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DIVISION OF VOCATIONAL REHABILITATION

The Department of Workforce Development's Division of Vocational Rehabilitation administers Wisconsin's Vocational Rehabilitation program, a federal/state program to obtain, maintain, and improve employment for people with disabilities. Program services include employment guidance and counseling, funding for education and job training, job placement services, specialized equipment, and assistance with transportation and other needs. Federal aid funds 78.7 percent of program service costs; state funds provide a 21.3 percent match. In fiscal year (FY) 1999-2000, the Department spent \$66.3 million, including \$10.6 million in general purpose revenue, to serve approximately 35,000 individuals, or approximately 15 percent of the disabled population statewide.

Program funding was nearly exhausted in FY 1999-2000, and in August the program was closed to new participants because program officials projected that current caseloads and additional requests for services would exceed available resources. Although active participants are not expected to be affected by the program's closure, individuals whose applications for services had not been approved as of August 21, 2000, have been placed on waiting lists until sufficient federal and state funds become available.

Service Delivery Is Not Well-Managed

In the past five years, program expenditures have increased while the number of program participants has remained stable. Participants who were successfully rehabilitated, that is, attained their employment goals and held jobs for at least 90 days, declined 17.6 percent, from 5,042 in federal fiscal year (FFY) 1994-95 to 4,155 in FFY 1998-99.

Expenditures for program services varied significantly among the program's 21 district offices. Some variation is to be expected because of variations in participants' individual needs and vocational goals, as well as local cost differences. However, we found that annual service expenditures ranged from an average of \$859 per person in the Oshkosh district to \$601 per person in the Milwaukee Northeast district. Statewide, the average was \$752 per person.

In addition, expenditure levels for transportation services and maintenance assistance, which can include child care, rent, food, and other basic living expenses, varied significantly among districts. For example, during our five-year review period, average annual transportation expenditures in the Milwaukee Northeast district were \$115 per participant, compared to an average of \$636 in the Madison West district. Some participants also appeared to receive questionable services, given their disabilities and employment goals. In addition, we found instances in which the program paid for services that employers may have been obligated to provide under the Americans with Disabilities Act.

Financial Planning and Monitoring Should Be Improved

In May, the Department projected a financial shortfall of \$7.5 million for FY 1999-2000. The projected shortfall resulted, in part, from inadequate planning and financial management. At the start of the fiscal year, program officials did not accurately estimate either the number of participants the program would serve or the cost of serving them. The Department avoided a deficit by applying other available funds, but program services were disrupted as a result of efforts to conserve limited funding. When the program will have sufficient funds to begin serving individuals currently on waiting lists is unclear.

Federal law allows the Department to contract with other public agencies to provide new or innovative program services. Reliance on these third-party contracts increased from \$2.9 million in FFY 1994-95 to \$8.1 million in FY 1999-2000 and enabled the program to match available federal funds. However, the Department does not maintain the management information needed to oversee these contracts effectively, and we found that contracts have not consistently resulted in cost-effective service delivery. The two largest third-party contracts have been with the Department of Commerce, for the Job Creation Program that began in 1996 and the Vocational Rehabilitation Economic Development Program that began in October 1999. Both have incurred high costs and resulted in employment for fewer disabled individuals than anticipated.

Future Recruitment and Retention of Counselors May Be Challenging

The Legislature recently approved two pay increases for program counselors, who determine whether individuals are eligible for program services, help participants develop plans for employment, and arrange for program services. However, the extent to which the increases will help recruitment and retention efforts is not yet known. Seven months after a June 1999 pay increase, wages for entry-level counselors in Wisconsin were \$26,994, compared to an average of \$27,258 in six other midwestern states. After a second pay increase in July 2000, maximum counselor wages in Wisconsin were \$44,458, which is below the January 2000 average maximum in six other midwestern states.

Caseload levels were similar for counselors in Wisconsin and other midwestern states. However, there were considerable differences in average caseloads among counselors in Wisconsin's 21 districts. In January 2000, the average caseload in the Madison East district was 142.8 participants per counselor, which was 72.3 percent higher than the average caseload of 82.9 in the Fond du Lac district. Statewide, the average caseload was 107.6 participants per counselor.

Program officials expect high counselor turnover in the next several years. Low counselor morale and the program's repeated budgetary and management problems may challenge the program's ability to recruit and retain sufficient numbers of qualified counselors in the future.

[full report, PDF file \(262KB\)](#)