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Annual accountability report for fiscal year 2002-2003

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DATE: September 15, 2003
TO: Office of the State Budget
FROM: Larry C. Bryant, Commissioner
SUBJECT: Annual Accountability Report for Fiscal Year 2002-2003

The South Carolina Vocational Rehabilitation Department respectfully submits its Annual Accountability Report for Fiscal Year 2002-2003 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 the maximum benefit from the dollars entrusted to us by the taxpayers. The state as a whole profits when we reach our goals for competitive employment of our clients, because those clients become taxpayers themselves instead of relying on disability benefits.

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 15, 2003

Agency Director: Larry C. Bryant

Agency Contact Person: Mark G. Wade

Contact Person's
Telephone Number: (803) 896-6834

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.

SCVRD continues to implement customer-focused initiatives and accountability measures designed to add value to its services and to allocate its limited resources to achieve maximum impact.

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 modern 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.

Use of accountability report

The department uses the annual accountability report as documentation of its continuous improvement efforts and performance measures. The department's Key Result Areas (KRAs) are structured according to Baldrige criteria categories. Strategic plans are developed and deployed with measurable results designed to accomplish the agency mission. The accountability report is a valuable tool in monitoring progress and identifying gaps in performance. In 2001 the department received a Silver Achiever award from the South Carolina Quality Forum for its progress in Baldrige implementation.

Key strategic goals:

- **Program Integrity.** This is a system of guiding principles that creates a balance among three measurable components vital to the agency's success—compliance, customer service and productivity. The agency has completed its first full year of implementation and has an ongoing objective to utilize the balanced scorecard to drive improvement.
- **Committee on Rehabilitation Excellence (CORE).** This group is implementing a system to assure achievement of Program Integrity standards by collecting and analyzing data, formulating and assessing plans for corrective action, and assuring implementation and follow-up. Our objective is improved efficiency, effectiveness and accountability throughout the agency.
- **Professional Development Program (PDP).** This objective arose from the significant number of retirements facing the organization in the next few years. The PDP creates an environment that fosters excellence by aligning agency needs with individual career goals. More than 120 participants are involved in the three tracks of management/supervision, pursuit of specialty areas, and general professional development.
- **Partnerships.** The agency is placing great emphasis on partnerships with other agencies to coordinate services, partnerships with business and industry (in FY2003 the department launched its Business Partnership Network), and partnerships with past clients to enhance services and promote the agency's accomplishments.
- **Alternative funding.** In light of budget restrictions the agency seeks to improve its level of services through the acquisition of grants, increased reimbursements from the Social Security Administration for job placement of clients who no longer rely on disability benefits, and coordination of payment for services by third party agencies/organizations.

Major achievements from the past year:

- The agency's Program Integrity measures reached a new level of implementation. A few years ago SCVRD developed and used the model to guide its operations; but in FY2003 the model evolved into a measurable entity. A formal scorecard for

compliance, customer service and productivity now provides specific results that can be broken down to local team performance or statewide performance. The system enables the department to identify opportunities for improvement in meeting customer needs and drives corrective actions, such as shifts in personnel or development of new training.

- The Committee on Rehabilitation Excellence (CORE) was established to provide leadership in carrying out the agency's management philosophy of accountability and Program Integrity. CORE is comprised of the assistant commissioner for area office operations; the director of case services; the director of planning, program development and comprehensive services; and three area office development directors. CORE closely monitors the department's performance and assesses improvement on a year to year basis from the perspective of each work unit, area office, region, and the agency as a whole. CORE develops action plans to address gaps in performance and customer satisfaction.
- The Professional Development Program completed its first full year of operation. This program addresses one of the agency's most significant challenges—the large number of retirements anticipated in the next few years, especially in management positions. The Professional Development Program has exceeded its original intent to satisfy the need for future managers; it has created an environment that fosters excellence by aligning agency needs with individual career goals. The 128 participants will design and complete projects for the agency based on the Program Integrity model. One work group completed a Code of Ethics, another is writing a grant proposal.
- The department launched its Business Partnership Network, comprised of representatives from business, government, community service agencies and SCVRD. The network's goals are to put employers in touch with qualified job applicants with disabilities; increase diversity in the workforce by including more people with disabilities; encourage businesses to be proactive in meeting the needs of customers with disabilities; and assist businesses with production needs by offering the dependable, cost-effective outsourcing option of SCVRD work training centers, where people with disabilities learn skills needed to become competitively employed. Blue Cross/Blue Shield of South Carolina has agreed to serve as lead company.
- The department worked very closely with other agencies to provide their clients with employment services, particularly the One-Stop centers; Department of Mental Health; Department of Disabilities and Special Needs; Department of Education; Department of Corrections; Department of Juvenile Justice; Probation, Parole and Pardon Services; Department of Social Services; and Workers Compensation.
- The department showed improvement in its return on the taxpayer investment. In FY2003, the SCVRD Basic Service Program placed 8,895 people with disabilities into competitive employment (an increase from the previous year even though the department has seen its service program funding cut). These new workers will pay back \$2.80 in taxes for every vocational rehabilitation dollar spent. On average, they will repay the cost of rehabilitation in 5.6 years. They will realize an increase in their earnings by \$11.57 for every \$1 of Vocational Rehabilitation Department funds invested in their rehabilitation. The annual rate of return for each successfully

employed client will average 17.7 percent. These figures all improved from the previous year.

- The department increased its reimbursements from the Social Security Administration from \$822,000 in FY2002 to \$1.03 million in FY2003. This reimbursement is a direct reflection of savings realized by Social Security because the department's clients became competitively employed and no longer needed SSI/SSDI benefits.
- The department's work training center management intensified its efforts in building strategies to strengthen services to clients and enhance its partnerships with business and industry through development of new marketing strategies. Program Integrity measures specific to work training center productivity were planned for implementation in FY2004.
- SCVRD is developing a school-to-work transition initiative involving joint funding with school districts to sponsor full-time, on-campus transition employability specialists. Four pilot sites have been identified.
- The Disability Determination Services (DDS) program continued to strengthen the department's range of services by providing effective and efficient evaluation of claims for disability benefits. With an annual budgeted workload of more than 73,475 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 FY2003, the division's cost per case bettered national averages and documentation accuracy levels bettered regional and national averages. DDS also works cooperatively with other agencies, processing disability claims for South Carolina State Retirement Systems and for Homestead Exemptions.
- DDS was selected as a pilot program for the fully "electronic case folder" for processing Social Security disability claims. An action plan was developed to prepare for the changes necessary to support the project. Ultimately the pilot will allow DDS to be a driving force in the process improvement of Social Security claims adjudication nationwide.

Opportunities/barriers that may affect success

- As with most agencies, funding issues have been significant. Since FY2001 the department's state funding level has diminished by 27 percent (\$4,652,327). SCVRD has reduced purchases of equipment, supplies and vans, and cut back on travel and training costs. The department's conversion to the use of existing medical data during the client application process has saved up to \$1 million. In FY2003 the department closed six satellite offices, which impacted its ability to provide convenient service locations in those communities. The department has also streamlined information technology usage (faxes, copiers, cell phones have all been made more cost efficient and, in some instances, eliminated). The department is confronted with equipment and facilities maintenance needs that have been deferred.

- The program's federal funding has received only the mandated Consumer Price Index increase of between two and three percent for the past decade. Combined with state reductions, this presents a challenge in keeping up with the demands and expectations of people with disabilities who seek high-quality employment outcomes, and increased demands resulting from the impact of the Workforce Investment Act, the Ticket to Work program, Temporary Assistance for Needy Families (TANF), transition initiatives, and assistive technology demands.
- Students with disabilities who are leaving the education system represent the single largest source of potential customers for VR services. To address this opportunity the department must develop strong partnerships with school districts. The department has launched a pilot project to partner with schools in providing on-site services to students.
- Home-based employment is a growing opportunity for people with significant disabilities. The department is seeking resources for developing a home-based employment program that would provide this valuable employment option for our clients.

II. Business Overview

The public vocational rehabilitation program is the oldest and most successful federal/state human service program in the nation. 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.

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.

Vocational rehabilitation services

Eligible applicants with disabilities have a program of services coordinated by their counselor at one of 20 area offices throughout the state. Together the client and VR staff develop an individualized plan for employment. Career options are explored and the client may receive restoration services, take classes to enhance employability, receive job readiness training at the department's work training center, or other services leading to job placement.

Many clients with significant physical disabilities benefit from the department's Center for Comprehensive Programs in West Columbia, which includes an evaluation center to determine vocational potential; pain management program; muscular development program; rehabilitation technology program which uses an engineering approach to overcome employment barriers; and computer training program which provides clients with top-level training for technology jobs.

The department has specialized services such as cardiac rehabilitation; a deaf and hard of hearing program; job retention services for employees of businesses throughout the state whose jobs are jeopardized by disabling conditions; supported employment (worksite job coaching); and substance abuse treatment at two SCVRD treatment centers.

The department's 23 work training centers provide vital job training for clients and a cost-effective outsource option for more than 350 business and industry partners.

The Disability Determination Services program processes Supplemental Security Income and Social Security Disability Insurance claims for the Social Security Administration.

The department also operates Pathways Toward Employment, helping disability benefits recipients who want to work but are concerned about losing benefits and health care coverage; and the Ticket to Work program, in which Social Security disability beneficiaries use a "ticket" to access employment services from the department.

Staff size

At the end of FY2003, the department had 1,082 employees in full-time equivalent positions and 201 employees in temporary positions.

Operation locations

The department's administrative headquarters and Center for Comprehensive Programs are located in West Columbia. The department has alcohol and drug abuse treatment facilities in Florence and Greenville.

Area Office/Work Training Center combinations (primary entry points) are located in:

Aiken	Conway	Rock Hill
Anderson	Florence	Seneca
Beaufort	Greenville	Spartanburg/Gaffney*
Bennettsville/Hartsville*	Lancaster	Sumter
Camden	Laurens/Greenwood*	West Columbia
Charleston	Moncks Corner	Walterboro
Columbia	Orangeburg	

* *area offices with two work training centers*

Satellite offices operated by the area offices listed above are in:

Dillon	Lexington
Georgetown	Mount Pleasant
Greer	Newberry
Kingstree	

The department also fully participates in all 17 comprehensive One-Stop centers operated by Workforce Investment boards, and has a presence in 19 satellite One-Stop centers.

The Disability Determination Services program has a central office in West Columbia, and regional offices in Charleston, Greenville and West Columbia.

Primary customers (clients)

The department is essentially an employment agency for people with disabilities. It provides services that are devoted entirely to the employment of South Carolinians with disabilities. It does not provide lifelong or disability-specific services.

To be eligible for SCVRD services, an 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.

The department is unique in that its primary customers are people with more than 135 different physically and mentally disabling conditions. In 2002-2003, SCVRD placed 8,895 people with disabilities into employment. The department worked with a total of 37,511 people who were declared eligible for services and with 42,763 people in all. (Since rehabilitation is a continuous process that often takes a period of years, the department serves some of the same clients in successive years.)

Twenty-five percent of the department's successfully rehabilitated clients work in service positions. About 16 percent work in industry, 16 percent in clerical/sales, 16 percent in professional/managerial/technical jobs, 13 percent in construction, 2 percent in agriculture and the remaining 12 percent in fields classified as "miscellaneous."

Other customers

- 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.
- Referral sources.

Other stakeholders

- Taxpayers, to whom the agency is accountable, and the legislators who represent them.
- Vendors, including training institutions, physicians, hospitals, clinics, pharmacies, orthotic/prosthetic and hearing aid dealers, and miscellaneous retailers.

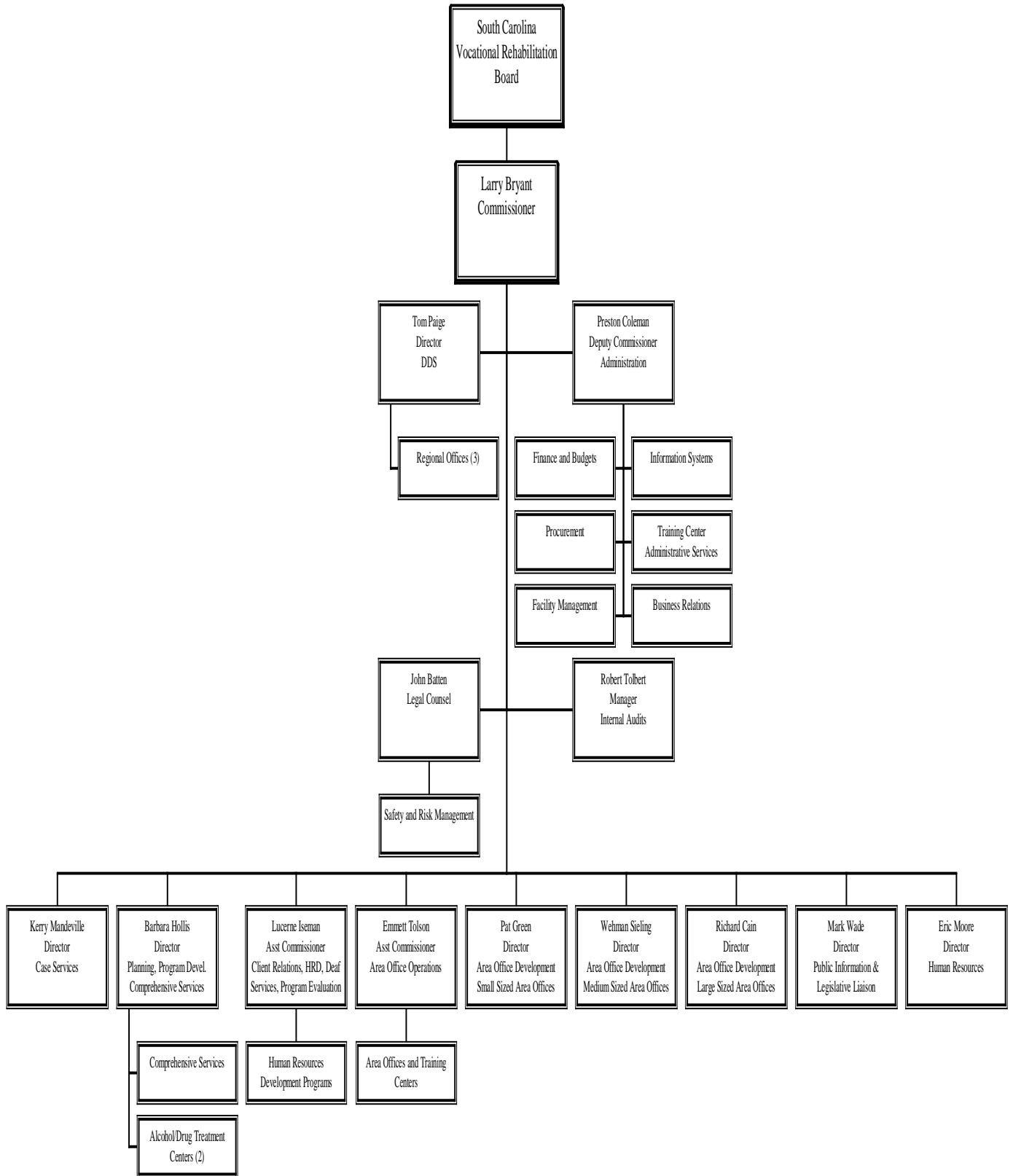
Base Budget Expenditures and Appropriations

Major Budget Categories	01-02 Actual Expenditures		02-03 Actual Expenditures		03-04 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$41,328,437	\$11,316,044	\$42,780,594	\$10,068,818	\$40,254,462	\$9,493,230
Other Operating	\$24,049,062	\$64,206	\$23,739,863	\$164,287	\$31,629,881	\$329,748
Special Items	\$	\$	\$	\$	\$	\$
Permanent Improvements	\$1,378,949	\$	\$673,913	\$	\$	\$
Case Services	\$16,417,682	\$624,999	\$17,250,817	\$24,999	\$21,164,000	\$25,000
Distributions to Subdivisions	\$	\$	\$	\$	\$	\$
Fringe Benefits	\$11,267,262	\$3,365,396	\$11,849,898	\$2,841,548	\$11,355,674	\$2,995,787
Non-recurring	\$	\$	\$	\$	\$	\$
Total	\$94,441,392	\$15,370,645	\$96,295,085	\$13,099,652	\$104,404,017	\$12,514,017

Other Expenditures

Sources of Funds	00-01 Actual Expenditures	01-02 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

South Carolina Vocational Rehabilitation Department



III. Elements of Malcolm Baldrige Award Criteria

1. Leadership

The department's 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) is a group of senior leaders charged with analyzing, formulating and assessing action plans and evaluating the agency's key performance measures.

In FY2003 CORE evaluated customer survey feedback from employers and in the areas of job readiness training, spinal cord injury, alcohol and other drug abuse, supported employment, career planning and employment, and SSI/SSDI beneficiaries.

The commissioner has established a series of nine expectations for area supervisor performance, and each supervisor has a "scorecard" of their degree of success in meeting these expectations. Area office development directors and client service consultants in the State Office regularly visit and communicate with local area operations to assure that resources and appropriate training 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. "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 2003 the department completed the first year of its major performance measurement system for Program Integrity, a defined set of balanced standards to be achieved in the pursuit and attainment of the department’s mission. The standards fall in three categories: compliance assurance, productivity and quality customer service. The department has emphasized Program Integrity for several years, but this new measurement system produces 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 are calculated quarterly and provide a definitive index of performance quality.

SCVRD Program Integrity Model



The department continues to use 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, customer satisfaction data, 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 customers, 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.

The commissioner conducts focus groups, both internal and external, for feedback to be used in continuous improvement efforts. In FY2003, focus groups were held with eligibility support specialists, center managers, area supervisors and employers. Action plans were put into place to address issues brought forth in these focus groups.

In FY2003 the department's Professional Development Program completed its first full year, with 128 participants. This program addresses the need for increased leadership skills for persons who will fill key roles due to the large number of retirements projected for the next few years.

Employee feedback to leaders increased this year with the implementation of an employee satisfaction survey (*see section 5*).

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. Formal surveys were developed for each of those groups as part of the Program Integrity measurement system to pinpoint areas of concern.

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 safety awareness to reduce workplace injuries and illnesses, provide a hazard-free work environment and lower Workers' Compensation premiums. The agency's 23 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. In FY2003 the department's accidents decreased, as shown in its "experience modifier" measurements, which are used to determine premium rates (*see Section 7.5*).

1.6 Priorities for improvement

The Committee on Rehabilitation Excellence (CORE) meets monthly to ensure achievement of the standards for compliance assurance, productivity and quality customer service. CORE collects and analyzes data, formulates, receives and assesses plans for corrective action and follows 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, through EPMS goals, 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 structured 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. In FY2003 the department increased its collaborative efforts with private, non-profit organizations to expand its services to people with significant disabilities. The commissioner met with other agency directors to strengthen these relationships.

SCVRD participates in the state's emergency preparedness plan by providing personnel and equipment in the event of a major emergency. Crisis counseling and accessible transportation for people with disabilities are two key areas of contribution.

The agency is also 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 activities, 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, legislative delegations, 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

The department's strategic plan launched in the mid-1990s continues to evolve to address current customer needs. 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.

There is a KRA for each of the Baldrige criteria categories, and the KRA teams 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 Committee on Rehabilitation Excellence (CORE), part of the senior management team, oversees the development of 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, and allocation of resources is based

on goals. In FY2003 the CORE group looked closely at all staff positions as they related to workload and is using this data to allocate resources more effectively.

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 Services' long-range and short-range plans are developed or refined at the beginning of each fiscal year. 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.

The DDS will be one of the first states to pilot the fully electronic folder (AeDIB) next Fiscal Year. A priority list has been established to prepare for the changes necessary to support the pilot project. KRAs have been formed to ensure priorities are met.

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. Quarterly supervisor meetings hosted by the commissioner often provide the setting for communicating objectives, plans and measures. Senior management provides follow-up throughout the year to ensure that communication cascades throughout the organization and that deployment is in place.

Thorough study of the validity and potential effectiveness of an action plan precedes deployment. Many major action plans have pilot programs to test their effectiveness and logistical requirements and to offer opportunity for feedback from staff and customers.

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.

2.4 Key strategic objectives

All of the department's objectives are geared toward achievement of its mission to enable South Carolinians with disabilities to prepare for, achieve and maintain competitive employment. Accountability to our customers and the public at large is also an intrinsic part of all objectives. As FY2003 came to a close, objectives receiving strong emphasis included:

- **Program Integrity.** This is a system of guiding principles that creates a balance among three measurable components vital to the agency's success—compliance, customer service and productivity. The agency has completed its first full year of implementation of a measurable Program Integrity index with an ongoing objective to utilize the balanced scorecard to drive improvement.
- **Committee on Rehabilitation Excellence (CORE).** This group is implementing a system to assure achievement of Program Integrity standards by collecting and analyzing data, formulating and assessing plans for corrective action, and assuring implementation and follow-up.

- **Professional Development Program (PDP).** The PDP creates an environment that fosters excellence by aligning agency needs with individual career goals. More than 120 participants are involved in the three tracks of management/supervision, pursuit of specialty areas, and general professional development. This objective arose from the significant number of retirements facing the organization in the next few years.
- **Partnerships.** The agency is placing great emphasis on partnerships with other agencies to coordinate services, partnerships with business and industry (in FY2003 the department launched its Business Partnership Network), and partnerships with past clients to enhance services and promote the agency's accomplishments
- **Alternative funding.** In light of budget restrictions the agency seeks to improve its level of services through the acquisition of grants, through increased reimbursements from the Social Security Administration for job placement of clients who no longer rely on disability benefits, and through coordination of payment for services by third-party agencies/organizations.

3. Customer Focus

3.1 Key customers and stakeholders

The department determines its customers and customer requirements through a combination of legal compliance and listening/learning methods, both formal and informal. 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

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. Other agencies/public organizations provided the highest percentage of referrals in FY2003 (24 percent). 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.

3.2 Keeping current with changing needs

The commissioner meets with the leaders of key agencies and conducts employer focus groups. The State Office also has consultants specializing in business and industry relations and has formed a Business Partnership Network. The department has established a network of successfully rehabilitated former clients who offer assistance in continuous improvement efforts. 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 services or 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 with a particular job interest can now try out that job in an actual work setting, "shadow" a person in the community who actually performs a certain job, or work under a mentor.

In FY2003 the department enhanced its listening and learning methods by implementing targeted customer satisfaction surveys as part of the Program Integrity measurement. It also developed an enhanced system of tracking and reacting to client complaints. SCVRD reviewed customer service information from VR programs in other states and will use this information in formulating Program Integrity plans for FY2004.

3.3 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.

In FY2003 the agency developed a new system for tracking client complaints. This database enables the client relations specialist to examine each complaint filed and how it has been handled. In addition to its usefulness in working on specific cases, the database is cross-referenced so that the client relations specialist can identify trends by disability type, location, complaint type, and other factors. This data helps the department develop staff education to address common problems.

The Disability Determination Services program began plans for a call center to ensure better customer service.

3.4 Measuring satisfaction

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

Each year the department conducts 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 and focus groups.

3.5 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 (these former clients comprise the “VR Partners” group, organized in FY2003); and through contact with community organizations and legislators.

The department has placed great emphasis on building positive relationships with other state and local agencies. SCVRD enhances the services of other agencies by providing clients of those agencies with the employment services they need to gain independence. There are more than 350 cooperative agreements with other organizations.

Each year, Disability Determination Services (DDS) managers develop outreach objectives and plans based on identified and/or projected needs. The administration 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, responses are provided to 8,000 to 10,000 inquiries from public officials, legal representatives or claimants.

DDS outreach through professional conferences, especially in the medical community, was an emphasis this year due to confusion over the new HIPPA regulations. Educators needed better understanding of the SSI Disabled Children’s benefit, so DDS met with all major school districts and produced and distributed a video explaining the process. DDS supervisors also meet regularly with Congressional staff to clarify issues for constituents.

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. 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.

In FY2003 the Program Integrity model was expanded beyond direct client service to include other operational divisions of the department such as human resources, finance, information technology, and others. Even though these divisions provide indirect services, their measures point in the same direction—successful employment outcomes for clients.

Accountability to all taxpaying citizens is paramount and drives development of key measures. 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 further upgrades to computer programs to help streamline the service delivery process and meet compliance standards.

Through these upgrades, data quality, reliability, completeness and availability for decision making have been enhanced. 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. An example of the user-friendliness of this information is STARS (Statistical Tool and Reporting System), which enables users to build customized reports that include specific items about client service. The Local Office Information System (LOIS) provides additional specialized information that is a valuable management tool for the local office supervisor.

Technology advances this fiscal year included:

- Implementation of a document center technology network, which will streamline (and reduce expenses) in copying, faxing, printing and scanning. Records can be scanned and e-mailed instead of copied and/or faxed multiple times.
- Redesign of agency menu systems to improve efficiency and user friendliness.
- Redesign of human resources database system.
- Development of Social Security reimbursement tracking program.
- Development of tools for agency's cost allocation plan.
- Replacement of personal computers throughout the agency.
- Upgrade of data circuits for remote field office to double the available bandwidth and enhance processing times.
- Development of disaster recovery plan for information technology ensuring data availability.

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.

Disability Determination Services 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 and staff attrition. The DDS web page was implemented this year and will be used as the major source of all reference material, thereby ensuring the most updated and accurate information.

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 Program Integrity Index is an internal comparative data mechanism that enables 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, regional 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 and continue to be refined 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. Another recognition program, the Disability Determination Services' PRIDE (People Responsibly Influencing Decisional Excellence) awards, recognize superior job performance and provide awards for creative achievement, humanitarian service and special acts of service.

The Department's "flex time" policy 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, management reviews (CORE), 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 continuous emphasis. All new supervisors receive extensive guidance with one or more of the following:

- A two-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.

An emphasis for the upcoming year is an intensified training period for area supervisors and center managers to better prepare them for their new duties.

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.

Through a comprehensive training program emphasizing three levels—Basic, Ongoing and Job Enrichment—the Disability Determination Services office ensures relevant, timely and meaningful training to employees. 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.

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 an ongoing 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. The program is not limited to leadership development but is also designed to broaden employees' technical expertise through developmental projects that improve agency systems and processes.

5.3 EPMS support of high performance

Use of the Employee Performance Management System (EPMS) is a critical initiative that directly affects performance results. A copy of the EPMS policy is contained in the collection of policies noted above. 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.

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 data is tracked and published to ensure that staff members are aware of how their performance in critical areas compares to that of their peers.

5.4 Employee well-being and satisfaction measures

The agency's new employee job satisfaction survey tracks the effects of administrative and programmatic initiatives on employee job satisfaction. This initiative is in the beginning stages but the department believes it will be invaluable in continuously improving our work environment. 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 11.6 percent turnover rate is significantly lower than the national average of 16.3 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.

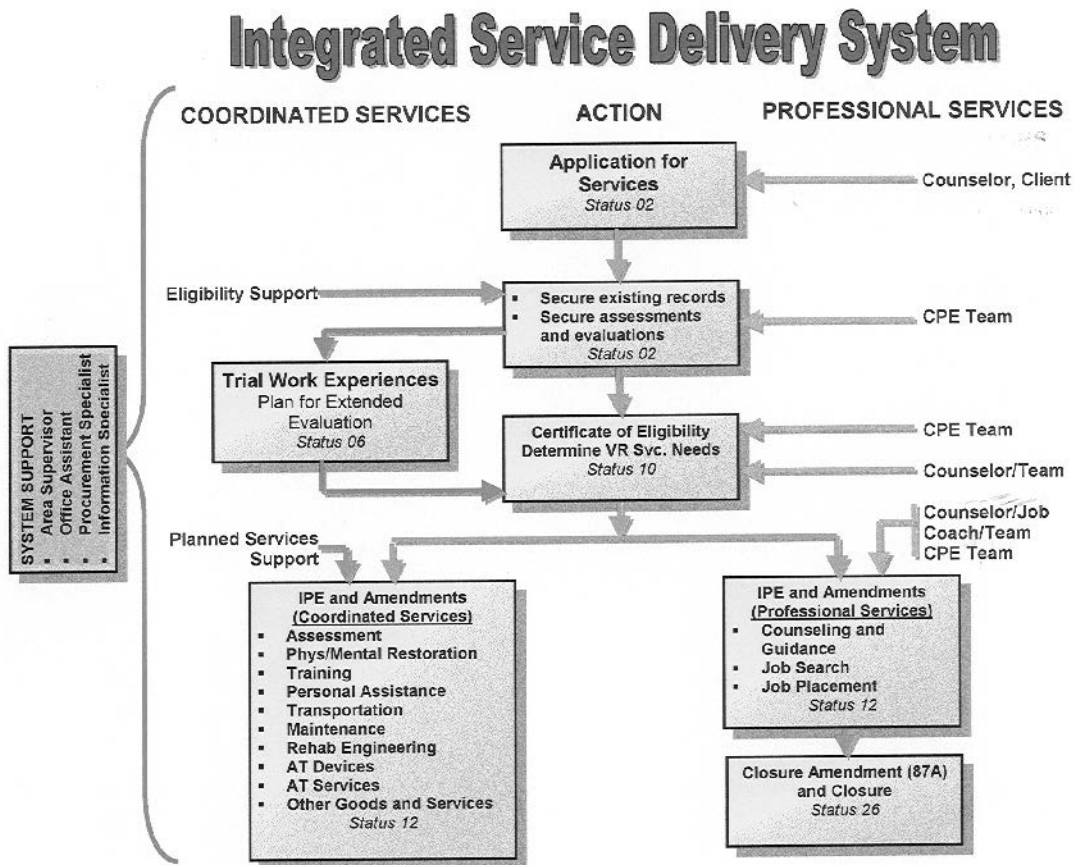
5.6 Community involvement

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 stop 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:

Comprehensive evaluation/occupational or physical therapy	Career planning and employment services
Alcohol/drug abuse treatment	College/university training
Diagnosis and treatment	Occupational/vocational training
Rehabilitation technology	On-the-job training
Interpreter services	Miscellaneous training
Personal attendant services	Job search/placement
Transportation	On-the-job supports
Maintenance	Technical assistance
Supported employment	Information and referral services
Job readiness training	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 usually includes

performing work outsourced to SCVRD work training center by area businesses and industries.

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.

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

In FY2003 the Process Management KRA committee began work on two interrelated objectives: (1) to develop an inventory of key processes in every department within the agency; and (2) to examine and evaluate how these processes add value to the agency mission. This close examination of processes will result in identification of opportunities for improvement and recommendations for action.

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.

Area program reviews are conducted semi-annually by the program evaluation team headquartered in the State Office. Through case review and direct client and employer contact, the evaluation team determines the degree of compliance and customer-determined quality service delivery. Once areas for improvement are noted, a follow-up review is conducted within six months to determine whether sufficient corrections have been made. An innovative feature of this process is the enabling of local staff to select cases for the follow-up review, which can best show their level of understanding of compliance and quality aspects of case services.

The Disability Determination Services program uses extensive quality assurance and operational analysis systems to maintain an ongoing assessment of work processes and costs. A KRA committee investigated the changing nature of positions in DDS and to ensure that position descriptions reflect the jobs performed. Another KRA will ensure that priorities are met as DDS becomes a pilot state for Social Security's "fully electronic case folder" in the coming year.

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	Internal Audits
Area Office Development	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	Risk Management
Human Resources	Staff Attorney
Human Resources Development & Training	Substance Abuse Treatment Facilities
Information Technology	Training Center Services

These support components are improved and updated in response to internal and external surveys and focus groups 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. Performance is improved through quality control measures and production standards that must match the high expectations of business and industry partners.

7. Business Results

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 will be 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.

7.1 Customer satisfaction

As part of the department's Program Integrity balanced scorecard, two customer groups are surveyed each quarter to measure their satisfaction with the agency's services, staff and effectiveness in meeting their needs. Customers are randomly selected from case files in all SCVRD area offices. FY2003's target groups and results were:

Customer group	Overall Satisfaction Rating
Referral Sources	95.5%
Employers	97.9%
Clients in Job Readiness Training	91.1%
Clients with spinal cord injuries	89.7%
Clients in alcohol & drug treatment	91.1%
Clients in supported employment	84.4%
Clients receiving career planning and employment services	88.7%
Clients receiving SSI/SSDI	94.5%

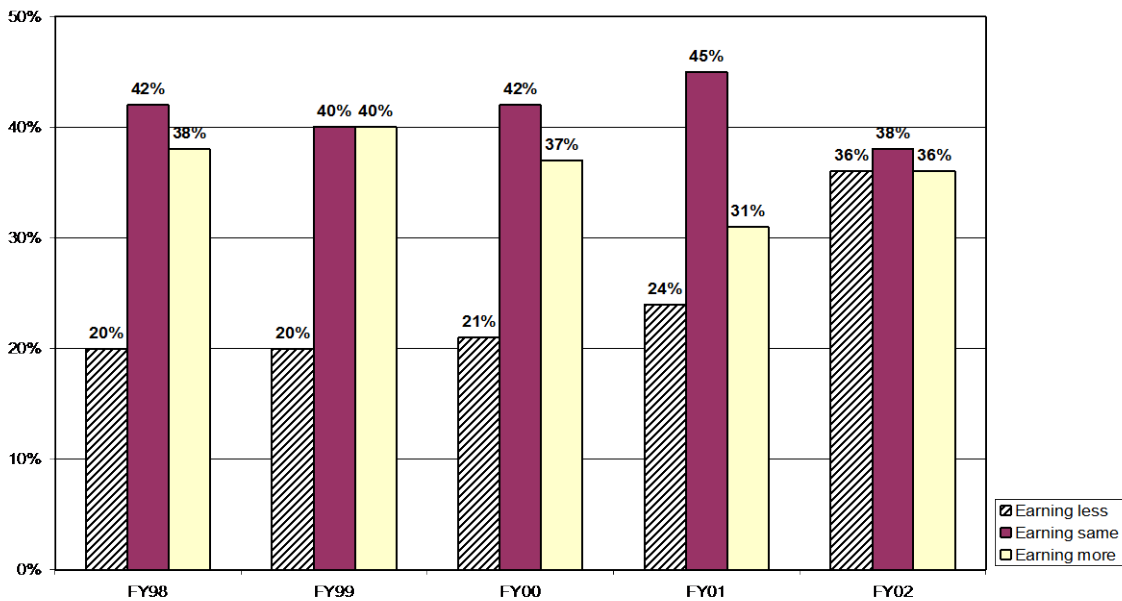
As a result of those surveys, new training curricula were developed for staff to improve services in the areas of spinal cord injury and supported employment.

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 (*therefore most recent data is from FY2002 closures*).

Year in which cases were closed:	FY 1998	FY 1999	FY 2000	FY 2001	FY2002
<u>Employed one year after closure</u>	78%	77%	75%	74%	73%
<u>Counselor willingness to listen to client's ideas and suggestions in developing service plan</u>	98%	98%	97%	98%	99%
<u>Satisfied with adequacy of information about their disabilities</u>	98%	97%	97%	98%	97%
<u>Satisfied with promptness of service delivery</u>	98%	97%	97%	98%	98%
<u>Satisfied with kind of training received</u>	93%	93%	93%	93%	97%
<u>Satisfied with benefits of training received</u>	96%	97%	94%	96%	96%
<u>Satisfied with assistance in seeking job and finding employment</u>	93%	95%	93%	95%	94%
<u>Satisfied with results of physical restoration services</u>	95%	96%	96%	99%	95%
<u>Would recommend SCVRD to others</u>	98%	99%	99%	98%	99%

Clients polled one year after rehabilitation reported the following earnings:

Salary Comparison One Year After Closure



7.2 Mission accomplishment measures

<i>Clients served/rehabilitated</i>	<i>FY1999</i>	<i>FY2000</i>	<i>FY2001</i>	<i>FY2002</i>	<i>FY2003</i>
Total accepted for services	17,007	16,533	17,048	16,292	17,369
Total eligible cases served	35,609	36,607	37,805	37,667	37,511
Total number of rehabilitations	8,861	8,962	9,099	8,810	8,895

Program Integrity Index

FY2003 marked the first year of the department's Program Integrity Index, a system of guiding principles to create a balance among three components vital to the agency's success—compliance with federal regulations and agency policy, customer service and satisfaction measures, and productivity based on federally mandated standards and indicators. The department combines the three elements into an overall Program Integrity Index to measure performance and to foster continuous improvement. These rankings can be as specific as one caseload or area office and as broad as the statewide performance shown below. These results form the baseline for future comparisons and trending.

Compliance	94.1 %
Customer Service	92.2 %
<u>Productivity</u>	82.2 %*
Program Integrity Index	89.5 %

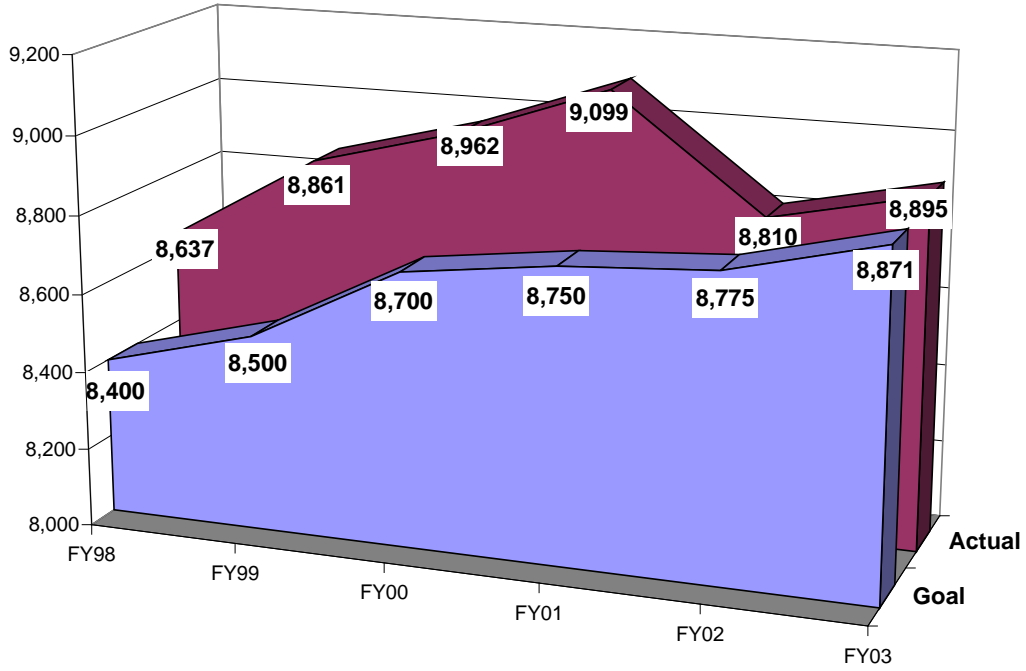
** The department's productivity based on federally required levels was 122%*

National standards and indicators established by the Rehabilitation Services Administration, U.S. Department of Education, for Federal Fiscal Year 2001.

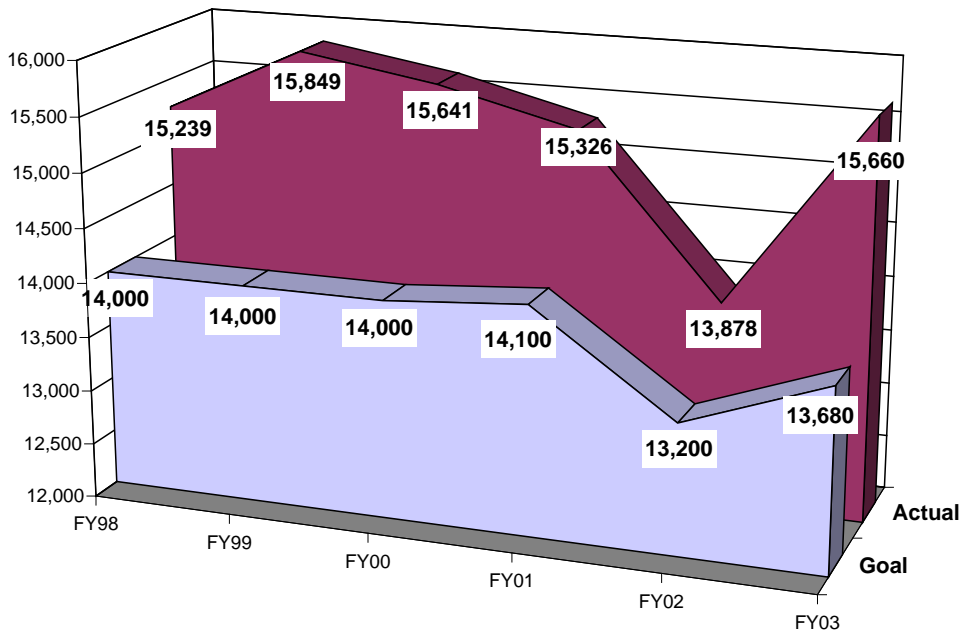
	<i>Required</i>	<i>SCVRD</i>	<i>U.S. Avg.</i>
Change in number of employment outcomes compared with previous year	0 or more <i>FY2000</i>	-166 -245	81 -46
Of all individuals who exit the program after receiving services, the percentage achieving employment outcomes	55.8% <i>FY2000</i>	60.9% 60.3%	60.3% 62.1%
Percentage of rehabilitated clients earning at least minimum wage <i>* SCVRD led the nation in this category for 2001</i>	72.6% <i>FY2000</i>	98.6%* 93.3%	88.6% 86.7%
Percentage of rehabilitated clients earning minimum wage who have disabilities classified as "significant"	62.4% <i>FY2000</i>	85.3% 86.5%	87.2% 86.2%
Ratio of SCVRD client wages compared to state average wage	.52 <i>FY2000</i>	.63 .64	.54 .54
Difference in percentage of clients who are self-supporting after services compared with before services	53% <i>FY2000</i>	62.0% 64.5%	62.5% 63.2%
Service rate for clients from minority backgrounds as a ratio to service rate for clients from non-minority backgrounds	.80 <i>FY2000</i>	1.01 .98	.94 .94

Other key measures include comparisons of goals and results for the number of clients rehabilitated into employment (successful closures) and the number of Individualized Plans for Employment written with and for clients:

Successful Closures

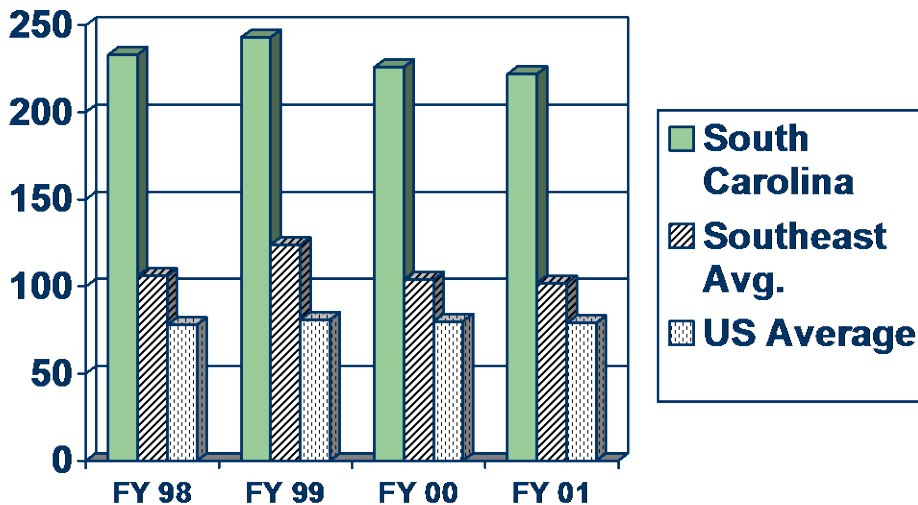


Individualized Plans for Employment



Rehabilitations per 100,000 population

For many years SCVRD has led the nation's public vocational rehabilitation programs in the number of people rehabilitated per 100,000 population. The latest national figures, from 2001, show SCVRD at 222 people rehabilitated per 100,000. Vermont was second at 194. The Southeast average was 102 and the national average was 79.



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. The total number of eligible cases served remained stable (2000/01 – 37,805 cases; 2001/02 – 37,667 cases; 2002/03 – 37,784 cases) over the last three fiscal years. Currently these cases are being served with approximately 20 fewer staff than two years ago.

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 11 percentage points, from 83 percent to 94 percent. In addition, the agency ranks 13th 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). As a result of revenue-generated funds, the agency was able to implement a bonus program that was directly tied to the performance of each work unit. This program was designed to support performance excellence and teamwork.

In addition, the department expanded the compensation initiative to recognize an employee's achievement of an advanced degree that is directly related to the employee's

job, including obtaining a bachelor's degree in a related field. Despite all the compensation changes, the agency's personnel services expenditures have increased only slightly (3.5%) when compared to the previous fiscal year (2002 - \$41,411,356; 2003 - \$42,880,401). SCVRD believes this is due, at least in part, to greater efficiencies in staffing patterns 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 – 11.6 percent; National Avg. – 16.3 percent). This 11.6 percent turnover rate is slightly lower than the previous year (12.4 percent).

The Celebration of Success reward and recognition program has been well-received by staff. In fiscal year 2002-2003, a total of 355 prizes were awarded to employees who had garnered three nominations from their peers. Many other employees had received one or two nominations.

Human Resource Development and Training

<i>Training Site</i>	<i>Total Training Events</i>			<i>Total Training Participants</i>		
	FY01	FY02	FY03	FY02	FY02	FY03
State Office & videoconference sites	114	147	91	2,060	2,700	2,354
Other SCVRD sites	15	8	16	133	57	191
Other sites (non-SCVRD)	230	82	161	631	178	621
Totals	359	237	268	2,824*	2,935*	3,166*

** 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 stipends for production. The agreements generate revenue for the department’s 23 work training centers. Last year, 6,550 clients received services at the training centers to prepare them for employment (902 per day average). They stay an average of six weeks. Among the department’s 8,895 clients who were rehabilitated in FY 2003, 1,750 had received work training center services.

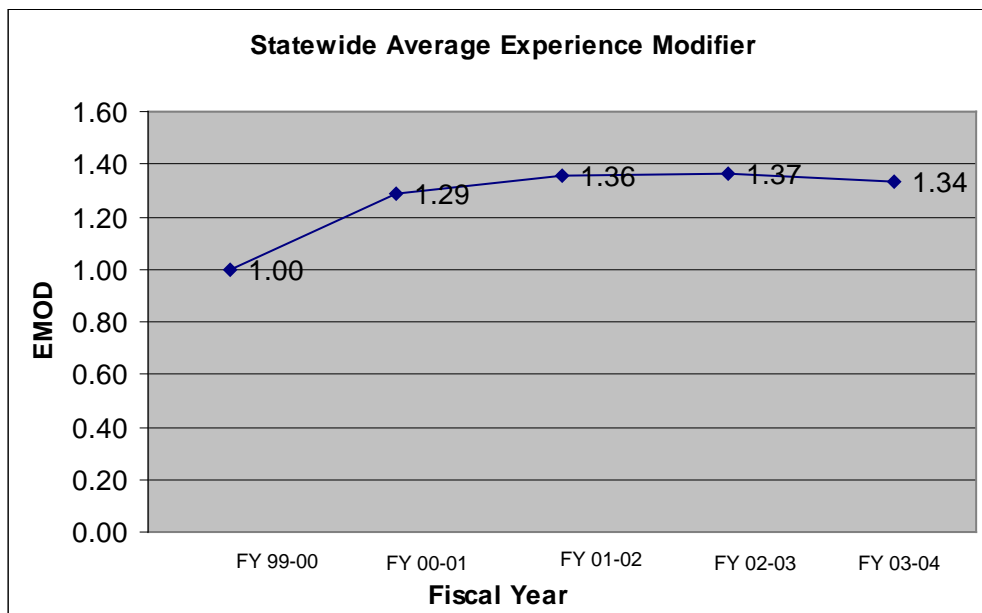
	FY 2000	FY 2001	FY 2002	FY 2003
Revenues from outsource work for business & industry	\$16,327,474	\$15,712,875	\$15,523,940	\$13,932,607

Some of these revenues (\$5,353,116 in FY 2003) were used as stipends 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/citizenship

Safety and Risk Management

Safety teams have been established in all office locations to assess safety issues for staff and clients. 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. A key business result for safety and risk management is the Experience Modifier (EMOD) measurement. SCVRD seeks to enhance the environment for its employees and clients by reducing accidents in its facilities, which in turn accomplishes a cost savings in workers’ compensation premiums. FY2003 showed progress in the department’s efforts to reduce its EMOD.



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 **\$11.57** for every \$1 of Vocational Rehabilitation Department funds invested in their rehabilitation.

They return an estimated **\$2.80** in taxes for every dollar spent on their vocational rehabilitation.

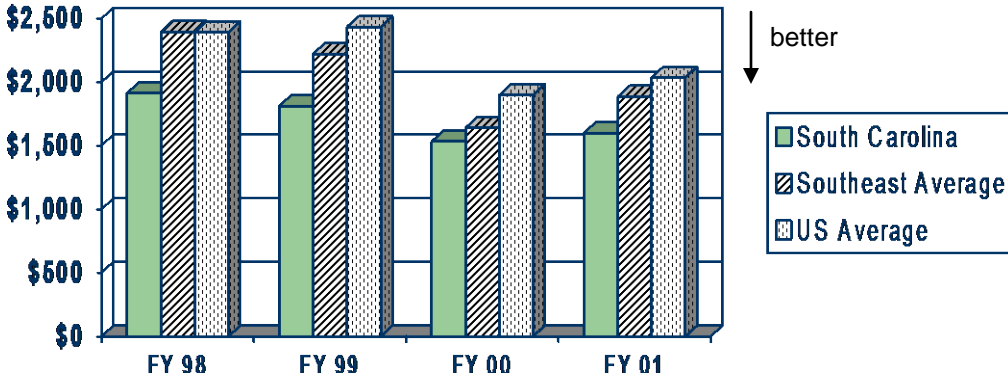
They repay the cost of their vocational rehabilitation in an average of **5.65 years**.

The annual rate of return for each successfully employed client is **17.7 percent**.

These figures all improved from the previous fiscal year.

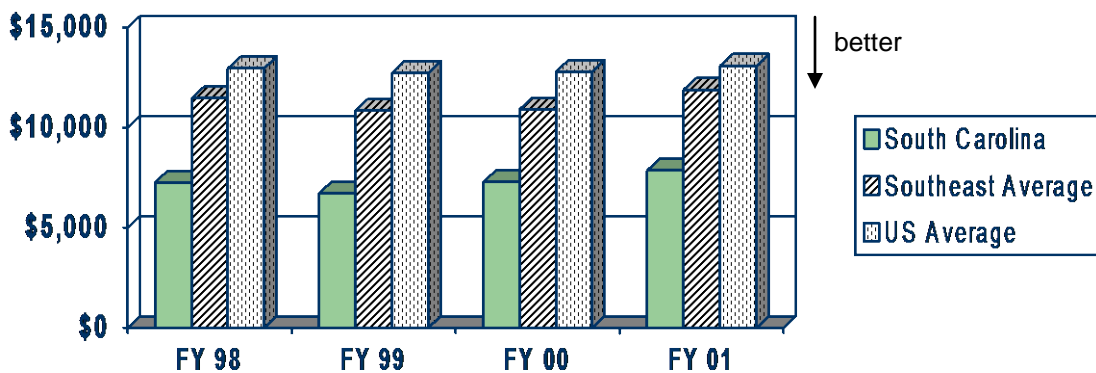
Average cost per client served

SCVRD has consistently ranked among the nation's best programs in the average cost per client served. In the most recently available national and regional comparisons, the department had the 13th lowest cost per client served (**\$1,600**) among state VR programs in the U.S., and has ranked between 10th and 13th each of the past four years. SCVRD also betters the average cost among the eight Southeastern regional states.



Average cost per client rehabilitated

The department's efficiency and effectiveness is reflected in its national prominence among VR agencies in cost per rehabilitation. For each successfully employed client, the department's average cost was **\$7,857**, the second lowest in the entire nation behind Texas (\$7,446) in FY2001, the most recently available national data. In fact, SCVRD was number one in the nation in FY1998 and FY1999 and ranked third in FY2000. The department consistently leads the eight Southeastern region states in this measure.



Wages of successfully rehabilitated clients

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 nine 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 1999	FY 2000	FY 2001	FY 2002	FY2003
Average weekly wage at intake	\$97	\$107	\$124	\$133	\$133
Average weekly wage at closure	\$282	\$311	\$328	\$346	\$348

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

Disability Determination Services

The Disability Determination Services program 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 the roll out of the SSA electronic case folder, called the AEDIB project.

DDS 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 2002 – 2003</i>	<i>Atlanta Region 2002 – 2003</i>	<i>National Avg. 2002 – 2003</i>
Cost per case	\$352.19	\$344.69	\$407.78
Medical cost per case	\$ 97.55	\$100.86	\$115.80
Production per work year	281.7	275.2	269.7
Processing time	110.1	98.5	105.1
Documentation accuracy	98.2	96.6	96.0

During fiscal year 2002-2003 the Disability Determination Services program will receive, develop and adjudicate more than 73,475 claims on more than 60,000 individual

applicants for Social Security or SSI benefits. (Some individuals will apply for both programs at the same time.) In addition, approximately 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 1,500 determinations per week with decisions reached in an average of 115 days or less.