

DATE: September 13, 2002
TO: Office of the State Budget
FROM: Larry C. Bryant, Commissioner
SUBJECT: Annual Accountability Report for Fiscal Year 2001-2002

The South Carolina Vocational Rehabilitation Department respectfully submits its Annual Accountability Report for Fiscal Year 2001-2002 as required by Sections 1-1-810 and 1-1-820 of the 1976 Code of Laws. Federal law and regulations, principally the Rehabilitation Act Amendments of 1998, specify the department's mission as well as its program objectives.

The South Carolina Vocational Rehabilitation Department is deeply committed to its mission as an employment-focused organization designed to provide people with disabilities with the services and opportunities they need to succeed in the workplace.

Accountability is at the forefront as we seek to glean the maximum benefit from the dollars entrusted to us by the taxpayers. The state as a whole benefits when we reach our goals for competitive employment of our clients, because those clients become taxpayers themselves instead of relying on disability benefits.

We are pleased to have been recognized for our continuous improvements efforts during the past year. The South Carolina Quality Forum selected our agency as a Silver Achiever in its 2001 Governor's Quality Awards program, making us only the fourth state agency to be so honored.

The performance measures in this accountability report are all outcome-oriented and directly related to the department's mission. The agency contact for this report is Mark G. Wade, who can be reached at (803) 896-6834.

Enclosure

Accountability Report Transmittal Form

Agency Name: South Carolina Vocational Rehabilitation Department

Date of Submission: September 13, 2002

Agency Director: Larry C. Bryant

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I. Executive Summary

The mission of the South Carolina Vocational Rehabilitation Department (SCVRD) is to enable eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment.

Investing in South Carolinians with disabilities offers a high-yield return. The public vocational rehabilitation program converts people reliant on government assistance into self-sufficient citizens who have jobs, purchase goods and services, save for the future, and pay taxes that quickly reimburse the funds spent on their rehabilitation.

Through eight years of strategic plan development and deployment, SCVRD continues to improve a program that already is a national leader. The past year has brought further refinements to elevate our standards in productivity, quality customer service, and compliance.

The agency values:

- Persons with disabilities who strive to achieve and maintain competitive employment.
- Highly qualified staff members who are technically competent, personally accountable, communicate effectively and work together in a professional manner.
- Partnerships with business and industry that provide employment and contract service opportunities for our clients.
- Relationships with other human service agencies that provide increased service opportunities for persons with disabilities.
- Accountability to taxpayers through efficient and effective use of the resources entrusted to us.

Agency visions include:

- All staff will be committed to the agency's mission, values and vision.
- Technology will be used to provide maximum benefits to our staff and clients.
- We will be the leader in innovative, individualized customer service that contributes to successful employment outcomes.
- Our relationships with business, industry and all levels of government will be positive and productive.
- We will provide quality service in an atmosphere of trust, sincerity and commitment.
- We will provide professional development opportunities in order to develop and retain exceptional employees.
- We will demonstrate accountability through the efficient and effective use of the resources entrusted to us.
- We will provide our customers with the tools, services and products that will prepare them to compete successfully in the 21st Century workplace.

SCVRD's leadership continues to closely examine and evaluate all practices and procedures throughout the program to ensure that performance measures are appropriate, that goals are met or surpassed, that all actions show strict accountability, and that ***all measures point directly to one outcome—competitive employment for our clients***. The department does not accept credit for efforts on behalf of clients who do not become employed.

The department is unique in that it serves people with more than 135 different physically and mentally disabling conditions. In 2001-2002, the SCVRD Basic Service Program placed 8,810 people with disabilities into competitive employment. These new taxpayers pay back \$2.29 for every vocational rehabilitation dollar spent. On average, they fully repay the cost of rehabilitation in 5.3 years.

The most recent national comparisons show that SCVRD successfully rehabilitates people with disabilities at a much higher rate than its counterparts in other states—nearly three times as many per capita. South Carolina's cost per rehabilitation is roughly half of the national average.

Fiscal year 2001-2002 was a year of accomplishment. The department celebrated its selection as a Silver Achiever winner in the Governor's Quality Award program sponsored by the South Carolina Quality Forum. This signified the success of the agency's continuous improvement efforts over the past several years and its progress in implementing the Baldrige Criteria for Performance Excellence. SCVRD became only the fourth state agency to receive one of these prestigious awards, which usually go to private industry.

That accomplishment was considered a beginning phase in Baldrige implementation; the agency continues to strive to enhance its performance measures and in turn its achievement. This year brought the development of new performance measures derived from the Program Integrity model that the agency uses to achieve a service delivery system that balances compliance, quality customer service, and productivity.

This was also a year of transition in agency leadership, as Larry C. Bryant succeeded the retiring P. Charles LaRosa Jr. as commissioner in January 2002.

One of the key challenges that Mr. Bryant addressed soon after becoming commissioner was professional development. A new strategic planning initiative for developing future leaders of the agency was launched. The large number of key staff members who have indicated their plans to retire in the near future made this professional development initiative a high priority.

In keeping with a sharp focus on human resources, staff members were able to take advantage of opportunities for specialized training to enhance their job effectiveness and client service. Another year of significant upgrades in computer hardware and customized agency software enabled field staff to work more efficiently while allowing the agency to track its performance more effectively.

Meanwhile, the department's partnerships with other state and local human services providers bring many clients who may not have been referred to the program otherwise. This fiscal year brought a renewed emphasis on those partnerships. Budget cuts resulted in the closing of SCVRD offices in a number of facilities run by other agencies, but the department is stepping up its cooperative agreements with these organizations to ensure that those specialized populations are being served. The number of interagency agreements has risen to approximately 350.

SCVRD's 22 local work training centers continued to build effective partnerships with hundreds of the state's businesses and industries, which provided outsource work for clients at the centers. These agreements enable clients to gain valuable work experience and an understanding of the personal, social and professional standards required to succeed in the workplace. Business and industry benefited through a cost-effective, reliable resource while the department realized more than \$15 million dollars in revenues through these partnerships. Clients were paid nearly \$5.7 million in training wages for work performed in the training centers and remaining funds were used for raw materials, supplies and other operating costs.

Successfully rehabilitated clients lessen the burden on the nation's Social Security budget and the department benefits through Social Security reimbursement for case closures. This fiscal year the Vocational Rehabilitation Department realized \$822,499 in reimbursements. These funds were channeled into service delivery to help keep costs down.

The Disability Determination Program continued to strengthen the department's range of services by providing effective and efficient evaluation of claims for disability benefits. With an annual workload of more than 95,000 disability claims, the program strives to process all claims with the highest possible level of quality, in the shortest possible time and at the lowest reasonable cost. During 2001-2002, the division's cost per case and documentation accuracy levels bettered regional and national averages. The Disability Determination Program also works cooperatively with other agencies, processing claims for Medicaid and the South Carolina State Retirement Systems.

Budget Impact

As anticipated one year ago, budget cuts severely affected the department's ability to rehabilitate as many clients into employment as in previous years. Four percent fewer clients became employed. The severity of the budget cuts was even greater than anticipated, however, and heading into the 2002-2003 fiscal year the department's state appropriation level had dropped 24 percent since March 2001. The department now has its lowest state funding level since 1988.

SCVRD has reduced its workforce by attrition, having eliminated or converted to other funding 60 state FTEs. Administrative costs have been cut through delays in filling positions, limitations on travel, reductions in equipment and supply purchases, reduced training costs, and delays in carrying out much-needed building maintenance and repair projects. The drop in manpower means fewer Vocational Rehabilitation professionals are available to reach out into the community. The department is also required to use existing resources for mandated programs without additional funds, like School-to-Work transition, Welfare-to-Work, the Workforce Investment Act and the Ticket to Work program for Social Security and SSDI recipients.

Another very significant concern is that reductions in state funding endanger federal funding due to a "maintenance of effort" provision in our enabling federal legislation, which calls for the loss of one dollar in federal funding for every dollar of state funding lost.

All SCVRD services are geared toward enabling South Carolinians with disabilities to prepare for, achieve and maintain competitive employment. Vocational Rehabilitation offers a high rate of return on the taxpayer's dollar, so agency budget cuts translate into a reduction

in the number of people with disabilities who make the transition from disability benefit recipients to employed taxpaying citizens. Successfully rehabilitated clients quickly repay the cost of their rehabilitation and eventually realize a \$10.34 increase in earnings for every dollar of vocational rehabilitation funds spent on their rehabilitation.

II. Business Overview

The public vocational rehabilitation program is the oldest and most successful federal/state human service program in the nation. Created by the Smith-Fess Act in 1920, its original purpose was to return to gainful employment a large number of veterans disabled in World War I. South Carolina's vocational rehabilitation program began in 1927 and for a considerable number of years has enjoyed top performance rankings nationally for providing effective service to clients.

SCVRD continues to change with the times as it strives to achieve its mission of enabling people with disabilities to prepare for, achieve and maintain competitive employment. Beginning eight years ago, the agency completely re-engineered its service delivery system by placing more emphasis on individualized, direct contact with our clients and less emphasis on "process," or paperwork. With the mission as the focus, the department continues to set national standards for productivity and cost efficiency.

The department is unique in that its primary customers are people with more than 135 different physically and mentally disabling conditions. In 2001-2002, SCVRD placed 8,810 people with disabilities into employment. The department served a total of 43,146 people. (Since rehabilitation is a continuous process that often takes a period of years, the department serves some of the same clients in successive years.)

With a highly trained staff of rehabilitation professionals working in customer-oriented teams, the department is geared to convert dependent tax consumers into independent, working taxpayers.

National comparisons show that SCVRD successfully rehabilitates people with disabilities at a much higher rate than its counterparts in other states—nearly three times as many per capita. South Carolina also spends significantly less to achieve those employment outcomes.

Twenty-four percent of the department's successfully rehabilitated clients work in service positions. About 17 percent work in industry, 16 percent in clerical/sales, 15 percent in professional/managerial/technical jobs, 13 percent in construction, 2 percent in agriculture and the remaining 13 percent in fields classified as "miscellaneous."

At the end of fiscal year 2002, the department had 1,080 full-time employees and 219 temporary employees.

SCVRD operates a network of 20 area offices (Aiken, Anderson, Beaufort, Berkeley-Dorchester, Camden, Charleston, Columbia, Conway, Florence, Greenville, Lancaster, Laurens-Greenwood, Marlboro, Oconee-Pickens, Orangeburg, Richland, Rock Hill, Spartanburg, Sumter and Walterboro). Each of these has an adjoining work training center component except for Richland, which shares the Columbia center. There are additional work training centers in Hartsville and Gaffney. The work training centers continue to build effective partnerships with hundreds of the state's businesses and industries, which provide outsource work for clients at the centers. This gives clients valuable work experience and an understanding of the personal, social and professional standards required to succeed in the workplace.

The department has 15 satellite locations, numerous cooperative programs, a center for comprehensive rehabilitation programs and two substance abuse treatment centers. The State

Office in West Columbia furnishes central support. The staff there provides direct services, administrative services and assistance in arranging or purchasing needed services for clients.

The department also operates the Disability Determination Division, which processes Social Security and Supplemental Security Income claims under provisions of the Social Security Act. It serves the state from a central office in West Columbia and regional offices in West Columbia, Greenville and Charleston.

Base Budget Expenditures and Appropriations

Major Budget Categories	00-01 Actual Expenditures		01-02 Actual Expenditures		02-03 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$41,110,910	\$13,442,777	\$41,328,437	\$11,316,044	\$40,957,695	\$10,220,563
Other Operating	\$28,958,783	\$858,272	\$24,049,062	\$64,206	\$32,072,573	\$329,748
Special Items	\$	\$	\$	\$	\$	\$
Permanent Improvements	\$1,167,077	\$	\$1,378,949	\$	\$	\$
Case Services	\$18,109,744	\$663,421	\$16,417,682	\$624,999	\$20,989,000	\$825,000
Distributions to Subdivisions	\$	\$	\$	\$	\$	\$
Fringe Benefits	\$10,641,188	\$3,529,216	\$11,267,262	\$3,365,396	\$11,063,346	\$2,892,803
Non-recurring	\$	\$	\$	\$	\$	\$
Total	\$99,987,702	\$18,493,686	\$94,441,392	\$15,370,645	\$105,082,614	\$14,268,114

Description of Services

Someone who has a physical or mental impairment and is of working age may apply for vocational rehabilitation services by contacting the nearest SCVRD office. The applicant meets with a counselor to discuss what might be preventing the person from getting or keeping a job and to learn about VR services that might be available.

Eligibility

To be eligible for SCVRD services, the applicant must have a physical or mental impairment that substantially interferes with his or her ability to work. The person must also require and be able to benefit from vocational rehabilitation services that would lead to permanent, competitive employment.

When a person applies for services, a team of vocational rehabilitation specialists will help determine eligibility and then help him or her understand options in setting and reaching employment goals. The applicant's records will be used to help determine eligibility for services.

Planning rehabilitation

Once the counselor has established a client's eligibility, it is time to determine what services are needed to put the client on a path to permanent, competitive employment. The client works as a partner with the Career Planning and Employment team, the counselor and other staff.

It is important for a client to select an employment goal that best suits his or her abilities and interests. This can be done in several ways. The client may benefit from a community work experience, which might involve "shadowing" a person who is performing the job; working on the job under the guidance of a mentor; or actually trying out the job.

In some cases, individualized testing may provide insight about strengths and abilities. Once the client has chosen a vocational goal, it's time for a plan of action. This is called an Individualized Plan for Employment (IPE). When the client and counselor agree on the services needed and sign the IPE, it becomes the client's guide in preparing for employment.

Informed choice

The client is at the center of the choices made to reach vocational goals. SCVRD staff works closely with the client to provide the information needed to fully participate in the decisions that will be made during the rehabilitation process.

Diagnosis and treatment services

The department may provide medical or other services to help meet physical or mental impairment needs that require attention before the client can reach an employment goal. These services are based on individual need and financial circumstances.

Classes

Instructional classes are offered to all clients as they prepare for employment. These include: disability-related classes that address specific disabilities and how they affect the client's ability to work; pre-employment classes (filling out job applications, developing

interview skills, basic computer skills); and/or employment classes when the client is “job ready,” including job-seeking groups, advanced interview skills and other topics.

Training

Any job requires specific knowledge and skills, but certain behaviors are desirable in all jobs. Job-readiness training helps develop positive work behaviors and the physical stamina needed for successful adjustment to a new job. This training may include performing work outsourced to SCVRD work training center by area businesses and industries. A client’s individual plan may call for training or course work provided by SCVRD staff or through an outside program or institution.

Other services

Based on individual needs, other services might include interpreter services, transportation assistance, occupational licenses, tools, equipment, initial stocks and supplies, technical assistance and consultation about self-employment, or the establishment of a small business.

Job placement

Every service a client receives is for one purpose—to prepare for employment. As the client approaches the end of the services on his or her plan, the counselor and other members of the client service team will focus on the job placement process. Their mission is not complete until the client is in a suitable job. Many clients can and do find their own jobs, while others may need someone to assist them. In either case, the staff strives to make the transition to competitive employment successful.

Supported Employment

It’s possible that the client may need a little extra help getting started on a job. Some of our clients qualify for supported employment services, in which a staff member works side-by-side with them at the job site and trains them to perform the job duties. The employer pays only the client during this period. The job coach leaves once the client learns to do the job alone.

Follow-up

Service goes beyond job placement. SCVRD staff provide follow-up services to every client placed in competitive employment. The department does not close a case as successfully rehabilitated until the client and employer are satisfied.

Specialized services

The Vocational Rehabilitation team is uniquely equipped to provide a full range of services based on individual needs. Some specialized areas of service are cardiac rehabilitation; deaf and hard of hearing program; job retention services that employers offer employees whose jobs are threatened by disabling conditions; substance abuse/dependence rehabilitation; and statewide partnerships with other agencies.

Center for Comprehensive Programs

The Vocational Rehabilitation Department offers specialized, innovative services to clients with significant physical disabilities through its Center for Comprehensive Programs on its West Columbia campus. Clients from throughout the state are referred to the center if those services are needed to prepare them for the workforce. Comprehensive Programs include the Evaluation Center, Pain Management Program, Muscular

Development Program, Computer Training Program, Rehabilitation Technology Program, and Barrier-Free Model Home.

Disability Determination Division

The Disability Determination Division strengthens the services provided by SCVRD through effective and efficient evaluation of claims for total and permanent disability benefits. Provisions for program operations are outlined in state and federal law and in agreements with other state agencies. The division's mission is to process claims with the highest possible level of quality, in the shortest possible processing time and at the lowest reasonable cost.

The Disability Determination Division serves individuals seeking assistance under provisions of the Social Security and Supplemental Security Income disability programs, South Carolina Retirement System disability program, total and permanent disability provisions of the Medicaid program and disability provisions of the South Carolina Homestead Exemption Act.

Disability Determination Division case processing operations for federal claims are governed by Social Security regulations and, in the case of non-federal programs, by specific provisions of South Carolina statutes and regulations.

In carrying out its goals, the Disability Determination Division strives to process all claims with the highest possible level of quality (by careful adherence to all applicable laws, regulations and policies), in the shortest possible processing time (in keeping with sound documentation and evaluation), and at the lowest reasonable cost (consistent with evidentiary requirements and sound program administration).

III. Elements of Malcolm Baldrige Award Criteria

1. Leadership

As the department's strategic plan continues to evolve, continuous improvement efforts require extremely strong leadership. Senior leaders continue to examine and evaluate all practices and procedures throughout the VR program to address the impact of internal and external factors. This is accomplished through constant attention to formal and informal feedback and to the most obvious indicator—successful employment outcomes for our state's citizens with disabilities.

1.1 Senior leadership direction

Under the direct leadership of the commissioner, senior leaders set, deploy and communicate short- and long-term direction through a variety of mechanisms. An executive committee, under the commissioner's direction, reviews policy and other major department functions regularly. At senior manager meetings, held at least monthly by the commissioner, a larger group of department leaders shares information on agency initiatives, progress, and causes for concern. These meetings allow for leaders with varying responsibilities to work together to achieve goals and promote intradepartmental cooperation. The Committee on Rehabilitation Excellence (CORE), formed during FY 2002, is a group of senior leaders charged with analyzing, formulating and assessing action plans and evaluating the agency's key performance measures (*see 1.3 and 1.6*).

Regional supervisors and client service consultants in the State Office regularly visit and communicate with local area operations to assure that resources are available to serve customers effectively and efficiently. At quarterly meetings the department's 20 area supervisors from throughout the state communicate agency issues and receive input. Regional meetings (East and West regions of SCVRD) enhance communication and "like-sized office" meetings provide opportunities for supervisors whose area operations have common characteristics to share strategies and concerns.

1.2 Focus on customers

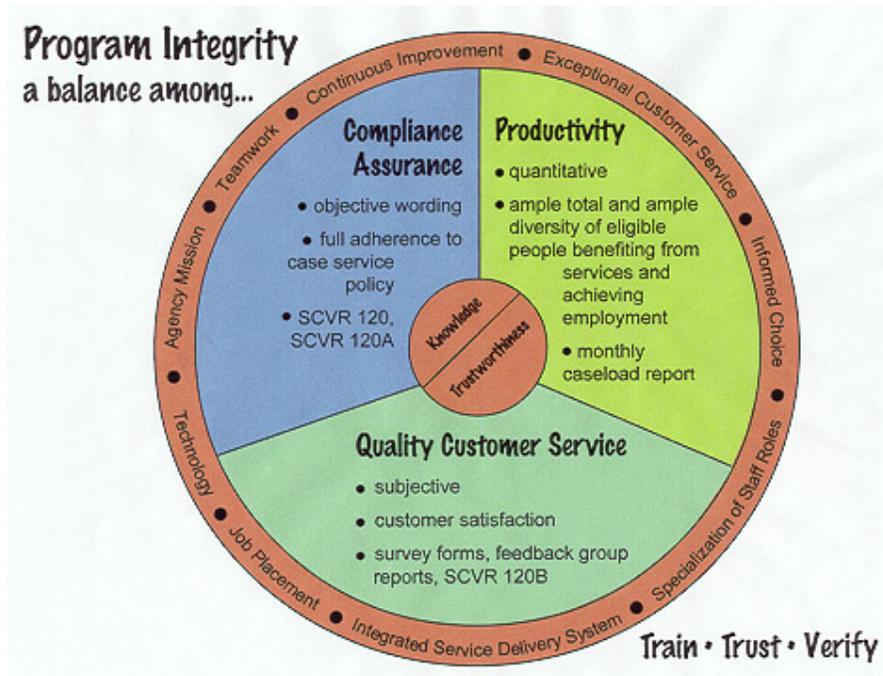
Senior leaders establish and promote a focus on customers through emphasis on a central and common theme—the core mission of enabling eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment, and the accomplishment of that mission while maintaining a balanced scorecard of measurable compliance assurance, quality customer service and productivity measures.

The mission statement is displayed in all offices, on desktop computer screens, on business cards and stationery, and in training environments. The "core duties" of every staff member relate to the agency mission. All training information is geared toward helping staff better understand the mission. The agency's Integrated Service Delivery System is client-centered, with client involvement at all stages. Senior managers seek ways to empower staff to provide more timely service delivery for customers.

Client and employee achievements are appreciated and recognized through regularly scheduled events.

1.3 Key performance measures

In fiscal year 2002 the department unveiled a major new performance measurement system for Program Integrity, a defined set of balanced standards which are to be achieved in the pursuit and attainment of the department’s mission. The standards cover three categories: compliance assurance, productivity and quality customer service. The department has emphasized Program Integrity for a few years, but this new measurement system will produce a rate in each category leading to the calculation of a “Program Integrity Index”, which can be assessed by caseload, area, region and state groupings. These measurements will be calculated quarterly and will provide a definitive index of performance quality.



Meanwhile, this year the department continued to use existing key performance measures such as the national standards and indicators, which are required by the department’s enabling federal law, the Rehabilitation Act. The seven standards and indicators provide program effectiveness comparisons with VR agencies from all other states as well as regional comparisons.

Senior managers regularly review local and state goals for the number of customers served, number of rehabilitations, number of individualized plans for employment written, income reports from the department’s work training centers, costs of services, and other measures.

1.4 Performance review/feedback

By listening and reviewing feedback from staff and customer focus groups, senior leaders make adjustments in structure of meetings or training and develop agendas based on needs expressed by staff. Leadership directs its attention to areas of need identified by performance in local office and statewide efficiency and effectiveness measures. The

team concept that the department has emphasized for several years has built-in mechanisms for effectively responding to concerns generated by team discussions. The team concept applies to the State Office as well as to local area offices. A Professional Development Program has been launched to respond to the need for increased leadership skills of persons who will need to fill key roles due to the large number of retirements projected for the next few years.

1.5 Impact on public

In the agency's area offices the local leadership stays in close contact with clients, business and industry partners, employers and referral sources to ensure program effectiveness. Additional formal surveys are being developed for each of those groups as part of the Program Integrity measurement system, which will help pinpoint areas of concern about program impact.

The department has numerous built-in mechanisms for ensuring ethical business practices. Vocational rehabilitation law contains very strict compliance measures that are monitored closely at different levels within the organization and through outside audits. The department's administrative and case service policies outline agency standards for conduct and adherence to the law.

Public hearings allow management to consider the potential risks and effects of proposed policies before they are implemented. Senior managers work closely with the internal client relations specialist and, when necessary, the Client Assistance Program in the Office of the Governor to consider the merits of decisions and their impact on clients.

SCVRD also employs a full-time staff attorney for guidance in compliance issues and legal interpretations.

The agency's Risk Management Department promotes a mindset, that "safety is not just a list of rules and regulations." The goal is to promote safety awareness to reduce workplace injuries and illnesses, provide a hazard-free work environment and lower Workers' Compensation premiums. The agency's 22 work training facilities include industrial-type settings for both staff and clients so high standards for safety are imperative. The risk management department now processes all Workers' Compensation cases for staff and clients. The department's goal is to show a decrease in the number of Workers' Compensation claims and therefore reduce the annual premiums.

1.6 Priorities for improvement

A Committee on Rehabilitation Excellence (CORE) was established this year to meet monthly. Its mission is to ensure achievement of the standards for compliance assurance, productivity and quality customer service. CORE will collect and analyze data, formulate, receive and assess plans for corrective action and follow-up to ensure implementation. The priorities for improvement arise from the Program Integrity index measures. These priorities are communicated through face-to-face discussions with managers and other staff, through written guidelines and policies, and through development of effective training modules.

Senior leaders also assume key roles in the strategic planning process. They serve as team leaders for "key result area" (KRA) committees, which assess agency effectiveness and

identify strategic planning initiatives. These KRA teams are now organized according to the seven Baldrige Criteria categories.

1.7 Strengthening the community

The agency's leadership firmly supports citizenship activities nationally, statewide and locally. Members of the senior leadership team are involved in civic organizations, disability advocacy organizations, task forces on disability and other community groups that can benefit from their expertise.

The agency is quite active in community assistance projects such as The United Way, Red Cross blood drives, The Good Health Appeal, adopted family efforts during the holidays, Americans with Disabilities Act celebrations, and wheelchair sports events.

The department coordinates all activities of the Governor's Committee on Employment of People with Disabilities, which reaches out to the business community and the public on the advantages of hiring people with disabilities. The Governor's Committee spawns local mayor's committees, which are spread throughout the state.

Community involvement is essential for SCVRD area supervisors and their staff. These contacts allow staff to spread the word about programs and encourage partnerships with businesses. Through involvement in local chamber of commerce activities, Rotary groups and other community organizations, SCVRD staff members consistently form bonds within their communities that lead to employment for clients and outsourcing agreements with companies for work training centers.

2. Strategic Planning

2.1 Strategic planning process

In 2001-2002 the department entered a new phase of its strategic planning initiative, which began eight years ago. All of the key result areas (KRAs) of the original plan—values, mission vision; customer service; technology; government relations; partnerships; public information and education; human resource development and management; and continuous improvement—have become integrated into the daily operations of the department’s service delivery program. Under the guidance of the commissioner and agency board, these initiatives have been incorporated into staff development and training and into internal and external communications through supervisory meetings and directly into job descriptions and performance appraisals.

The department has just begun an analysis of the strategic plan to reorganize initiatives into the framework of the Baldrige Criteria for performance excellence. There is now a KRA for each of the seven Baldrige categories, and the KRA teams will monitor existing initiatives and identify potential new initiatives for action.

Each key result area features long- and short-range goals and established time frames for implementation of each phase of the plan. Committees representing a wide range of perspectives are assembled to address specific needs and changes sparked by the strategic plan.

Internal and external feedback helps the department develop and deploy strategic planning initiatives. This is sometimes carried out through a statewide committee, where a pilot program may be developed, or at the local level as part of the management plan that each area office is required to develop and use.

Federal and state laws mandate that SCVRD convert as many eligible people with disabilities from unemployed tax consumers to tax-paying, competitively employed workers as the agency’s resources will allow. Strategic planning incorporates the department’s Program Integrity model, which mandates a balance among compliance assurance, quality customer service and employment outcomes.

2.2 Developing and tracking action plans

The agency’s two regional supervisors, part of the senior management team, oversee the development of business management plans in each of the 20 area offices. The management plans address customer service, compliance, operational procedure, public information and education, staff rewards and recognition, and job placement.

These plans incorporate components of the Program Integrity model and contain detailed plans and policies developed at the local level, consistent with agency policy and guidelines. These plans are monitored for compliance and achievement of the targeted goals. In turn, they are used as tools for training and the setting of new goals at the beginning of each year.

The management team helps establish local office goals for successful rehabilitations by taking into account staffing, client bases, referral sources, local demographics and

economic conditions, previous accomplishments and other factors. These local goals add up to a statewide goal for successful rehabilitations.

A key component in addressing strategic objectives is the design of customized technology upgrades. The Information Technology department works closely with State Office and local case service personnel to provide data needed to deploy strategic planning initiatives, such as identifying areas that need strengthening or setting appropriate goals.

Disability Determination Division long-range and short-range plans are developed or refined at the beginning of each fiscal year and the objectives for the year are issued to all personnel as goals. Program goals are linked to objectives contained in Employment Performance Management System (EPMS) planning documents.

2.3 Communication and deployment

Communication of strategic objectives, action plans and performance measures generally occur through verbal discussions and presentations and are likely to be complemented by supporting written communication. During deployment of any major initiative there is ample opportunity for questions or comments from supervisory or other affected staff. Training is developed to enhance staff understanding and “comfort levels” with new objectives or measures.

Thorough study of the validity and potential effectiveness of an action plan precedes deployment. An excellent example is the deployment of the new Program Integrity measures, which will offer a balanced scorecard at all levels of service delivery. Exhaustive and painstaking planning involving input from many levels took place before this plan was put into action.

3. Customer Focus

3.1 Key customers and stakeholders

The department's key external customers and stakeholders include:

- Individuals with impairments who intend to achieve an employment outcome
- Business and industry partners, including employers, companies who provide contract work for clients in job readiness training, and businesses taking part in SCVRD work assessment, training, monitoring and job shadowing services
- Other state agencies
- Private, non-profit organizations
- Vendors, including training institutions, physicians, hospitals, clinics, pharmacies, orthotic/prosthetic and hearing aid dealers, and miscellaneous retailers
- Taxpayers and the legislators representing them
- Referral sources

3.2 Customer identification and requirements

All individuals with impairments who intend to achieve an employment outcome are potential customers of SCVRD. They can be referred from about 30 different referral sources in their communities, but the self-referral is the largest single source, accounting for 22 percent of the cases served. Client requirements are determined based on individual needs regarding services and employment goals. At every major stage in the rehabilitation process, the client is at the center of the planning process.

The department has a highly qualified team of professionals who help the client understand the options that are available and guide them through the process. Identification of the requirements for a client's successful rehabilitation results from a combination of professional assessment and client input.

Other customers include anyone who interacts with SCVRD, including business partners, other state agencies, vendors, taxpayers and legislators and referral sources. Their key requirements are determined by the nature of their relationship with the agency.

3.3 Keeping current with changing needs

The commissioner meets with the leaders of key agencies as well as employer focus groups. The State Office also has a consultant specializing in employer relations. The department is establishing a network of former clients who have been successfully rehabilitated. Business partners provide feedback about the contract services performed for them and the clients they hire. Local work training center advisory board members provide ideas, feedback and advice on meeting the needs of their communities. Agency leaders at the state and local levels stay in touch with members of the General Assembly and Congressional delegation to answer questions and provide information. The agency's web site is a popular portal for persons seeking information. As staff members market the program, they also receive feedback from the community.

The agency's Human Resources Development department conducts surveys to determine staff training needs and assess the quality and impact of each training event.

And, of course, attention to changing client needs is vital. SCVRD's career planning and employment (CPE) services reflect that approach. Methods for determining vocational direction, which in the past relied heavily on paper-and-pencil testing, gave way to community-based evaluations. A client can now try out a job in an actual work setting, "shadow" a person in the community who actually performs a certain job, or work under a mentor. (*See Process Management section for other examples.*)

3.4 Using feedback information

Suggestions and recommendations from all sources are considered on the appropriate level. Responses can be implemented as necessary, from a simple change in procedure to the establishment of a Key Results Area committee to study courses of action.

Customer service survey findings are submitted to the Committee on Rehabilitation Excellence for review and recommendations, which will take the form of correction to management plans, staff training, or disciplinary action.

The department conducts customer forums that allow direct interaction between customers and staff. For example, input from a panel of present and/or past clients representing specific disability groups fosters better understanding of their needs and this feedback can be converted into appropriate improvements in services.

The department systematically follows up on client complaints beginning at the local office level. If the concerns can't be resolved there, SCVRD's full-time client relations specialist addresses the issue. The client also has the option, at any time, to take a matter to the Client Assistance Program in the Governor's Office. Disputes are solved in an orderly and rational way through this system.

3.5 Measuring satisfaction

Through the department's new Program Integrity measurement system, the client customer service satisfaction rate will be calculated quarterly at the area, region, and state levels. Comparisons will be made among organizational units and with previous years' performance.

In 2001-2002, as in past years, the department conducted follow-up studies based on surveys of a random sample of successfully rehabilitated clients. This survey monitors satisfaction levels and rates of job retention. The department's program evaluation staff regularly conducts area reviews that include clients who were not successfully rehabilitated to learn why they have not reached an employment outcome and to determine if dissatisfaction played a part.

Satisfaction from employers is measured in the success level of clients placed into employment, in the amount of outsource work contracted to SCVRD training centers, or through customer service surveys.

3.6 Building positive relationships

The department's focus on "informed choice" is the cornerstone for successfully building positive relationships with its clients, who are its primary customers. At every stage of the rehabilitation process, the client is involved in planning and signs off on his or her Individualized Plan for Employment (IPE). Staff promotes client choice in the selection of vocational objectives, services and service providers. Clients are encouraged to provide feedback formally or informally. The client must be satisfied with services and vocational rehabilitation outcome before the department claims a successful rehabilitation.

The department also builds positive relationships through cooperative agreements with other state agencies; through community outreach to solicit business and industry involvement with the program as employers, contractors, or advisors; through cultivation of ongoing relationships with successfully rehabilitated clients who are now firmly established in their communities and offer a great source of feedback and advocacy; and through contact with community organizations and legislators.

In the Disability Determination Division, division managers each year develop outreach objectives and plans based on identified and/or projected needs. The leadership designs a schedule for attending conferences and meetings and for individual visits with professionals, advocacy groups or claimants to disseminate information about the program and respond to requests for information. Division personnel make from 20 to 30 presentations each year to various groups. In addition, from 8,000 to 10,000 inquiries from public officials, legal representatives or claimants are received and responded to each year.

4. Information and Analysis

4.1 Determination of measures

The department uses many performance measures, all tied into the accomplishment of the most important performance measure of all—its mission to enable eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment.

Information to analyze the department's success comes from a variety of internal and external sources. Each component of the service delivery system and support systems has performance measures that factor into the “big picture” of agency mission accomplishment. Through analysis of the department's enabling legislation as well as other federal and state guidelines and through feedback from internal and external customers, the agency's leadership has developed key performance measures.

National standards and indicators are used to compare SCVRD with other state programs at the national and regional levels. The department has developed a computer program that can analyze standards and indicators data by caseload, team, office, and state.

Internal benchmarking has been divided into the three elements of the Program Integrity model: compliance assurance, quality customer service and productivity. New procedures, instruments and empirical methods have been developed to review caseloads, collect customer satisfaction information and expand the means of tracking and quantifying productivity. A workgroup known as the Committee on Rehabilitation Excellence meets on a regular basis to coordinate the review and access the information gathered and to serve as a mechanism for feedback, decision-making and updating of information for the strategic planning process. Program Integrity indexes can be calculated by area, region and the state, so that data collected can be used to foster improvement at any of those levels.

The Program Integrity model will also be expanded to include other operational divisions of the department such as human resources, finance, information technology, and others. The end result will be performance measures all pointing in the same direction—successful employment outcomes for clients.

Accountability to all taxpaying citizens is paramount. The department seeks to serve and rehabilitate the greatest possible number of people with disabilities as cost-effectively as possible and at the highest level of service as possible. Another performance measure is the rate of return on the taxpayer dollar. Key indicators are the length of time it takes for a rehabilitated client to repay the cost of his or her rehabilitation after becoming a taxpayer, the amount that the rehabilitated client repays for every dollar spent on his or her rehabilitation, and degree to which their earnings increase after rehabilitation.

4.2 Data quality, reliability, availability

Department staff throughout the state have gained much easier access to information necessary to support daily operations thanks to substantial upgrades in technology. This fiscal year brought major upgrades to computer programs to help streamline the service delivery process and meet compliance standards. The new technology not only saves time but offers much more in the way of data accumulation, breakdown and analysis. Many

case service reports that once required delays and personal assistance can now be accessed instantly on computer workstations by staff members. Often these reports are available in real-time.

Through these upgrades, data quality, reliability, completeness and availability for decision making have been enhanced. An example of the user-friendliness of this information is the STARS system, introduced in FY 2001-2002, which enables users to build customized reports that include specific items. The Local Office Information System, also upgraded this year, provides additional specialized information that is a valuable management tool for the local office supervisor.

Technology advances this fiscal year included:

- Installation of servers at remote sites, which enhanced client service, local file backup systems and printing options.
- Full implementation of agency e-mail. The expansion of the e-mail system helped staff communicate with internal and external customers in a more timely and cost-effective manner.
- Completion of Ticket to Work/SSA reimbursement systems, which will help with compliance issues and is expected to generate revenue for the agency through the Social Security program.
- Major revisions in the database system, which improved case service data accuracy and brought compliance with new Rehabilitation Services Administration requirements.
- Upgrade of data circuits, which gave computer users smoother and more reliable service in communication, access of the Internet and use of agency databases.
- Conversion of Information Technology help desk requests from paper to electronic format, enabling IT staff to respond to and track requests more efficiently.

4.3 Using data/information in decision making

Information gathered in analyzing performance also is useful in spotlighting strengths and weaknesses and can be used to update the strategic plan. The department conducts area caseload reviews to ensure that SCVRD teams carry out their duties in compliance with federal and agency regulations and standards. Proper documentation of each stage of a client's services is expected to detail appropriate services to meet the client's vocational needs; appropriate spending for services, including documentation that external funding alternatives are being sought; provision of informed choices for the client; and efforts to secure suitable employment for the client and satisfaction for the employer.

The department uses reports to spot trends, project future needs and address federal key indicators. For example, the data can be used to anticipate staffing needs by analyzing the population.

Customer satisfaction surveys are carefully evaluated and used in the consideration of improvements or new services in accordance with the Program Integrity measures mentioned earlier.

The Disability Determination Division maintains an extensive array of daily, weekly, monthly, quarterly and annual reports through comprehensive division, agency and Social Security computer reporting systems. Data on virtually every aspect of case processing, fiscal activity, quality assurance, and staffing are issued to the appropriate components. Statistical reports are aimed at providing performance tracking information related to established goals and objectives. Data allow comparisons at the individual, unit, office, state, and national levels in areas such as productivity, processing time, documentation and decision quality, cost effectiveness, staff turnover, and age of claims.

4.4 Comparative data use

Selection and use of comparative data is based on national standards and indicators, which reveal how the department ranks in federally mandated measures. These figures are used by the Rehabilitation Services Administration, the department's regulatory agency, to assess effectiveness of state VR programs. The department, in turn, uses them as a basis to consider improvements to service delivery when necessary.

The new Program Integrity Index will be an internal comparative data mechanism that will enable the leadership to compare key performance measures at all levels of the service delivery system and foster continuous improvement.

Efficiency and effectiveness comparative data (*see 4.1*) enables the agency to monitor and address trends in national and internal benchmarking.

5. Human Resource Focus

Human resources initiatives support the agency's mission by recruiting and retaining employees with appropriate skills and competencies. These initiatives are driven by the strategic plan, which revamped job responsibilities to better meet the needs of our customers.

5.1 Employee motivation to achieve potential

The department is committed to excellent employee-employer relations. This includes creating an environment where employees understand how their positions support the agency mission and feel valued for their efforts.

Career ladders have been established for most major job categories to encourage employees in their development. The agency has developed matrices to help employees understand how promotions may occur and provide supervisors with a guide to employee development.

State regulations and policies govern employee compensation and benefits. While benefits are standardized across state agencies, the department exercises flexibility allowed by the regulations to provide pay increases for promotions, reclassifications, good performance, and additional knowledge and duties as well as bonuses. Such salary increases are tied directly to the accomplishment of the department's mission and are approved only after the employee satisfies the published criteria for the attainment of each increase.

The "Celebration of Success" program is an innovative reward and recognition system that allows employees to recognize their peers for significant accomplishments. The program fosters a work environment that rewards employees for providing excellent customer service and for contributions to productivity and program excellence. Any employee who receives three awards may choose a prize from a catalog featuring a variety of products emblazoned with the agency logo.

The recent implementation of "flex time" allows most employees to adjust their work schedules to accommodate outside commitments and to provide better internal and external customer service.

5.2 Key developmental and training needs identification

SCVRD invests approximately \$300,000 annually in staff training and development. Ongoing assessments and training and development help the department meet the current and future challenges of each position. The LaRosa Human Resources Development facility on SCVRD's main campus in West Columbia provides a state-of-the-art environment to provide courses in job orientation, leadership, safety, performance improvement, diversity, and technical skills.

Training needs are identified through regulations, public hearings, program reviews, customer service surveys, Employee Performance Management System (EPMS) documents, training requests, staff input, and basic job competency requirements. From this information, development plans and training sessions can be established to enhance the employees' ability to support the agency's mission.

Training effectiveness is measured through employee evaluations, Impact on Performance surveys, program reviews, customer service surveys, and EPMS documents.

New employees attend a two-day orientation session that covers a full range of information about the department's programs, benefits and procedures. Training topics also include counseling, job placement, customer service, and medical and psychological aspects of disabilities.

New supervisor training is a recent emphasis. All new supervisors receive extensive guidance with one or more of the following:

- A three-day new supervisor training, which includes site visits to key offices and programs;
- The Budget and Control Board's Division of Training; and/or
- The New Supervisors Institute at Georgia State University.

Increased use of videoconferencing is reducing travel reimbursements and overnight lodging expenses. Four remote sites can be simultaneously accessed from the Human Resources Development Center. The sites—in Anderson, Spartanburg, Florence and Moncks Corner—are strategically located so staff from different areas of the state can travel to the nearest one in a short period of time.

SCVRD has initiated a program to enable all counselors to meet the educational standards of the Commission on Rehabilitation Counselor Certification. This involves partnering with the University of South Carolina and South Carolina State University to provide advanced academic coursework in the classroom and through videoconferencing. In addition, Internet courses are used to accommodate the needs of individual counselors in meeting the federal requirements.

Analysis of the agency's work force indicates that the next two to five years will see dramatic changes in management personnel due to anticipated retirements. A professional development program is a new initiative designed to prepare staff to assume leadership roles. The program will identify staff with abilities to meet those needs, and prepare those individuals to meet the challenges facing the department through basic, intermediate, and advanced level curricula.

5.3 EPMS support of high performance

Use of the Employee Performance Management System (EPMS) is a critical initiative that directly affects performance results. Employees get a clear understanding of how their individual performance affects the agency's mission as goals are broken down, first by area office and then by individual employee, and detailed on the planning stage document. Also, employees gain an understanding of what is expected of them through ongoing communication and performance feedback required by the EPMS. The EPMS ensures accountability through qualitative and quantitative success criteria. Salaries have been linked to the EPMS to reward employees who meet and exceed the performance requirements of their jobs.

In the Disability Determination Division, all EPMS performance plans are developed in accordance with program goals and objectives. Reporting systems are designed to provide accurate and timely feedback on all key indices and a comprehensive monthly "Performance Index" is published to ensure that staff members are aware of how their

performance in critical areas compares to that of their peers. Through a comprehensive training program emphasizing three levels—Basic, Ongoing and Job Enrichment—efforts are made to ensure relevant, timely and meaningful training. Basic training programs are designed to coincide with established job descriptions and a syllabus containing checkpoints ensures that employees are prepared for their assigned tasks. Reward programs, such as the agency’s Celebration of Success and the division’s PRIDE (People Responsibly Influencing Decisional Excellence), recognize superior job performance. In addition, awards for creative achievement, humanitarian service and special acts of service encourage well-rounded citizens as well as superior employees.

5.4 Employee well-being and satisfaction measures

The agency’s new employee job satisfaction survey will track the effects of administrative and programmatic initiatives on employee job satisfaction. This feedback will be compared to national results to assist SCVRD in assessing its strengths and weaknesses as an employer. Feedback also will be used in designing policies and programs that promote job satisfaction. Focus groups will be formed as needed to address issues raised by the survey and supplement survey information.

One measure to determine how effective initiatives have been in creating a positive and productive work environment is the employee turnover rate. SCVRD’s 12 percent turnover rate is significantly lower than the national average of 15 percent for state and local governments. When further study is completed, it is expected that our human resources initiatives will be partly responsible for the difference.

5.5 Maintaining safe and healthy work environment

Employee health and safety is a major objective. Troubled employees whose jobs are jeopardized by disabling conditions have access to one of the agency’s own service programs, Job Retention Services (JRS). The JRS program allows employees to overcome their difficulties while they stay on the job.

The Risk Management department reviews all agency facilities to ensure OSHA compliance and overall safety and healthiness. Smoking is permitted in assigned areas only, generally outside. Emergency preparedness and other safety measures have been greatly bolstered.

Compliance with state and federal legal and regulatory requirements is monitored closely to ensure that employees receive the full protections afforded by employment law. SCVRD’s goal is to have a healthy, safe, discrimination-free workplace that encourages employee success.

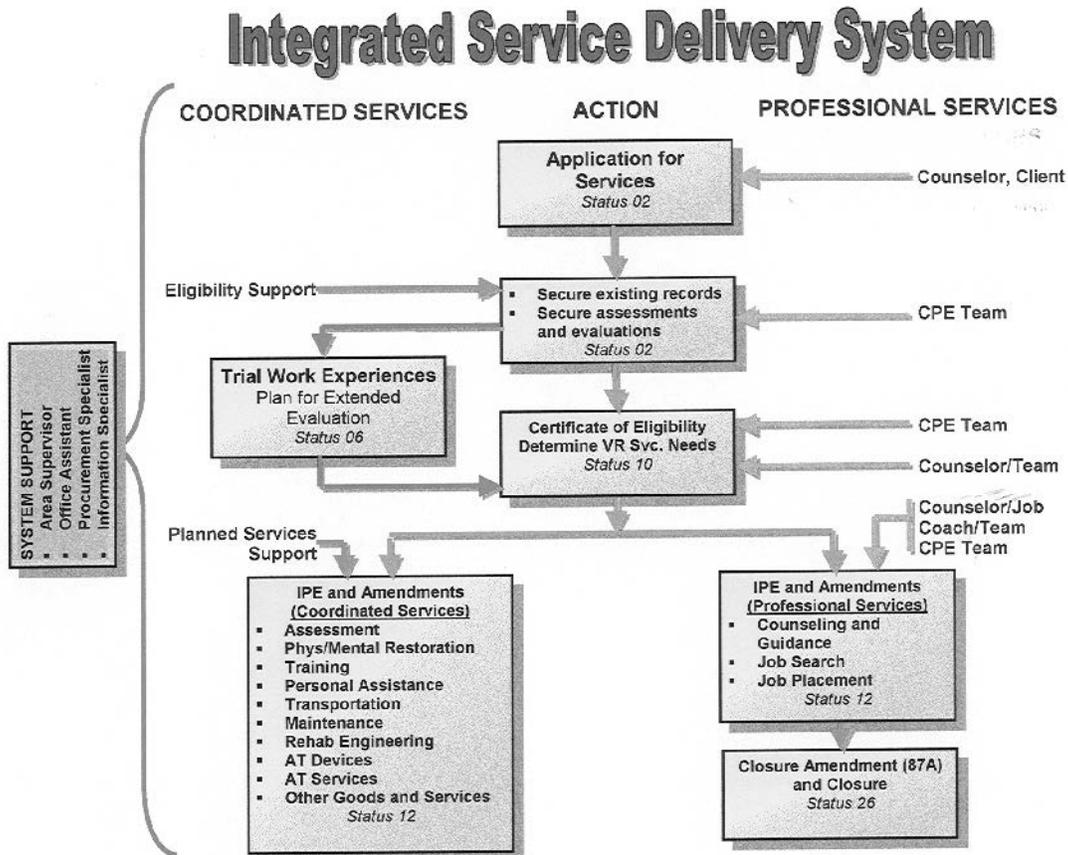
5.6 Community involvement

SCVRD is deeply involved in the many communities it serves, through personal donations and volunteer time, or involvement in community activities as agency representatives. (*See Section 1.7*)

6.0 Process Management

6.1 Key design and delivery processes

Every work process of the department can be defined and measured through the Program Integrity model. The Integrated Service Delivery System defines the members of the client service team and is designed to provide clients with a seamless program of quality services that comply with the law and lead to the desired employment outcome.



At each step along the road in service delivery there are checks and balances to ensure compliance with the law and the client's informed choice. In the Integrated Service Delivery System, an applicant for services has direct interaction with a counselor. Eligibility support personnel secure existing records, such as medical or psychological information, to help determine if the applicant is eligible for services. Using existing records whenever possible instead of ordering new examinations, tests, etc., has helped accelerate the eligibility process and reduce costs.

Sometimes a trial work experience is the best way to determine whether a person is employable and in some cases that applicant may be placed in extended evaluation.

Once the counselor and other members of the service delivery team make an eligibility determination, the applicant is either:

- accepted for services and certified as eligible, or
- denied services based on mandated eligibility requirements that a person must have a physical or mental impairment that substantially interferes with his or her ability to work and must require and be able to benefit from VR services that would lead to permanent, competitive employment.

Once found eligible, the client's Individualized Plan for Employment (IPE) is formulated to determine VR service needs. This is done through coordinated services and professional services. This process is driven by the client, who normally chooses to develop the plan with the assistance of the counselor and other VR team members. The professional staff focuses on client and community interaction, while the support staff focuses on case management activities.

In addition to counseling and guidance, services might include:

Diagnosis and treatment	College/university training
Rehabilitation technology	Occupational/vocational training
Interpreter services	On-the-job training
Personal attendant services	Miscellaneous training
Transportation	Job search/placement
Maintenance	On-the-job supports
Supported employment	Technical assistance
Job readiness training	Information and referral services
Career planning and employment services	Post-employment services
	Other services

Career planning and employment classes are offered to all clients as they prepare for employment. These include

- Disability-related classes that address specific disabilities and how they affect the client's ability to work;
- Pre-employment classes for filling out job applications, developing interview skills, and basic computer skills; and/or
- Employment classes for job-ready clients, including job-seeking groups, advanced interview skills and other topics.

Job-readiness training helps the client develop positive work behaviors and the physical stamina needed for successful adjustment to a new job. This training will include performing work outsourced to SCVRD work training center by area businesses and industries.

The department also has engineers who provide rehabilitation technology solutions to help clients with mobility and accessibility problems. This enhances job placement potential.

As the client approaches the completion of the services on the IPE, the counselor and other team members focus on the job placement process. Many clients can and do find their own jobs. However, other clients require varying degrees of job placement assistance. The department places a strong emphasis on direct placement.

Once a client is placed into employment, there is regular monitoring of his or her progress. When a client has worked successfully on a job for at least 90 days and the employer and client are satisfied, the case is closed. The client signs off on the closure and is given the opportunity for feedback on the services received.

Throughout the process, staff has access to customized technological tools such as computer programs that keep the rehabilitation process moving and allow for monitoring of activity to ensure compliance, quality customer service and productivity. (*See Information and Analysis section.*)

6.2 Daily operation/meeting key performance requirements

Compliance assurance is demanding, not only by the department's choice but by law. Client signatures are required at each major stage of the process, but that is only the beginning. Program Integrity measures will result in quarterly reports offering a definitive index of performance. On a quarterly basis management can access information about compliance and other performance measures. Caseload reviews, topical reviews, and financial audits all reveal how well the staff is adhering to compliance, cost-effectiveness and other measures.

The Disability Determination Division uses extensive quality assurance and operational analysis systems to maintain an ongoing assessment of work processes. First-line supervisors maintain regular in-line and end-of-line reviews utilizing both computer analysis and actual case review. Regular random samples are selected from case clearances for review by centralized quality assurance staff. Comprehensive end-of-line audits are conducted by fiscal staff in the administrative services unit to ensure a high level of accuracy in all payment activities. Ongoing operational analyses are conducted by program analysts to provide continuous assessment of efficiency and effectiveness of case processing policies and procedures. All procedural requirements are available to division staff through an extensive array of physical and electronic references.

6.3 Key support processes

Critical agency work processes are outlined in detail through role definitions and charts showing the flow of the rehabilitation process. Employees understand their roles in the process through formal training and team building on the job..

Personnel such as area supervisors, procurement specialists, accounting technicians, office assistants and information specialists provide administrative support in SCVRD area offices.

Some of the key State Office and other support processes include:

Administrative Services	Inventory and Supply Services
Budgets	Office of the Commissioner
Case Services	Planning & Program Development
Center for Comprehensive Services	Procurement Services
Client Relations	Professional Development
Deaf Services	Program Evaluations
Facility Management	Public Information
Finance	Regional Services
Human Resources	Risk Management
Human Resources Development & Training	Staff Attorney
Information Technology	Substance Abuse Treatment Facilities
Internal Audits	Training Center Services

These support components are improved and updated in response to internal and external surveys or through technological upgrades, through development of mission-focused training modules, through the Employee Performance Management System process and through Key Result Area teamwork.

6.4 Supplier/contractor/partner interactions

The agency has very strict standards for suppliers, who must adhere to firmly established fee schedules for all purchased products and services in the client service program. Members of SCVRD teams constantly “shop around” for the best values in purchased services. When referring clients for needed medical services, the department requires that all physicians be approved for Medicare reimbursement. When sponsoring a client’s post-secondary education or training, the department requires certification of the institution. Qualifications of vendors are checked in the best interest of clients.

The department complies with all state and federal procurement regulations, requires competitive bidding in line with those regulations, and utilizes the advantages of the state contract system for purchases when possible. Suppliers who work with SCVRD are subject to regular state and federal audits.

A key component of the partnering process involves SCVRD Work Training Center partnerships with more than 350 businesses and industries statewide, nationally, and internationally. These companies provide outsource work to the centers, where clients get real work experience and get paid for their work. This is successful because it is mutually advantageous. Employers become involved with the training centers not simply because of a sense of compassion, but because they can get quality work done at a good price. Recruitment of businesses to participate in the program is essential, and center managers, area supervisors and other SCVRD staff continuously work on maintaining these partnerships through marketing efforts and community involvement. Partners often refer other businesses to our centers.

7. Business Results

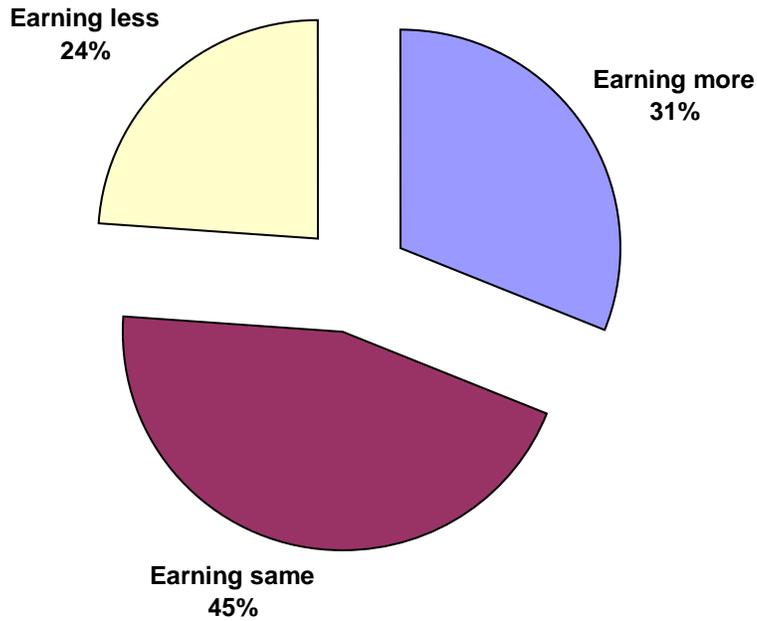
7.1 Customer satisfaction

The primary objective of the South Carolina Vocational Rehabilitation Basic Service Program is to use its limited resources in the most effective, efficient and customer-oriented manner to serve as many working-aged South Carolinians with disabilities as possible and place them in competitive employment. This objective is measured by comparing the South Carolina Vocational Rehabilitation Department's results in those areas to those of vocational rehabilitation programs across the nation, as well as to its own benchmarks. Results from the newly developed Program Integrity Index described earlier in the report will be available as the reporting periods end.

Follow-up surveys of successfully rehabilitated clients show a highly favorable assessment of SCVRD services. The department surveys a random sample of clients one year after their cases are closed.

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Employed one year after closure	76%	78%	77%	75%	74%
Counselor willingness to listen to client's ideas and suggestions in developing service plan	99%	98%	98%	97%	98%
Satisfied with adequacy of information about their disabilities	99%	98%	97%	97%	98%
Satisfied with promptness of service delivery	99%	98%	97%	97%	98%
Satisfied with kind of training received	93%	93%	93%	93%	93%
Satisfied with benefits of training received	92%	96%	97%	94%	96%
Satisfied with assistance in seeking job and finding employment	92%	93%	95%	93%	95%
Satisfied with results of physical restoration services	96%	95%	96%	96%	99%
Would recommend SCVRD to others	99%	98%	99%	99%	98%

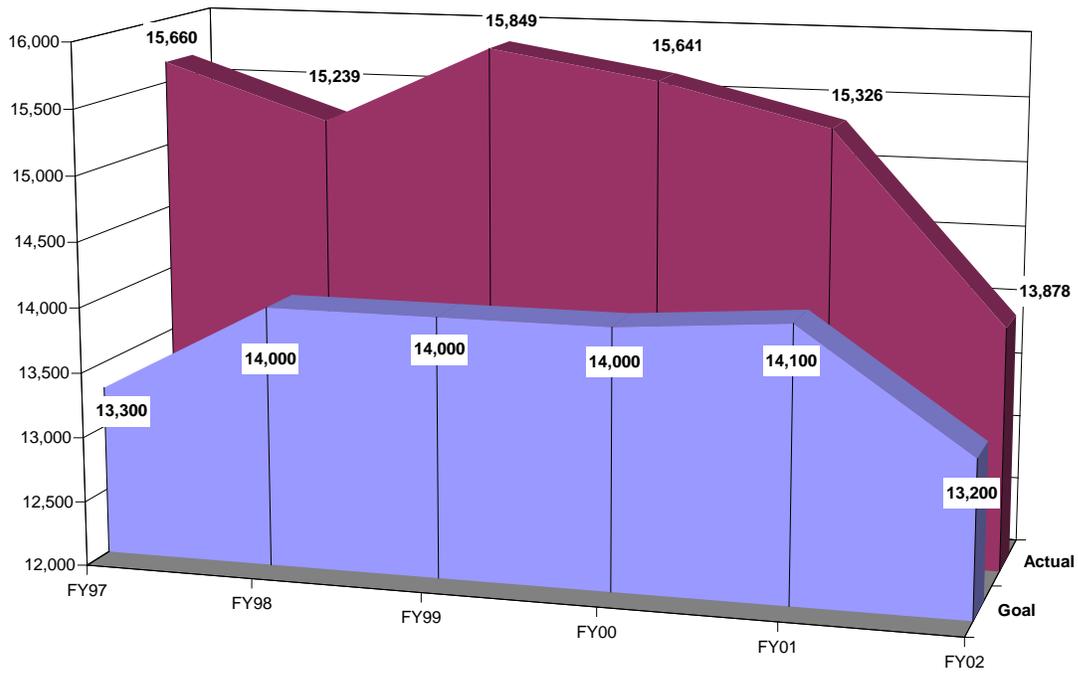
Salary comparison one year after closure



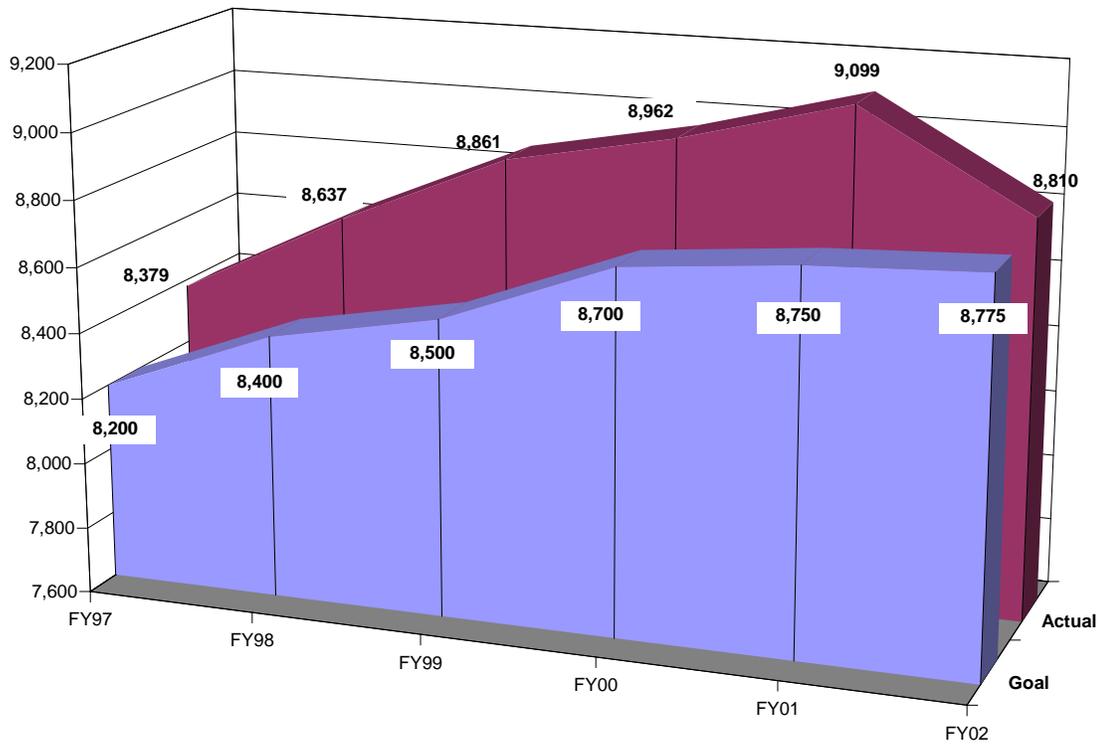
7.2 Mission accomplishment measures

Clients served/rehabilitated	1997-98	1998-99	1999-2000	2000-2001	2001-2002
Total accepted for services	16,742	17,007	16,533	17,048	16,292
Total eligible cases served	34,187	35,609	36,607	37,805	37,667
Total number of rehabilitations	8,637	8,861	8,962	9,099	8,810

Individualized Plans for Employment

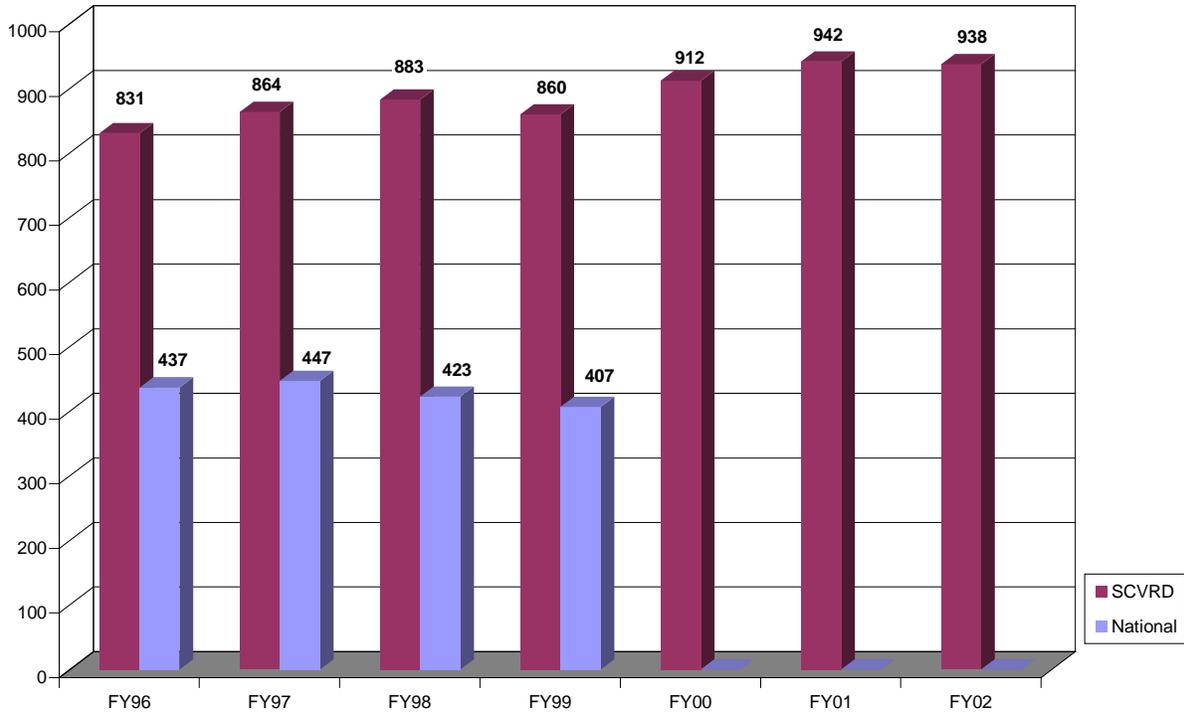


Successful Closures

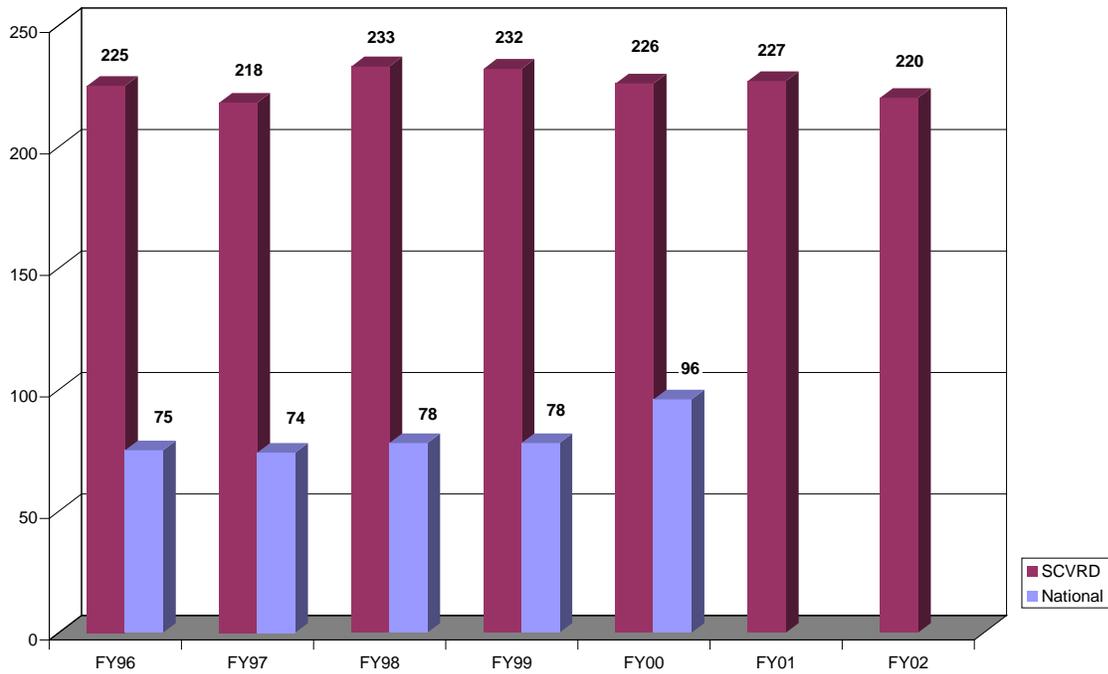


(National comparisons on this page reflect most recent data available)

Clients served per 100,000 population



Rehabilitations per 100,000 population



7.3 Human Resources results

Cost reductions are evident in many areas because of increased automation and overall staff productivity. Personnel allocations are now related to per-employee productivity. Total case service dollars spent in the basic service program decreased in fiscal 2001/2002, while the total number of eligible cases served remained stable (2000/01 – 37,805 cases; 2001/02 – 37,667 cases). These cases were served with approximately 20 fewer staff than the previous year.

The State Human Affairs Commission annually publishes its report on state agency hiring. This report details each agency's efforts in recruiting, hiring and promoting individuals in various sex and race demographic categories and ranks agencies on how closely the makeup of the agency reflects the available workforce. In the last four years, SCVRD has increased its level of goal attainment 9 percentage points, from 83 percent to 92 percent. In addition, the agency now ranks fifteenth among all state agencies in goal attainment and third among large agencies of 1,001 employees or more.

SCVRD revised its compensation plan to provide greater rewards for reclassification (from 6 percent to 10 percent), promotion (from 8 percent to 12 percent), and additional duty pay actions (from 6 percent to 10 percent).

In addition, the agency implemented a compensation initiative to recognize an employee's achievement of an advanced degree that is directly related to the employee's job. These changes were implemented in March 2002. Despite these changes, the agency's personnel services expenditures have remained virtually unchanged as compared to the previous fiscal year (2001- \$41,167,907; 2002 - \$41,411,356). SCVRD believes this is due, at least in part, to greater efficiencies achieved through the reengineering effort.

One measure to determine how effective our initiatives have been in creating a positive and productive work environment is the turnover rate for department employees. A comparison of the agency's turnover rate for fiscal 2001/2002 against the national average for state and local governments shows that SCVRD experiences a significantly lower turnover rate than the national average (SCVRD – 12 percent; National Avg. – 15 percent). This 12 percent turnover rate has remained unchanged for the past two fiscal years.

The Celebration of Success reward and recognition program has been well-received by staff. In fiscal year 2001-2002, a total of 387 prizes were awarded to employees who had garnered three nominations from their peers. Many other employees had received one or two nominations.

Safety teams have been established in all office locations to assess safety issues. In addition these teams provide feedback to the Risk Management department on agency-wide safety issues and assist in developing tailored solutions to local safety problems.

Human Resource Development and Training

<i>Training Site</i>	<i>Total Training Events</i>		<i>Total Training Participants</i>	
	2000-01	2001-02	2000-01	2001-02
State Office & videoconference sites	114	147	2,060	2,700
Other SCVRD sites	15	8	133	57
Other sites (non-SCVRD)	230	82	631	178
Totals	359	237	2,824*	2,935*

* *Some staff members participated in more than one training event.*

7.4 Contractor results

Partnerships with South Carolina's businesses and industries through outsource agreements provide outstanding training opportunities for clients, who also receive training wages for production. The agreements generate revenue for the department's 22 work training centers. Last year, 6,796 clients received services at the training centers to prepare them for employment. Among the department's 8,810 clients who were rehabilitated in FY 2002, 1,438 had received work training center services.

	FY 1999	FY 2000	FY 2001	FY 2002
Revenues from outsource work for business & industry	\$15,585,829	\$16,327,474	\$15,712,875	\$15,523,940

Some of these revenues (\$5,670,557 in FY 2002) were used as wages for the clients who perform the outsource work as part of their job-readiness training at the centers. The remainder was used for raw materials, supplies and other operating expenses.

7.5 Regulatory/legal results

National standards and indicators established by the Rehabilitation Services Administration, U.S. Department of Education, for Federal Fiscal Year 2000.

	<i>Required</i>	<i>SCVRD</i>	<i>U.S. Avg.</i>
Change in number of employment outcomes compared with previous year	0 or more	-245	81
Of all individuals who exit the program after receiving services, the percentage achieving employment outcomes	55.8%	60.3%	62.1%
Percentage of rehabilitated clients earning at least minimum wage	72.6%	93.3%	86.7%
Percentage of rehabilitated clients earning minimum wage who have disabilities classified as “significant”	62.4%	86.5%	86.2%
Ratio of SCVRD client wages compared to state average wage	.52	.64	.54
Difference in percentage of clients who are self-supporting after services compared with before services	53%	64.5%	63.2%
Service rate for clients from minority backgrounds as a ratio to service rate for clients from non-minority backgrounds	.80	.98	.94

7.6 Financial performance results

Return on the Taxpayer Investment

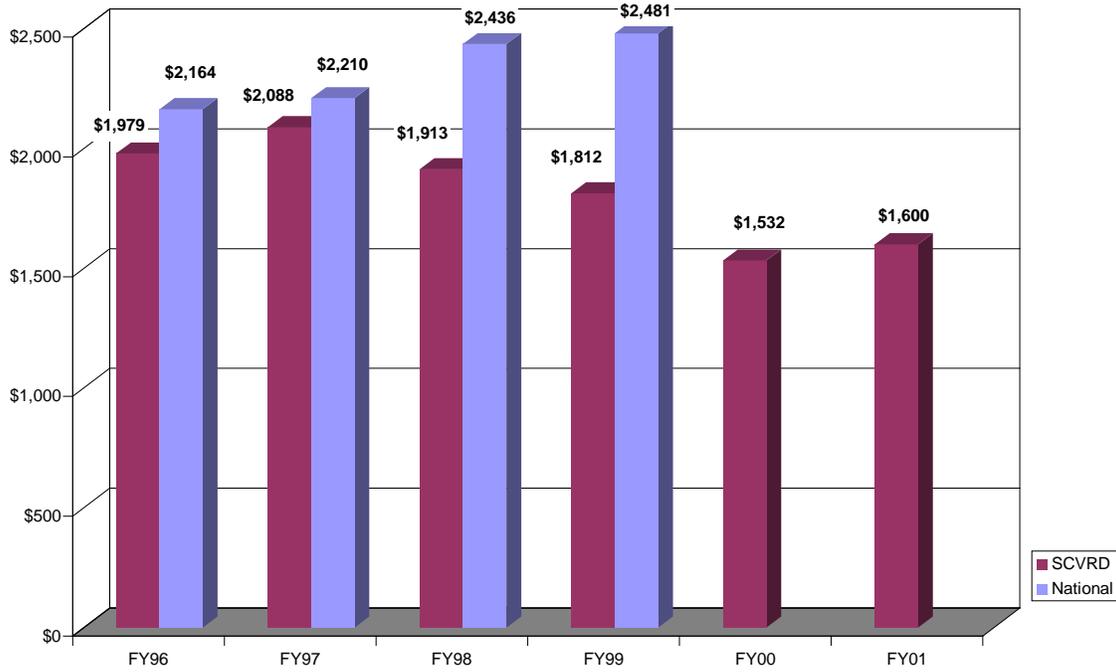
The department’s clients continue to show a very high rate of return on the taxpayer’s investment. Successfully rehabilitated clients become contributors to our state’s economy rather than relying on benefits funded by taxes.

For instance, clients who become employed realize an increase in their earnings by **\$10.34** for every \$1 of Vocational Rehabilitation Department funds invested in their rehabilitation.

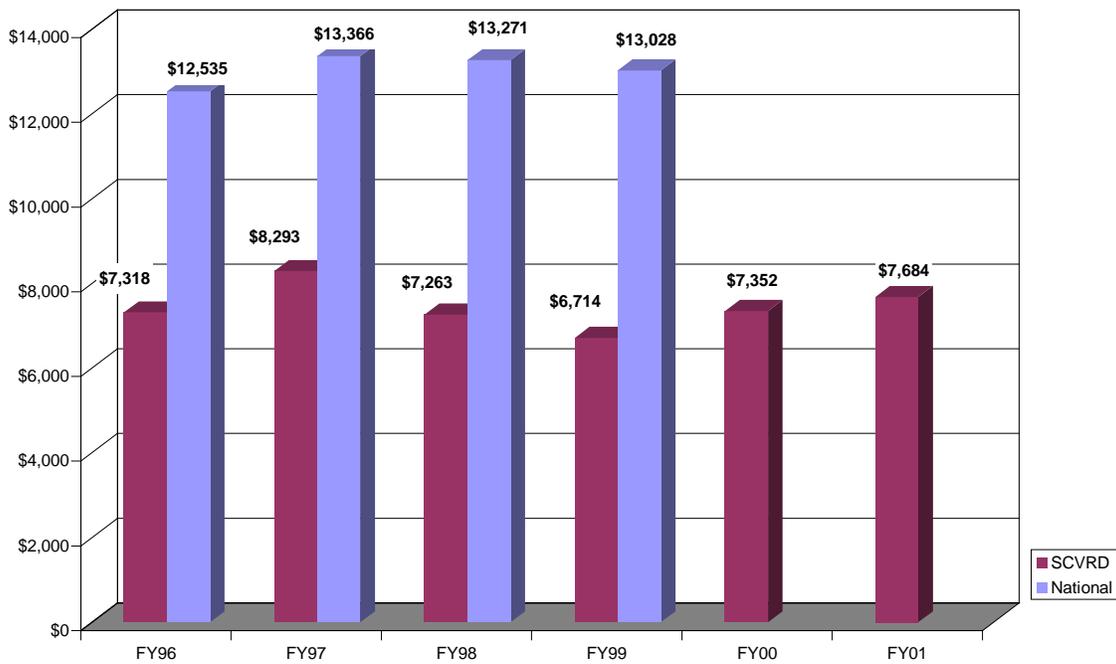
They return an estimated **\$2.29** in taxes for every dollar spent on their vocational rehabilitation.

They repay the cost of their vocational rehabilitation in an average of **6.38 years**.

Average cost per client served



Average total cost per rehabilitation



**Data represents federal fiscal year, so 2002 is not yet available.
National comparisons reflect most recent data available.**

Wages

South Carolina as a whole does not rank high nationally in per capita income, but the Vocational Rehabilitation Department's successfully rehabilitated clients compare favorably with other states' clients in average wages. A greater percentage of SCVRD clients surpass the minimum wage than in other states and their earnings ratio is nearly 10 percent closer to that of the state's general working population. Historically they've had a higher weekly wage than the national average for successfully rehabilitated clients. The following chart shows SCVRD client wage levels the past five years.

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Average weekly wage at intake	\$96	\$97	\$107	\$124	\$133
Average weekly wage at closure	\$282	\$282	\$311	\$328	\$346

Wage at intake reflects all sources of income, including government benefits, family, friends and employment.

Disability Determination Division

The Disability Determination Division strives to achieve performance levels that are equal to or greater than the national average in the areas of productivity (number of claims produced for each FTE); cost per case; and medical cost per case. The goal for claim processing time is 115 days or less and the target for documentation accuracy is greater than 90 percent. South Carolina has been selected as the site for two major pilots during FY 2003. The Division will develop and implement a new model for quality assurance and will be involved in a pilot of improved methods for confirming identification of applicants.

The Division will also face significant challenges in view of dramatic increases in application rates and limited funding for case processing. Through innovative approaches to case development and continued efforts to improve operational efficiency the Division expects to maintain or improve performance in key measurement areas.

<i>Effectiveness and Efficiency Measures</i>	<i>South Carolina 2001 – 2002</i>	<i>Atlanta Region 2001 – 2002</i>	<i>National Avg. 2001 – 2002</i>
Cost per case	\$340.94	\$342.03	\$407.78
Medical cost per case	\$ 95.42	\$106.06	\$115.80
Production per work year	293.7	276.4	261.4
Processing time	108.8	98.5	105.1
Documentation accuracy	94.2	94.4	94.6

During fiscal year 2002-2003 the Disability Determination Division will receive, develop and adjudicate more than 95,130 claims on more than 75,500 individual applicants for

Social Security or SSI benefits. (Some individuals will apply for both programs at the same time.) In addition, approximately 8,300 Medicaid claims, 2,000 claims for disability benefits under the South Carolina Retirement System and approximately 100 applications under the disability provisions of the Homestead Exemption Act will be processed. This will result in more than 2,000 determinations per week with decisions reached in an average of 115 days or less.