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Elimination of Agency-  
Provided Client  
Transportation Service  
for Job Readiness  
Training Clients

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South Carolina Vocational  
Rehabilitation Department

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## **Problem Statement**

The South Carolina Vocational Rehabilitation Department (SCVRD) is a state agency with the mission of enabling eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment. In FY 2008, SCVRD served 46,795 clients with 8,520 of those individuals having successful employment outcomes ([http://www.scvrd.net/a\\_numbers\\_0708.html](http://www.scvrd.net/a_numbers_0708.html)). Each client of the agency participates in the development of their own individualized rehabilitation plan with the ultimate goal of employment. SCVRD provides many services to support our clients including but not limited to counseling and guidance, vocational assessment, disability and employment classes, training, and job placement. The vocational rehabilitation counselor is the case manager and can order the services that are deemed necessary to assist the client in becoming employable.

Beginning in the 1970's, SCVRD recognized the value of real work training for clients and began the development of a statewide network of Job Readiness Training (JRT) centers. These JRT centers partner with local businesses to provide an environment where positive work behaviors and physical stamina can be developed. In FY 2008, the network of SCVRD's JRT centers totaled 24 centers serving 6,519 clients annually and over 1,200 per day ([http://www.scvrd.net/a\\_numbers\\_0708.html](http://www.scvrd.net/a_numbers_0708.html)). SCVRD clients received training stipends for the work they performed in the amount of \$8,008,645 (Appendix 2). The JRT clients observe daily work schedules and have an average stay of 90 days (SCVRD, internal client activity report). JRT service ends when a client has demonstrated the positive worker traits and stamina that will enable him or her to acquire and maintain a job.

An internal transportation system was implemented in the 1970's to assist JRT clients in getting to the centers for work. In September of 2008, there were 74 daily JRT transportation routes statewide utilizing 15-passenger vans to pick clients up at pick-up points and bringing them to work and back to the same point after work (prior to 2005, the vans operated on a door-to-door basis) (Appendix 1). The van drivers are part-time temporary employees of the agency.

The problems presented by the agency-operated transportation system are:

- the cost associated with operation
- the liability issues associated with van driver conduct
- the staff time required to hire, fire and discipline van drivers
- the staff time required to schedule drivers and clients
- the development of a client that is dependent on SCVRD for transportation thus reducing the likelihood of successful competitive employment
- difficulty meeting agency-mandated minimum ridership standards

In this project, I evaluated the appropriateness of providing transportation to JRT clients, analyzed the costs of operating the van fleet, and in support of agency directives, identified an exit strategy to discontinue the provision of transportation to JRT while considering the impact on the clients and the JRT centers.

### **Data Collection**

The goal of my data collection was to first, identify the true financial cost of operating the van fleet. The components of this cost include:

- Driver cost (pay) – from SCVRD Human Resources Department
- Gasoline Cost – from Mansfield Oil Invoices
- Insurance Cost – from Insurance Reserve Fund Invoice
- Fleet Maintenance and Repair – from State Fleet Management Invoices
- Depreciation Cost on agency-owned vehicles – from acquisition cost invoices using 48 month straight line depreciation schedule
- Leased Vehicle Cost – from State Fleet Management invoices

- Number of Average Daily Riders – from internal transportation reporting program
- Average Number of Van Routes – from internal transportation reporting program
- Average Riders per Route – computed
- Average Daily Cost per Rider – computed

Secondly, I also examined each JRT center to see the impact of this transportation system on the operation of that center. The data I used to assess this impact is:

- Average Daily Attendance for each center – from internal reports
- Number of vans routes operating daily at each center – from internal transportation reporting program
- Number of clients riding the vans daily – from internal transportation reporting program
- Percentage of the client population utilizing the vans – calculated

Finally, I held various meetings with agency senior staff, center managers and department heads to discuss agency policy and philosophy, project direction and implementation plans.

### Data Analysis

In analyzing the financial costs associated with the SCVRD client transportation system, I came up with the following data for FY 2008:

- Driver Annual Cost (wages) – Annual Average Pay \$13,715 per Driver multiplied by 74 routes yields Total Driver Annual Cost of \$1,014,910
- Gasoline Cost – \$431,139
- Insurance Cost – \$36,100
- Fleet Maintenance and Repair – \$214,738

- Depreciation Cost on agency-owned vehicles -- \$400,000
- Leased Vehicle Cost -- \$120,120

Usage data is as follows:

- Number of Average Daily Riders -- 655
- Average Number of Van Routes -- 74

Calculations yield the following results:

- Total Financial Cost of operations - \$2,217,007 for FY 2008
- Average Riders per Route -- 8.85
- Average Daily Cost per Rider -- \$14.10 round trip based on 240 operating days per year

Once I had gathered and calculated the necessary financial data, I met with members of the executive staff to discuss the appropriateness of providing transportation to JRT clients. On one hand, clients had an easy option to getting to the JRT center to work each day. On the other hand, the service that was implemented over 35 years ago to assist our clients may well be making them dependent on SCVRD transportation and may be working against agency efforts to place them into competitive employment by making them less motivated to accept a job for which they had no transportation.

To solve this dilemma, we looked no further than our mission statement. We, as an agency, are tasked with the responsibility of preparing our clients for employment. One of the major impediments, for our clients, to successful employment is the lack of dependable transportation. Therefore, by providing JRT clients with transportation, we were not allowing them the opportunity to find their own. Thus, when these clients are placed into jobs, they often have not found a dependable way to get there which results in the loss of their employment, momentum and confidence and also sets the rehabilitation process back a few steps.

Other factors considered in evaluating the van service were:

- The liability issues associated with the van drivers. Although infrequent, there have been issues relating to van driver conduct which have required many staff hours from the agency General Counsel and HR departments.
- The effect of van accidents on the agency's workers' compensation premium. Workers Compensation premiums will increase as the number of accidents/injuries escalate. When there is a van accident, the potential for as many as 15 separate workers compensation injury claims exists which could result in big increases to premiums, no matter what the severity of the injuries.

With that in mind, the decision was made to create an exit strategy designed to discontinue the operation of the JRT transportation service. The big questions coming out of that decision were:

- What would be the impact on our Job Readiness Training Center attendance?
- Could this decision negatively affect our business partners?

**Training Center Average Daily Attendance:** A study was conducted to see what the potential impact on training center attendance could be if the vans were taken out of service. The percentage of each center's daily client population riding on SCVRD vans ranged from 0% to 100% with rural areas having the higher percentage of their population riding the SCVRD vans (Appendix 1).

Since the vans have been in operation for many years, there was no useful data on how the provision of transportation impacted the average daily attendance of the center when it was originally implemented. If the vans were discontinued now, would JRT clients be unable to get to the center due to lack of transportation or was the offer of agency-sponsored, convenient, virtually free transportation too good for a client to pass up? Therefore, JRT clients are not motivated to work out their transportation needs at this point in their case. It could be a situation where we have continued a service because we have always provided it and not necessary out of need.

I held a meeting to discuss JRT van issues with the JRT Center Manager from each area. The concept of taking the vans out of service was tendered and reactions were anything but expected. The vast majority of the Center Managers (even those in rural areas) were in favor of discontinuing van service. Their reasons were

- Trouble meeting minimum rider standards (vans should transport at least 10 clients daily by SCVRD JRT policy)
- The time spent on locating van drivers that were willing to work a split shift (7-10am and 3-5pm) are harder and harder to come by
- Scheduling time (Drivers and Clients)
- Maintaining the vehicles
- This would better prepare our clients for employment if we did not provide this service
- Other issues such as wrecks, breakdowns, paperwork

**Effect on Business Partners:** SCVRD Job Readiness Training Centers rely on a network of business partners to provide the work for our JRT clients to train on. The work that is provided is usually part of our business partner's daily just-in-time production process. Should we not have enough clients to complete the contracted work, we could jeopardize our business partner's ability to operate. This situation must be avoided at all costs. Any exit strategy must include provisions for completing contract work in a timely manner and must be implemented in a manner as to grow into it and not just end transportation services abruptly.

### **Implementation Plan**

For a project that could reap huge financial (\$ 1,983,323) and client gains (a better prepared client), the implementation plan is quite simple. It was decided to implement the van reduction plan on a

small scale and if the results were favorable, implement statewide. The plan that was developed to eliminate agency provided transportation to JRT Centers was as follows:

- Three (3) areas were selected to participate in a demonstration project. One (Greenwood) was a rural area with 65% of the daily client population riding the vans. One (Charleston) was an urban area with 63% of their daily population riding the vans. One (Aiken) was neither urban nor rural with 20% of their daily clients riding the vans. (see Appendix 1)
- The van routes in these three areas would continue to operate for 90 days after the implementation date and then be discontinued. The rationale for 90 days was that this was the average length of stay in a JRT center for a typical client. Therefore, most clients already attending JRT training and riding an SCVRD van to the center would continue to do so until they are discharged. New client referrals to JRT, during the phase out period, would be told that they should provide their own transportation but if they would like to ride a van, they will be permitted to and told the date that the van routes will be discontinued. They would be expected to have their own transportation to the center at that time. No agency-provided transportation will be offered to clients after the 90-day van route phase-out period.
- New client referrals to JRT will be given, based on economic need, up to 2 weeks transportation assistance, in the form of money, which will bridge the gap until they begin receiving weekly training stipend checks for the work they are doing in JRT training.

To enhance the likelihood of success for this project, agency departments would provide key supports as follows:

Commissioner -- At a recent supervisors meeting, the Commissioner emphasized the importance of doing what is best for the client. She directed staff to do the things that will best prepare our clients for employment. She is fully behind this initiative.

- Client Services Department – Direct and train area staff to work on a client’s transportation options early in their case. Also, provide best practices on how to locate transportation options for clients. Client Service policy will be edited, in the trial areas, to remove the language pertaining to SCVRD provided transportation.
- Information Technology – Provide hardware and software for a client computer lab, when requested, to give client’s an opportunity to use idle time waiting on a ride for job search or skill training.
- Legal – Provide education for staff on key issues such as staff not helping clients arrange rides, staff not giving rides to clients, what to do if a client is still at the center at closing time
- Facilities – Assist any area with parking issues in locating additional parking.
- Procurement – Provide state contract information on temporary workers in the event that additional help is needed to complete work on a contract.
- Area Office Development Directors – provide support through weekly video conferences to check on the status of implementation and discuss any issues or concerns.
- Job Readiness Training Center Consultants – Work closely with the Center managers to forecast work and make sure there is an adequate client population to complete the contract work in a timely manner for our business partners. Edit JRT Policy to remove the language pertaining to SCVRD provided transportation.

A 90-day period will be used to evaluate the effectiveness of this project in delivering the desired results. At that time a decision will be made on future implementations. If this demonstration project is successful, it is anticipated to become the statewide standard.

### **Evaluation Method**

Evaluation of this demonstration project will initially focus on the ability of clients to find transportation to the SCVRD Job Readiness Training Centers and then move on to assess the impact on clients that received JRT services and are placed into successful competitive employment. Data used to evaluate this project are:

- The number of new referrals into Job Readiness Training. Data on new referrals from previous weeks prior to the implementation date will be compared to data on new weekly referrals after the implementation date to see if there are any concerning declines. Noticeable declines could indicate that clients are not able to find transportation to attend JRT. Due to the transitional element of JRT training, it is vital that the steady flow of clients into JRT be sustained through new referrals. The ability to complete the contracted work from local vendors would be in jeopardy if the daily client population dwindles. Only clients that indicate they have reliable transportation will be referred into JRT. Counselors will work with the clients to identify transportation options.
- The rehabilitation rate for JRT Training Centers (number of JRT clients with successful employment outcomes/ total number of clients completing Job Readiness Training). If there is an appreciable increase in the rehabilitation rate for JRT clients after the implementation of the demonstration project it could indicate that JRT clients are better prepared for employment due to solving their transportation issues prior to being placed into competitive employment. This indicator could take a few months to realize due to the fact that a client must remain in competitive employment for at least 90 days in order to be counted as a successful employment outcome.
- The total cost for FY 2008 will be compared to the anticipated cost of this project. As noted before, the financial cost to SCVRD for the operations of the JRT client transportation service was \$2,217,007 (Appendix 2). The anticipated cost of the

demonstration project is limited to the 2 weeks transportation assistance money that they will receive as a new referral into Job Readiness Training. In FY 2008, 6519 clients were served in our JRT centers. I evaluated the average commute for our clients for one day at one of our rural centers and found that an average commute to our training center was 14 miles one way. Transportation assistance money is, by agency policy, computed by multiplying the number of miles in a round trip by an average cost per gallon of gasoline assuming a vehicle gets 20 miles per gallon. Therefore, assuming an average commute of 28 miles round trip, gasoline at \$2.50 per gallon, and using the agency mandated formula, the average client would receive 12.5 cents per mile or \$18.00 per week for 2 weeks. Using the 6,519 clients as a standard, the annual amount of money given to clients for their initial 2 weeks of transportation assistance will be \$234,684. Comparing this total to the total actual cost for FY 2008 yields a potential savings of \$1,983,323 per year (Appendix 2).

- Workers' compensation coverage for JRT clients should also decrease as the potential exposure for injury claims due to van accidents is eliminated. The State Accident Fund uses an experience modifier to calculate premiums. The price of a policy is increased or decreased based on the claim history of the entity. Logically, with no vans accidents contributing to the increase in claims, the price of our workers' compensation coverage should decrease over time. I will track the price of our coverage in past and future periods to see the actual effect.

### **Summary and Recommendations**

The implementation of the demonstration project will kick off, in the 3 locations involved, on February 2, 2009. The Center Managers involved, however, have known for over a month that they were

selected for participation in the project and have already taken steps to reduce or eliminate their van routes. Two of the areas, Charleston and Aiken, have already eliminated their van routes and Greenwood has reduced their routes from 4 to 2, by the implementation date.

Reports from those areas show that the clients have been successful in locating alternate transportation to Job Readiness Training and none of the centers have had their contract work commitments to their business partners compromised due to lack of client labor.

Even with the positive initial results of the project, the true success of it will stem from the staff's efforts to emphasize the importance of reliable transportation to the client and their successful employment. The client's counselor, as the case manager, will play a vital role in screening them for transportation resources and to closely work with any client needing to identify and establish a reliable transportation alternative.

After the initial 90-day evaluation period, pending the successful results of this demonstration project, the implementation plan will be adjusted if necessary and enacted in the other JRT Training Centers.

With the present state of the state budget, the timing of this project could not be better. If the savings projections are even close to the mark, SCVRD will have approximately 2 million additional dollars to provide more services to the clients of the agency.

This project, if successfully implemented, is a true anomaly in that: 1) Clients are better prepared; 2) The agency saves a respectable amount of money which can then be used to provide additional services to SCVRD clients; and 3) Staff workloads, pertaining to the administration of the transportation system, are decreased and that time can be redirected to serving clients.