cannot advise the Legislature as to their reasonableness.
a) Of VR severely disabled	63% 3,800	
b) Of VR most severely disabled	56% 4,275	
d) <sup>4</sup> of all other VR disabled	75% 1,437	
c) Of BSCI customers referred to VR	55% 89	<b>We recommend retention of this measure</b> as currently defined. However, because historical data cannot be relied upon and because the reason for establishing the standard at this level is not documented, we cannot advise the Legislature as to its reasonableness.
Rate (and number) of VR customers placed in competitive employment	97.5% 9,262	<b>We recommend retention of this measure.</b> However, because the reason for establishing the standard at this level is not documented, we cannot advise the Legislature as to its reasonableness.
Rate (and number) of VR customers retained in employment after 1 year	57.5% 5,600	<b>We recommend retention of these measures.</b> However, because the reasons for establishing the standards at these levels are not documented, we cannot advise the Legislature as to their reasonableness.
Projected average annual earnings of VR customers at placement	\$13,633	
Average annual earnings of VR customers after 1 year	\$14,384	

<sup>4</sup> The numbering is out of order for ease of reading.



**Fiscal Year 1999-2000 Outcome Measures**

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
Rate (and number) BSCI customers returned (reintegrated) to their communities at an appropriate level of functioning for their injuries	80% 800	
Rate (and number) receiving temporary family assistance of		<b>We recommend replacing these measures.</b> These are not useful measures for evaluating the Vocational Rehabilitation Program. Reduction of dependence on temporary assistance is not a program goal, but a coincidental outcome. In addition, small variances in the number receiving temporary assistance will result in large, disproportionate changes in the rate of change reported.
a) gainfully employed	0	
b) other VR closures	0	The measures should be replaced with a 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.
Percentage reduction in temporary family assistance for gainfully employed at closure	0%	
Percentage of case costs covered by third party payers	40%	<b>We recommend retention of this measure.</b> However, the standard is too high. The department has proposed, pursuant to OPPAGA's recommendation, limiting this measure to identifiable recoveries. This change is expected to reduce the reported outcome by one-half. For 1998-99, prior to the change in definition of this measure, the estimated outcome is 47.5%. A reduction by one-half would support a standard of approximately 25%. Other documents provided to OPPAGA indicate that the reduction in the outcome, due to the change in definition, may be even greater.
Average cost of case life (to division) for		<b>We recommend retention of these measures with major revisions.</b>
a) severely disabled VR customers	\$3,311	These standards and measure definitions are not reasonable because they do not include all of the program's costs of serving each case. Instead, the reported "cost of case" data includes only the costs of those services the program purchases from private providers, and excludes the program's in-house costs. As a result, decreases in cost data may be the result of a shift in the use of resources rather than an actual decrease in cost or increase in performance.
b) most severely disabled VR customers	\$3,611	
c) all other disabled VR customers	\$650	
d) brain injured BSCI customers	\$6,500	
e) spinal cord injured BSCI customers	\$12,500	

**Blind Services Component Outcome Measures and Standards**

**Fiscal Year 1999-2000 Outcome Measures**

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
Rate and number of rehabilitation customers gainfully employed at least 90 days	68.3%	We recommend retention of these measures.
Rate and number of rehabilitation customers placed in competitive employment	64.3%	
Rate and number of rehabilitation customers retained in employment after one year	No Standard Provided	
Projected average annual earnings of rehabilitation customers at placement	13,500	
Ratio and number of successfully rehabilitated older persons, non-vocational rehabilitation	55.2%	
Ratio and number of customers (children) successfully rehabilitated/transitioned from pre-school to school	67.3%	
Ratio and number of customers (children) successfully rehabilitated/transitioned from school to work	26.5%	
Percentage of eligible library customers served	19.8%	
Percentage of library customers satisfied with the timeliness of services	98.6%	
Percentage of library customers satisfied with the selection of reading materials available	96.0%	
Percentage of food service facilities meeting assigned profit levels	90%	
Average net income for food service facility	\$35,200	

**Fiscal Year 1999-2000 Outcome Measures**

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
<b>Vocational Rehabilitation and Brain and Spinal Cord Injury Component Output Measures and Standards</b>		
Number of Customers Reviewed for Eligibility	22,000	<b>We recommend retention of these measures.</b> Because the reasons for establishing the standards at these levels are not documented, we cannot advise the Legislature as to their reasonableness.
Number of Individualized Written Plans for Service	18,717	
Number of Customers Served	65,000	
<b>Average time lapse (in days) between</b>		
a) Application and eligibility determination for VR customers	75%	<b>We recommend that this proposed measure be revised.</b> The department has proposed measuring the "percentage of eligibility determinations completed within 60 days of application for services," which is inappropriate. Because federal law exempts many evaluations from being completed in 60 days and allows compliance in alternate ways, a reasonable standard cannot be established for the department's proposed measure. OPPAGA again recommends that the department report the "percentage of eligibility determinations completed in compliance with federal law."
b) Referral and eligibility determination for BSCI customers	0	
Average time lapse (in days) between eligibility determination for the VR program and the beginning of planned services.	0	<b>We recommend deletion of this measure.</b> 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."
Customer caseload per counseling/case management team member	136	<b>We recommend retention of this measure.</b> Because historical data cannot be relied upon and because the reason for establishing the standard at this level is not documented, we cannot advise the Legislature as to its reasonableness.
<b>Blind Services Component Output Measures and Standards</b>		
Number of customers reviewed for eligibility	2,035	<b>We recommend retention of these measures.</b>
Number of written plans for services	2,500	
Number of customers served	14,500	

## Fiscal Year 1999-2000 Outcome Measures

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
Average time lapse (days) between application and eligibility determination for rehabilitation customers	69	
Customer caseload per counseling/case management team member	114	
Number of books available per library customer	51.14	
Number of books loaned per library customer	12.39	
Number of periodicals loaned per library customer	3.62	
Net increase in registered customers for library services	822	
Cost per library customer	\$19.65	
Total number of food service managers	162	
Number of existing food service facilities renovated	10	
Number of new food service facilities constructed	5	

Source: Department of Labor and Employment Security, 1999-2000 Legislative Budget Request; *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; *Program Evaluation and Justification Review of the Rehabilitation Program Administered by the Department of Labor and Employment Security*, OPPAGA [Report No. 98-04](#), July 1998

## Appendix C

### *Additional Measures Are Needed to Evaluate Program Performance*

Additional Measures Needed	Comments
<b>Vocational Rehabilitation and Brain and Spinal Cord Injury Component</b>	
<b>A measure which relates the idea of choice to the Vocational Rehabilitation component</b>	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.
<b>A performance indicator(s) on the Centers for Independent Living</b>	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.
<b>A performance indicator(s) on School-to-Work transitioning</b>	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.
<b>Blind Services Component</b>	
<b>A performance indicator(s) that relates costs to services</b>	The program could propose measures to show the average cost of case for all Blind Services clients. They could also show the average cost of services for the Rehabilitation Center in Daytona Beach.

Source: *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; *Program Evaluation and Justification Review of the Rehabilitation Program Administered by the Department of Labor and Employment Security*, OPPAGA [Report No. 98-04](#), July 1998

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