

Highlights of Fiscal Year 2000

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By law, RSA is responsible for the formulation, development and implementation of regulations, policies and guidelines for programs designed to provide assistance and services to individuals with disabilities. In its effort to provide that lead, RSA and its partner agencies are continually striving to change and improve programs under the Act. During fiscal year 2000, RSA undertook and participated in a number of activities that contributed to program change and improvement. This section of the report highlights and summarizes those activities.

Implementing the 1998 Amendments to the Act

With passage of WIA, the Act was reauthorized for another five years. The Rehabilitation Act Amendments of 1998 (1998 Amendments), contained in Title IV of WIA, introduced far-reaching changes in VR programs nationwide. They place particular emphasis on high-quality employment outcomes for individuals assisted by the VR program; strategically link the VR program to the statewide workforce investment system and the one-stop centers; enhance the exercise of informed choice; reduce administrative burdens on the states; and ensure accountability for results. To breathe life into these changes, in fiscal year 2000 RSA undertook a variety of policy development, technical assistance and monitoring initiatives to ensure the 1998 Amendments were translated into effective practices and measurable outcomes by the states.

Collaboration Among Federal Employment Programs

Many activities initiated by RSA in fiscal year 2000 were designed to link the Act to three important pieces of legislation: WIA, the Ticket to Work and Work Incentives Improvement Act (TWWIIA) and the Temporary Assistance to Needy Families (TANF) Program.

Under WIA, employment and training programs are coordinated in a unified statewide workforce investment system. The one-stop system established by WIA creates demands at the state and local levels for partner programs, such as the state VR program, to provide core services, coordinate common functions and share costs. Beginning July 1, 2000, all states were required to have fully implemented WIA requirements.

For individuals with disabilities, TWWIIA provides health care, employment preparation and placement services to reduce their dependency on cash benefits; Medicaid

coverage needed to maintain employment; the option of maintaining Medicare coverage while working; and return-to-work tickets allowing them access to services.

The TANF Program provides assistance and work opportunities to needy families by granting states the federal funds and wide flexibility to develop and implement their own welfare programs. The focus is on moving recipients to work and self-sufficiency and on ensuring that welfare is a short-term, transitional experience, not a way of life.

Focusing on Results To Improve Program Outcomes

During fiscal year 2000, RSA increased attention on ensuring that programs yield high-quality outcomes and results. To that end, the agency expanded efforts to collect and analyze information that captures the extent to which program objectives are being achieved. The intent is to use that information to define future priorities and areas of focus. In this portion of the report, several efforts are highlighted including: implementation of Title I evaluation standards and performance indicators for the State VR Services Program; establishment of methods for collecting and reporting results-oriented information required under the Government Performance and Results Act (GPRA); and funding of an ongoing, long-term Longitudinal Study.

Celebrating Innovation in the VR System

During fiscal year 2000, RSA sponsored or was directly involved in a number of projects designed to foster innovation. Projects presented in this section were designed to foster collaboration and partnering, disseminate information and effective practices and introduce the use of technology to improve consumer choice and access to services.

A more detailed discussion of progress made in each of these important areas during the fiscal year 2000 reporting period follows.

Implementing the 1998 Amendments

The 1998 Amendments introduced far-reaching changes in the State VR Services Program. In fiscal year 2000, RSA undertook a variety of policy development, technical assistance and monitoring activities designed to ensure that the Amendments were effectively implemented by state VR agencies.

Emphasizing High-Quality Employment Outcomes

The 1998 Amendments place increased emphasis on the attainment of high-quality employment outcomes, including competitive employment, by individuals with disabilities, particularly those with the most significant disabilities. Through regulations issued by the agency, competitive employment is defined as employment in the competitive labor market that is performed on a full-time or part-time basis in an integrated setting. In a competitive employment environment, an individual with a disability is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled.

To further support the emphasis of high-quality employment, the 1998 Amendments authorize state VR agencies to provide technical assistance and other consultation services to assist eligible individuals who choose to pursue telecommuting, self-employment and small business operations.

To implement the emphasis on the attainment of high-quality employment outcomes in fiscal year 2000, RSA published proposed regulations to ensure that this statutory intent is translated into effective VR policies and practices. The regulations proposed the elimination of sheltered employment as an allowable employment outcome under the VR program; however, the regulations do not prohibit an individual from pursuing sheltered employment as a service under the VR program. The proposed regulations do not affect an individual's ability to pursue supported employment as an allowable outcome under the VR program.

The objective of the proposed regulations is to provide eligible individuals with expanded employment opportunities that will help them prepare for and achieve

The 1998 Amendments to the Act

- Increase the focus on high-quality employment outcomes and services to individuals with significant disabilities
- Mandate participation of state VR agencies as one-stop partners under the Workforce Investment Act
- Strengthen the roles and participation of eligible individuals in developing their plans for employment
- Simplify procedures for determining eligibility by establishing presumptive eligibility for SSI recipients and SSDI beneficiaries
- Streamline state plan requirements by reducing them from 36 to 24
- Add voluntary mediation as an option for resolving disputes

employment in settings typically found in the community and for which they receive the same wages that are paid to non-disabled people doing the same type of or similar work. The proposed regulations are based on the principle that individuals with disabilities should have the same scope of employment opportunities available to them as non-disabled persons. The proposed regulations became final in January 2001 and took effect in October of that same year.

Establishing Program Accountability

A major focus of the 1998 Amendments is on increasing accountability in VR programs under the Act. To implement this important aspect of the 1998 Amendments, in fiscal year 2000, RSA implemented Title I program evaluation standards and performance indicators to measure state VR agency performance. The standards and indicators are considered a crucial part of a comprehensive, integrated system of accountability for the State VR Services Program. They focus on employment outcomes and equal access to services and are designed to drive program consistency, focus and accountability at the state and local level. The 1998 Amendments require state VR agencies to use the standards and indicators as a basis for developing goals and priorities.

The standards and indicators will be supplemented in future years to assist in evaluating other aspects of state VR agency performance and program administration.

Collaborating for Unified Workforce Planning

The 1998 Amendments included numerous provisions that link the Act with WIA. Linking VR programs under the Act to a state's workforce investment system coordinates employment and training programs in a unified statewide system designed to help a greater number of people prepare for and obtain gainful employment. The intent is to establish a seamless service delivery network through partnerships among the agencies, organizations and institutions focused on employment in the state.

The 1998 Amendments also lay the foundation for the participation of state VR agencies, as WIA partners, in the development of unified state plans. In 2000, the agency worked closely with its federal partners to establish guidance for developing and submitting a unified state plan. Throughout fiscal year 2000, RSA provided ongoing guidance and direction to state VR agencies to ensure appropriate and effective VR participation in the workforce development system created by WIA.

Incorporating Choice in the VR Process

Disability, according to the Act, does not diminish the rights of individuals with disabilities to review their options and make choices about services and employment. The 1998 Amendments expand the nature and scope of informed choice to be exercised by applicants and individuals eligible for VR services. The statute envisions

individuals with disabilities as active and full partners in the VR process with respect to assessments for determining eligibility and VR needs and in the selection of employment goals, services and service providers. To address these requirements, state VR agencies have had to rethink their policies and practices to reflect this major reorientation in the relationships between the individual and the VR counselor.

To assist VR agencies, and particularly VR counselors in this regard, in fiscal year 2000 RSA issued a Policy Directive on the exercise of informed choice in the VR process. In that same year, the agency conducted a national technical assistance conference bringing state VR agency staff, individuals with disabilities, educators, researchers and service providers together to share model practices and policies on the exercise of choice in the VR process.

Reducing the Administrative Burden on the States

The 1998 Amendments streamline the Title I state plan provisions by reducing the number of state plan requirements from 36 to 24 and by limiting the circumstances in which a new state plan, or an amendment to the plan, must be submitted to RSA. Streamlining administrative procedures will save monetary and personnel resources that state VR agencies can then use to provide services such as vocational exploration, job training and other employment-related services.

In fiscal year 2000, RSA issued proposed regulations for implementing this aspect of the 1998 Amendments. According to the proposed regulations, all VR state plan provisions that had originally been required solely by the regulations were deleted. The federal documentation requirements for an individual's record of services also were deleted, with the nature and scope of such requirements to be established by each state VR agency.

The proposed regulations also clarify various provisions of the 1998 Amendments, such as the procedures related to due process in the VR program; the participation of the VR program in the one-stop centers; collaboration with schools in the transition of students with disabilities from school to post-school activities; state matching requirements; and assessment and eligibility considerations.

Promoting Collaboration Among Federal Employment Programs

Systemic collaboration among federal, state and local entities is needed on a national scale to remove barriers, make links and combine resources. Welfare, education and workplace reforms need to be connected, especially for individuals with disabilities who are or have been previously eligible for public assistance programs. During fiscal year 2000, RSA participated in many collaborative activities to effectively implement three major pieces of legislation, WIA, TWWIA and TANF. The agency's focus was on establishing strong ties between the VR programs under the Rehabilitation Act and the program activities to be carried out by these legislative initiatives. Administered by the U.S. Department of Labor (DOL), the Social Security Administration (SSA) and the Department of Health and Human Services (DHHS), respectively, all three pieces of legislation focus on increasing access to job training and employment and breaking down institutional barriers among federal agencies addressing similar national employment issues and concerns.

The Workforce Investment Act

Throughout fiscal year 2000, RSA worked on several fronts to promote collaboration in the new workforce development system and facilitate effective implementation of WIA. First, the agency collaborated with the DOL Employment and Training Administration (ETA) to ensure a strong federal link between WIA and VR programs under the Act. ETA is the administrative entity responsible for oversight of programs under WIA that are funded through DOL. Secondly, RSA provided ongoing guidance and direction to the state VR agencies to ensure appropriate and effective VR participation in the workforce development system created by WIA. Finally, the agency conducted a variety of activities designed to educate other one-stop partners on the needs of individuals with disabilities and how best to meet those needs.

Collaborative efforts between RSA and ETA during fiscal year 2000 included:

- Conduct of national, regional and state meetings to address WIA implementation
- RSA input to ETA regulations governing WIA implementation, published August 11, 2000
- Ongoing meetings of the RSA-ETA Interagency workgroup as the primary national forum for resolving WIA implementation issues
- Issuance of a "Dear Colleague" letter clarifying requirements for state VR agency participation on the State Workforce Investment Boards
- RSA input to ETA draft guidance entitled "Resource Sharing for WIA One-Stop Centers", published for comment in the Federal Register on June 27, 2000

- RSA participation in the 2000 ETA Joint Employment and Training Technology Conference to highlight the role of state VR agencies and improve accessibility in the one-stop system

Collaboration between the two federal agencies is paying off. Since passage of WIA in 1998, state VR agency participation on State and Local Workforce Investment Boards increased. In addition, the percentage of total participants who self-identify as VR professionals at the annual ETA Joint Employment and Training Technology Conference steadily climbed from eight percent in 1997 to 16 percent in 2000. The increased participation and involvement of VR professionals in forums such as this has contributed to an improved understanding by one-stop partners of the mission of the VR program and the specific needs of individuals with disabilities.

During fiscal year 2000, RSA also continued to work with state VR agencies to ensure their participation in the one-stop framework. RSA monitoring and technical assistance activities used uniform guidance to ensure state VR agency compliance to WIA legislative requirements.

In addition, a working group composed of RSA professionals and representative State VR Directors, established in 1998, continued to discuss and problem-solve issues related to WIA implementation and the appropriate role of state VR agencies. One product of that working group was RSA Information Memorandum 00-09, dated December 17, 1999, entitled: "Guide for Developing Memoranda of Understanding with Local Workforce Investment Boards as Required by the Workforce Investment Act." The Guide provides a framework for negotiations among the various partners involved in developing the Memorandum of Understanding and contains agreements to be addressed in the Memorandum, as well as other items recommended for inclusion, to promote effective practices in serving individuals with disabilities.

Finally, throughout fiscal year 2000, RSA provided training to other one-stop center partners on the special needs of individuals with disabilities and how to best provide services to those individuals that will lead to gainful employment. Specific training was provided to state VR agency staff and other one-stop partners on: the Vocational Rehabilitation Program; the Vocational Rehabilitation Program in the Workforce Investment Act; and the Workforce Investment Act. In addition, RSA participated with other federal partner agencies in the conduct of Unified State Plan Reviews held prior to the July 1, 2000 national implementation date for WIA. Those meetings contributed to a broader understanding of each partner's programs and improved the cohesiveness of the State Plans.

On a national basis, the expertise and community-based resources of VR programs under the Act were shared with the one-stop centers and other one-stop partners enabling those providers to access interpreter services, operate special computer programs and obtain other specialized services.

State VR program staff members are the primary resource for the one-stop system regarding disability issues and will continue to provide guidance, technical assistance

and training to address the accessibility problems that prevent some individuals with disabilities from obtaining services through the new workforce system.

The Ticket to Work and Work Incentives Improvement Act

TWWIIA was established through the bipartisan efforts of the administration, Congress and the disability community. This landmark legislation modernizes the employment services system for people with disabilities and makes it possible for millions of Americans with disabilities to join the workforce without fear of losing their Medicare and Medicaid coverage. The legislation does this by creating new options and incentives for states to offer a Medicaid buy-in for workers with disabilities; extending Medicare coverage for an additional four and one-half years for individuals on disability insurance who return to work; and creating a \$250 million Medicaid buy-in demonstration to individuals whose disabilities have not yet progressed so far that they cannot work.

The legislation also includes a Ticket-to-Work program, which enables SSDI beneficiaries and SSI recipients to obtain VR and employment services from their choice of participating public or private providers. Nationally, according to the U.S. General Accounting Office, there are about 2.3 million individuals with disabilities receiving SSI and SSDI who will get a ticket under TWWIIA. State VR agencies will have the option of participating in the Ticket-to-Work program as an employment network. Services provided by state VR agencies participating in the Ticket-to-Work program will continue to be governed by State Plans for the delivery of VR services under Title I of the Act. Under the ticket concept, providers will be paid on an outcome or milestone basis linked to the employment of the beneficiary and the beneficiary's ongoing success. At this time, it is difficult to predict what impact the ticket concept will have on the State VR Services Program.

In fiscal year 2000, SSA reimbursed a total of \$103,789,000 to the VR program for providing services to 8,194 SSDI beneficiaries and SSI recipients. While over 60,000 SSDI and SSI beneficiaries exited the State VR Services Program after achieving an employment outcome, SSA only reimburses VR when an individual is terminated from receipt of cash benefits. Funds reimbursed to state VR agencies represent program revenue, which can be used to enhance programs and services. These funds now represent almost five percent of the total case service dollars available nationally.

TWWIIA has Four Purposes:

- To provide health care and employment preparation and placement services to individuals with disabilities that will enable those individuals to reduce their dependency on cash benefit programs
- To encourage states to allow individuals with disabilities to purchase Medicaid coverage necessary to enable such individuals to maintain employment
- To provide individuals with disabilities the option of maintaining Medicare coverage while working
- To establish a return-to-work ticket program that will allow individuals with disabilities to seek the services necessary to obtain and retain employment and reduce their dependency on cash benefit programs

Throughout fiscal year 2000, RSA continued to work with state VR agencies to prepare for implementation of the Ticket-to-Work program. In addition, the agency worked closely with SSA to clarify the role of state VR agencies as employment networks and define how the cost reimbursement program would work. In fiscal year 2002, subsequent to the reporting period covered by this report, SSA issued regulations guiding the establishment of agreements between the State VR Services Program and other employment networks. Finally, in fiscal year 2000, RSA initiated plans for a major technical assistance conference to be held in 2001 for those 13 states where the tickets would be first issued.

Under TWWIA, states receiving Medicaid Infrastructure Grants from the Health Care Financing Administration will use the funds to remove barriers to employment for people with disabilities by creating health systems change through the Medicaid program. The development or enhancement of certain core Medicaid components in each state will enable individuals with disabilities not only to work but to sustain adequate health coverage if they find they need to relocate to another state for employment purposes.

The Rehabilitation Act and the Americans with Disabilities Act have helped to create a societal expectation that individuals with disabilities can and should have the opportunity to work. Once its provisions are implemented, TWWIA will provide the health care support essential to individuals with disabilities who want to work.

This grant program provides money to the states to develop these core elements. Twenty-five states were awarded Medicaid Infrastructure Grants in 2000 during the first grant cycle. All 25 of these states plan to use a portion of their grant award to study, implement, or improve a Medicaid Buy-in program. In addition, 19 of these states will use a portion of their grant award to study or improve Medicaid services designed to support the competitive employment of people with disabilities.

The Temporary Assistance to Needy Families Program

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was enacted in 1996 and fully implemented at the state level in the fall of 1997. This legislation replaced the Aid to Families with Dependent Children (AFDC) program with a new, capped TANF block grant and shifted the emphasis of welfare reform activities from a "human capital" to a "work first" philosophy. The TANF Program provides assistance and work opportunities to needy families by granting states the federal funds and flexibility to develop and implement their own welfare programs.

At the time of PRWORA enactment, 12.2 million people received AFDC. By August 1999, the number of TANF recipients had declined to 7.3 million. Current data indicate that between 30 and 40 percent of TANF recipients have disabilities. Often described as the "hardest to serve," many of these individuals face multiple and complex barriers to steady employment because of learning disabilities, mental retardation and emotional or

behavioral problems. Individuals with physical, sensory, mental, cognitive or emotional impairments often require support and/or accommodation in order to succeed in the workplace. Given its long history in providing services to individuals with disabilities, the State VR Services Program is, in many respects, a valuable asset to welfare reform efforts on the federal, state and local levels.

In fiscal year 2000, RSA entered into a formal partnership with DHHS as part of a continuing effort to promote better relationships between VR programs under the Act and the TANF program. The partnership resulted in a joint letter signed by both the Commissioner of RSA and the Commissioner of the Administration on Children and Families. The letter was designed as a means of introducing the two programs, discussing possible points of linkage or partnership, explaining the factors that distinguish each program and providing contact information for state agencies in both VR and TANF. The letter also supported a continuing technical assistance effort that provides periodic updates of written summaries of some existing VR/TANF partnerships at the state and local levels. This updated document is routinely disseminated throughout the field and is available through several sites on the Internet.

The focus of TANF is to move recipients to work and self-sufficiency, and ensure that welfare is a short-term, transitional experience, not a way of life.

While it may be too early in some areas to gauge the success of these partnerships, early evaluations indicate that they are proving extremely beneficial to the overall success of welfare reform.

Focusing on Results to Improve Outcomes

During fiscal year 2000, RSA expanded efforts to collect and analyze information that captures the extent to which program objectives are being achieved. The intent is to use that information to define future priorities and areas of focus. In this portion of the report, several efforts are highlighted including: implementation of Title I evaluation standards and performance indicators for the State VR Services Program to drive state VR program consistency and accountability; establishment of methods for collecting and reporting results-oriented information required under the Government Performance and Results Act (GPRA); and funding of an ongoing, long-term Longitudinal Study that provides very focused information about specific consumer groups and program delivery mechanisms.

Title I Standards and Indicators Build Accountability In the State VR Services Program

For the purposes of improving program management and effectiveness, RSA has established a variety of methods for collecting program data and using that data to evaluate programs and hold grantees accountable for their performance. In recent years, the Department has worked to establish evaluation standards and performance indicators as critical measures of program success. During fiscal year 2000, preliminary Title I program evaluation standards and performance indicators were implemented to measure performance under the State VR Services Program. The standards and indicators are considered a crucial part of a comprehensive, integrated system of accountability for that program.

RSA developed the Title I standards and indicators with input from state VR agencies, related professional and consumer organizations, recipients of VR services and other interested parties. They focus on employment outcomes and equal access to services and are designed to drive program consistency, focus and accountability at the state level. In their current form, the standards and indicators include measures of program performance that will assist in implementing VR program policies and accomplishing the program's strategic objectives.

The 1998 Amendments require state VR agencies to use the Title I standards and indicators as a basis for developing goals and priorities. Each state VR agency must report to RSA at the end of each fiscal year the extent to which it is in compliance with the standards and indicators. In the future, for those states that are found to be performing below the standards, RSA will provide technical assistance, conduct monitoring activities and work directly with the state VR agency to develop a program improvement plan outlining the specific actions to be taken for the agency to improve program performance.

In developing the program improvement plan, RSA will take into consideration all available data and information related to the performance of the state VR agency. Should a state VR agency with less than a satisfactory performance level fail to develop and implement a program improvement plan, or fail to comply substantially with the terms and conditions of a program improvement plan, RSA may modify payments to the state VR agency until performance requirements are met.

Evaluation Standards

RSA established two standards to evaluate the performance of each state VR agency that receives federal funds under the State VR Services Program. A state VR agency must achieve successful performance on both evaluation standards each fiscal year.

The two evaluation standards are as follows:

Evaluation Standard 1 — Employment Outcomes. Each state VR agency must assist eligible individuals, including individuals with significant disabilities, to obtain, maintain or regain high-quality employment.

Evaluation Standard 2 — Equal Access to Services. Each state VR agency must ensure that individuals from minority backgrounds have equal access to VR services.

Performance Indicators

Performance indicators establish what constitutes minimum compliance with the evaluation standards established for the State VR Services Program. They are more specific than the standards and provide the focus that helps identify the kinds of information required to see if state VR agencies are complying with each standard.

Since they are standard-specific, RSA established two sets of performance indicators, one for each of the two standards. The first set, for Standard 1, consists of six performance indicators. Of these, three have been designated as primary indicators: 1.3, 1.4 and 1.5. The second set, for Standard 2, has one performance indicator.

The six indicators for **Evaluation Standard 1 — Employment Outcomes**, include the following:

Performance Indicator 1.1: The number of individuals exiting the VR program who achieved an employment outcome (got a job) during the current performance period compared with the number of individuals exiting the VR program after achieving an employment outcome during the previous performance period.

Performance Indicator 1.2: Of all the individuals who exit the VR program after having received services, the percentage who are determined to have achieved an employment outcome.

Performance Indicator 1.3: Of all individuals determined to have achieved an employment outcome, the percentage who exit the VR program and enter into competitive, self-, or BEP (Business Enterprise Program, also known as the Vending Facility Program) employment with earnings equivalent to at least the minimum wage.

Performance Indicator 1.4: Of all individuals who exit the VR program and enter into competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the percentage who are individuals with significant disabilities.

Performance Indicator 1.5: The average hourly earnings of all individuals who exit the VR program and enter into competitive, self- or BEP employment with earnings levels equivalent to at least the minimum wage as a ratio of the state's average hourly earnings for all individuals in the state who are employed (as derived from the Bureau of Labor Statistics report, "State Average Annual Pay," for the most recent available year).

Performance Indicator 1.6: Of all individuals who exit the VR program and enter into competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the difference between the percentage who report their own income as the largest single source of economic support at the time they exit the VR program and the percentage who report their own income as the largest single source of support at the time they apply for VR services.

The performance indicator established for **Evaluation Standard 2 — Equal Access to Services**, is as follows:

Performance Indicator 2.1: This indicator is a ratio of the service rate for all individuals with disabilities from minority backgrounds to the service rate for all non-minority individuals with disabilities. The minority service rate in this context refers to the result obtained by dividing the number of individuals of minority status who exit the State VR Services Program after having received one or more services under an IPE (Individualized Plan for Employment) during any reporting period by the total number of minority individuals who exit the program during that reporting period. The non-minority service rate is calculated in a similar manner.

Fiscal Year 2000 Performance

At the close of fiscal year 2000, RSA collected and analyzed data related to the Title I evaluation standards and performance indicators from each of the 80 state VR agencies. This includes 56 general/combined agencies, which are both agencies

servicing all individuals with disabilities in the state and agencies servicing all individuals with disabilities except those who are blind or visually impaired; and 24 state agencies for the blind, which are agencies that provide services only for individuals who are blind or visually impaired. Due to the nature of the populations served, there are different performance expectations for general and combined agencies and those agencies servicing the blind and visually impaired.

The purpose of **Evaluation Standard 1 — Employment Outcomes** is to emphasize high-quality employment outcomes, including competitive employment outcomes and employment outcomes of individuals with the most significant disabilities. In fiscal year 2000, 73 of the 80 state VR agencies (52 general and combined agencies and 21 agencies servicing individuals who are blind) passed Standard 1. To meet Standard 1 performance, VR agencies must pass at least four of the six performance indicators and two of the three primary performance indicators.

Of the 73 agencies, 26 state VR agencies met performance criteria on all six Standard 1 performance indicators. Forty-seven agencies failed some performance indicators but still met the Standard 1 performance criteria. Some agencies, may, for example, place a very high priority on servicing individuals with the most significant disabilities, and as a result, not pass another indicator. The measurement system was designed to allow limited state flexibility in meeting the standard. Agencies failing one or more of the six performance indicators, but not failing Standard 1 criteria, are not required to participate in the intensive self-analysis and joint development of a Program Improvement Plan. However, these agencies will be involved in discussing agency performance on Standard 1 indicators as part of the annual monitoring conducted as required by the Act. In fiscal year 2000, seven state VR agencies (four general and combined agencies and three agencies servicing individuals who are blind or visually impaired), failed Standard 1. Failure on Standard 1 can occur either by failing two of the three primary indicators (indicators 1.3, 1.4 and 1.5), or by failing three or more of the six Standard 1 performance indicators.

Each agency that failed to meet the Standard 1 criteria has its own pattern of good and poor performance on the six indicators. Likewise, each agency will have its own pattern of policies, resource utilization and other issues that may affect performance on the Standard 1 indicators. To help identify the unique reasons for each agency's poor performance, RSA Regional Office staff and others who are involved in monitoring activities will be provided with a significant array of data, training and other monitoring guidance to work with the agency to identify key performance issues. RSA and the state VR agency will then jointly develop a Program Improvement Plan that will lead to improved performance regarding Standard 1.

The purpose of **Evaluation Standard 2 — Equal Access to Services** is to increase access to VR services for unserved, underserved and non-traditional populations. Two factors are taken into consideration when calculating performance indicator 2.1. First, state VR agencies that served fewer than 100 individuals from minority backgrounds exiting the State VR Services Program are distinguished from state VR agencies that

served 100 or more such individuals exiting the program. For the agencies that had 100 or more individuals from minority backgrounds exiting the program, the passing value is a ratio of .80 or higher. In fiscal year 2000, 57 of the 60 state VR agencies that had 100 or more individuals from minority backgrounds exiting the program had a ratio of minority to non-minority service rates of .80 or higher. Of those, 49 were general and combined VR agencies and 8 were agencies serving the blind. Twenty of the 80 agencies had fewer than 100 individuals from minority backgrounds exiting the program. Of these agencies, five were general and combined agencies and fifteen were agencies for the blind.

State VR agencies that had 100 or more individuals from minority backgrounds exiting the program and that did not meet the .80 ratio may pass Standard 2 by submitting a description of the policies they will adopt and the steps they will take to ensure that individuals with disabilities from minority backgrounds have equal access to VR services in the future. Agencies with fewer than 100 such individuals exiting the program may pass the standard by submitting a similar description.

A state-by-state breakdown of VR agency performance for both Title I evaluation standards is provided in Appendix 1 of this report.

GPRAs and Its Relationship to the Standards and Indicators

The purpose of GPRAs, much like the evaluation standards and performance indicators, is to provide program officials and decision-makers with accurate and timely information that will permit them to assess the extent to which national programs are producing tangible public benefits. While the standards and indicators measure performance at the state level, GPRAs indicators measure the aggregate performance of all state VR agencies.

The programs administered by RSA are at different stages of GPRAs implementation. Some of the agency's programs are still gathering preliminary information by which to establish program goals and measures. Other programs have already developed standards and indicators to be used for assessing program outcomes and results. Still others are using outside contractors to assist in the effort to develop measures and better monitor what is happening in the field.

States have a primary role in measuring program performance and their cooperation is critical in order to produce consistent national data. RSA has developed a series of strategies and goals to develop new databases and improve data quality.

U.S. Department of Education GPRAs Scorecard

GPRAs required federal agencies to produce their first performance report by March 2000. In all, 24 departments and agencies submitted their initial report. The Mercatus Center at George Mason University conducted a review to assess the quality of the 24 reports focused on answering three basic questions:

- Does the agency report its accomplishments in a clear and understandable fashion
- Does the report focus on documenting tangible public benefits the agency produced
- Does the report show evidence for forward-looking leadership that uses performance information to devise strategies for improvement

The Department of Education ranked fourth among the 24 departments and agencies with a total score of 37. The top-ranked agency scored 52. In addition, the Department was singled out as a role model for producing reliable, credible and verifiable performance data.

Longitudinal Study Measures Impact of Vocational Rehabilitation Services on Individuals with Disabilities

The Longitudinal Study is designed to examine the success of the State VR Services Program in providing services and assisting individuals with disabilities to achieve gainful and sustainable improvements in employment, earnings, independence and quality of life. Since its inception, the study has tracked over 8,000 individuals with disabilities participating in the VR program at 37 locations. The study will provide RSA with comprehensive information on the VR program, including types of persons served, resources available, services provided, costs for services and short- and long-term outcomes.

The Research Triangle Institute (RTI), under contract with RSA, has been conducting the study since its start in 1992. Since then, RTI has produced four interim reports and a variety of sub-study reports.

During fiscal year 2000, RTI released two reports: the Fourth Interim Report, called the ***Characteristics and Outcomes of Transitional Youth in Vocational Rehabilitation*** (April 2000); and a sub-study entitled ***Vocational Rehabilitation Experiences Among Individuals Who Achieved a Supported Employment Outcome*** (April 2000). The following are highlights of the two studies.

Report on Transitional Youth

The *Transitional Youth* report addresses questions concerning the characteristics, services and outcomes of youth who applied for VR services during the *Longitudinal Study's* sample acquisition period, November 1994 through December 1996. For the purposes of this report, transition-aged youths are defined as individuals with disabilities between the ages 18 and 25, which are typically those youth transitioning from school to work.

The study focused on two groups of these transition-aged youths: those who received special education services in high school and those who did not receive special education services in high school. The study compares the two groups on a range of selected variables. Study findings are nationally representative and can be generalized for transition-aged VR consumers nationwide.

Study findings show that transition-aged youths who received special education services were slightly more likely to get jobs after receiving VR services than those youths that did not receive special education services. On the other hand, 99 percent of transition-aged youths who did not receive special education while in high school entered into competitive employment, as compared to 81 percent of those youths who did receive special education services. In addition,

Transitional Youth Study Highlights

According to the Study:

- Transition-aged youths represent over 13 percent of all VR consumers
- Nearly two-thirds of transition-aged youths entering the VR program participated in special education programs in high school
- Sixty-three percent of transition-aged youths in the VR program got a job after receiving services
- Of those transition-aged youths who applied for VR services:
 - Over 66 percent applied for job placement services
 - 60 percent applied for vocational training services
 - 51 percent applied for support for education
- Of the occupational fields selected by transition-aged youth who received VR services:
 - 40 percent picked the professional, managerial and technical field
 - 24 percent picked the service field
 - 12 percent picked the clerical or sales field
- Transition-aged youths generally provided high ratings for services and providers

transition-aged youths who received special education services earned less income per hour and worked fewer hours. For both groups, however, receipt of specific VR services was strongly associated with getting a job and entering competitive employment.

Transition-aged youths who had been in special education programs in high school are more likely to have mental retardation or learning disabilities than those who had not been in special education programs. While both groups have disabilities classified as significant or most significant, the disabilities of youths who had been in special education programs are more frequently congenital rather than acquired. They often have lower self-esteem and perceive themselves to be more controlled by chance and by other people.

The study also shows that transition-aged youths who received special education services in high school were more likely to have completed fewer years of school at the time of application to the VR program, and to have lower grade level equivalent achievement in reading and mathematics.

The two groups also differ in work history. Nearly 25 percent of the youths who received special education in high school had never worked, compared with nearly 15 percent of the other group. In addition, fewer were working at application to the VR program.

While nearly all of both groups obtained counseling, guidance, and placement services, more of those consumers who had received special education services in high school obtained diagnostic and evaluation services, and transportation, housing and maintenance services. More of the consumers who had not received special education services obtained support for education.

Both transition-aged consumer groups expressed a high level of satisfaction with VR choices in terms of services and providers. Predictably, the transition-aged youth who achieved employment tended to rate their VR experience more highly than those youths who failed to achieve employment.

Report on Supported Employment

The sub-study of the Longitudinal Study titled ***Vocational Rehabilitation Experiences Among Individuals Who Achieved a Supported Employment Outcome*** was designed primarily to produce descriptive information on individuals served by the VR program who transitioned into a work environment and received ongoing support services. The study compares the findings with information on other consumers of VR services with significant disabilities who obtained other types of employment.

The supported employment (SE) program has been one of the most popular approaches in the rehabilitation of persons with significant disabilities over the last

decade. It was developed originally to help in the transition of persons with mental retardation and other developmental disabilities into a work setting through the use of on-site job coaches and other supports. By federal regulation, the state VR agency provides ongoing support services needed by individuals with significant disabilities to maintain supported employment, including monitoring at the work site, from the time of job placement until transition to extended services.

Study findings show that mental retardation is the primary disability for one-half of all SE consumers, and individuals with mental illness account for an additional 18 percent. Over 50 percent of SE consumers have disabilities that qualify as most significant, while another 42 percent have a significant disability. On average, they perform below the fifth grade level in both reading and math and have had limited prior work experience.

Supported employment consumers with mental retardation share more characteristics with other mentally retarded consumers of other VR services than they do with other SE consumers, including age, receipt of special education, academic achievement levels, referral sources and prior earnings. Overall, SE consumers tend to be more significantly disabled, to have relied on financial assistance and to have had a more limited work history than other significantly disabled VR consumers who obtained employment.

Jobs obtained by SE consumers, and the income and benefits derived from them, differ from those obtained by other former VR consumers. Nearly half of all the jobs that SE consumers obtained are in the service industry, more than double the percentage among other former VR consumers with significant disabilities who work in service occupations. Overall, SE consumers work fewer hours and earn less per hour, are less likely to receive medical insurance, vacation and sick pay or other job-related benefits than other employed former VR consumers.

Generally, SE consumers with mental retardation reported satisfaction with various aspects of their employment one year after exiting VR. However, 45 percent reported being “not satisfied” with their earnings, 59 percent reported being “not satisfied” with their benefits and 47 percent reported they were “not satisfied” with opportunities for advancement.

Supported Employment Study Highlights

According to the Study:

- Half of all SE consumers have mental retardation as a primary disability
- More than 50 percent of SE consumers have disabilities that qualify as “most significant”
- On average, SE consumers perform below the fifth-grade level in both reading and math
- Nearly half of the jobs that SE consumers attain are in the service industry
- Eighty-four percent of SE consumers were still working one year after exiting VR services; 74 percent in the same job
- Over half of former SE consumers received a raise in pay during the first year of work

Celebrating Innovation in The VR Program

During fiscal year 2000, RSA sponsored or was directly involved in a number of projects designed to promote innovation in the delivery of VR services. Specific projects highlighted in this section of the report were designed to foster collaboration and partnering with other programs and agencies focused on employment; disseminate information and effective practices to improve VR service delivery; and introduce the use of technology to expand consumer choice and access to services.

Sharing Information and Practices

In fiscal year 2000, RSA held, in conjunction with the Council of State Administrators of Vocational Rehabilitation (CSAVR), its biannual National Employment Conference. The three-day event, titled "Building Effective Relationships With Employers," was the most successful one to date. The conference took place in Philadelphia, Pennsylvania and brought together over 800 VR professionals and other professionals in the field of workforce development.

The primary theme of the conference focused on sharing information and practices designed to build the relationship and linkage between VR programs and private sector employers. Other topics covered over the three days related to federal hiring and establishing effective partnerships with organizations involved in workforce development. The conference provided an excellent forum for networking and sharing ideas on model procedures.

On evaluation feedback forms, the majority of participants characterized the conference as relevant, timely and an excellent source of information.

Using Technology to Improve Consumer Access

RSA is funding a project through the National VR Technical Assistance Center to assist the Minnesota Rehabilitation Services Branch to develop video-conferencing technology within its one-stop centers. The objective of the project is to provide consumers and employers at the one-stops with remote access to sign language interpreters and real time captioning services.

When sign language interpreter services are required to serve a deaf consumer at a one-stop site, video-conferencing technology allows the center to reach an interpreter on an as-needed basis at a remote location. The audio link feature of the technology allows the interpreter to hear the conversation, while the video link feature broadcasts the American Sign Language (ASL) interpretation back to the

deaf consumer. When real-time captioning services are preferred by the consumer at a one-stop site, video-conferencing technology allows the center access to a captioner at a remote location, again, on an as-needed basis. The technology allows the remote captioner to transcribe the conversation real-time. The transcribed conversation is then broadcast back to the one-stop site and appears as text on the video screen.

The long-term goal of the Minnesota Rehabilitation Services Branch is to have remote interpreter and captioning services available through all 53 one-stop centers in the state.

Conducting Succession Planning Now To Plan For the Future

In fiscal year 2000, RSA funded a project through the National VR Technical Assistance Center to assist the Connecticut Bureau of Rehabilitation Services in the development of a Succession Plan for the future. The objective of the project is to prepare, in advance, for any potential shortages of experienced staff due to attrition, state budgetary problems, unexpected buy-outs and hiring freezes.

In 1997, the Bureau experienced a sudden loss of ten percent of its workforce as the result of an early retirement opportunity offered to employees of the state. Further compounded by state budgetary problems and hiring freezes, it took the Bureau nearly 18 months to return to full staffing and optimal levels of service delivery. A review of its current staffing revealed that by the year 2008, the Bureau could lose up to 65 percent of its staff as a result of attrition and retirements. The Succession Plan developed through this project will be designed to establish the necessary priorities, activities and resource allocation strategies to ensure optimal levels of performance in preparation of this loss. The 1997 experience will be used as the basis for identifying lessons learned, and using that information to proactively prepare the Bureau to continue to operate effectively, while replacing lost staff.

The loss of experienced staff has been forecasted in many professions and organizations as the “baby boomers” edge toward retirement. This project is therefore forward thinking and timely in planning today for the challenges of tomorrow.

Forging Effective Links Between VR and The Workforce Investment System

In coordination with the National VR Technical Assistance Center, RSA sponsored a series of facilitated discussions to seek input to the design of a service delivery system that will further integrate activities of the Rehabilitation Act and the Workforce Investment Act. Participants of those discussions included representative federal professionals, directors of state VR agencies, chairpersons of state rehabilitation councils, VR consumers, community

rehabilitation programs, representatives of national advocacy organizations and other key stakeholders comprising the rehabilitation community.

As a result of the discussions, a report was produced in November 2000 entitled, ***Enhancing the Delivery of VR Services Within the Workforce Investment Act***. The report identified 127 recommendations to enhance employment results of individuals with disabilities. The recommendations range from governance issues, to one-stop implementation, and transition from school-to-work. Each recommendation is directed toward the specific organizational entity that has the authority to change regulation, policy or resource priorities in order to implement the recommendation. The recommendations will also be used in the development of language and priorities to be included in the 2003 reauthorization of the Act.

Disseminating Innovative Solutions Throughout the VR Community

During its 52 years of operation, the Institute on Rehabilitation Issues (IRI) has been an important resource for developing and disseminating publications of great value to VR professionals. The IRI represents a unique partnership between the federal government, state VR agencies and the RSA Regional Rehabilitation Continuing Education Programs (RRCEPs), and persons served by the state VR agencies. RSA funds the IRI by supplementing the grants to two of the RRCEPs. Over the years, several different RRCEPs have participated as coordinators for the IRI study groups. Currently, the RRCEPs responsible for this task are The George Washington University and the University of Arkansas.

Publications Disseminated In 2000

- Succession Planning in a Customer-Focused VR Environment
- Effective Strategies for Improving Employment Outcomes for Persons with Kidney Failure
- Providing Vocational Rehabilitation Services in a Workforce Environment

The IRI's primary purposes are to identify and discuss current issues of importance to the VR community; develop materials which can be used by state VR agencies and others concerned about staff development and rehabilitation, and publish and disseminate the materials widely to professionals who provide VR services to individuals with disabilities. The IRI publications are also provided to rehabilitation counselor training programs, disability advocacy groups and other key stakeholders.

The IRI provides an effective forum for addressing concerns raised by VR professionals. The IRI can rapidly form workgroups to address issues and develop solutions. Innovative solutions are documented in IRI publications that are then disseminated by the IRI to the rehabilitation community in hard copy documents and via the Internet.

The National IRI Forum is held each May in Washington, D.C., at which time the two

draft IRI documents are discussed by Forum participants with expertise in the subject areas. At this time, the IRI scholars who actually wrote the IRI publications are recognized for their achievements.