

Funding and Service Delivery Levels in Pennsylvania's Vocational Rehabilitation Program

Report Highlights

The Vocational Rehabilitation (VR) Program provides services to Pennsylvanians who have physical or mental disabilities in order to maximize their employability, independence, and integration into the community and the workplace. The Department of Labor and Industry's Office of Vocational Rehabilitation (OVR) administers this federal/state program. The LB&FC initiated this study to address public and legislative concerns about possible funding shortages and associated service delays.

Study Findings:

- *Needs Assessment.* OVR has not conducted a required statewide assessment of the need for VR program services and does not have detailed information on the size, composition, and specific needs of its "target population."
- *Order of Selection.* Because OVR's resources are not sufficient to serve all eligible persons, only those classified as Most Significantly Disabled (MSD) receive program services under a federal Order of Selection mandate.
- *Service Delivery.* Some persons who are MSD remain in an inactive case status for lengthy periods of time before services begin. For example, as of March 2002, persons awaiting the development of their rehabilitation program had, on average, been in an inactive status for more than 7 months.
- *Supplemental State Program.* Since 1998, a separate, wholly-funded state program has been providing services to eligible persons who do not qualify for the federal/state program. During FY 2001-02, this program received state funding of \$4.0 million and served 1,813 customers.
- *Waiting List for Services.* Persons who do not meet the MSD criteria are placed on a waiting list to receive state services as resources become available. As of March 2002, 1,734 persons were on the waiting list.
- *Successful Employment Placements.* The OVR has consistently increased the number of disabled persons it places in competitive employment, from 5,916 in FFY 1991 to 10,875 in FFY 2001.
- *Services to the MSD.* Consistent with the Order of Selection mandate, the OVR has increasingly focused resources and attention to rehabilitation of persons classified as MSD. In FFY 1991, OVR placed 1,725 MSD customers in competitive employment; this increased to 10,724 in FFY 2001.
- *Rehabilitation Rate.* The number successfully employed through the OVR program in FFY

2001 was 11,989. This represents a rehabilitation rate of 64.2 percent and exceeds the 55.8 percent performance level standard established by the federal government.

- *Program Ratings.* Pennsylvania's VR Program has recently received high ratings from both a federal evaluation team and OVR customer satisfaction surveys.
- *Spending for Direct Case Services.* The amount available for direct case services for individuals with disabilities is declining as a percentage of total program spending (from 63.3 percent in 1997 to 56.4 percent in 2001) due primarily to increases in personnel and operating expenses.
- *Job Creation Grants.* OVR is making significant changes to its Job Creation Grant Program as a result of a 2001 audit that found problems with grants made to Amoores Health Systems, Inc.
- *Other Findings.* The report includes additional findings related to, for example, the transfer of the Bureau of Blindness and Visual Services to OVR, quarterly allocations to OVR district offices, compliance with State Plan goals and objectives, and counselor recruitment and training.

Recommendations: The report recommends that OVR should:

- work with the State Board of Vocational Rehabilitation and the PA Rehabilitation Council to update and refine its data on the size, composition, and needs of the VR Program's target population;
- ensure that the program has a viable advisory body to deal with IT development and issues;
- expand the process it uses to obtain input from customers of the program; and
- take actions, along with the State Board, to address a variety of administrative and operational issues related, for example, to the program's budgeting process and spending priorities, Job Creation Grants, waiting lists, the State VR Program, alternative headquartering of field staff, and counselor recruitment and training.