

OVERSIGHT OF THE VOCATIONAL REHABILITATION  
PROGRAM

LOUISIANA REHABILITATION SERVICES -  
LOUISIANA WORKFORCE COMMISSION



PERFORMANCE AUDIT SERVICES  
ISSUED MARCH 4, 2015

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

March 4, 2015

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Charles E. "Chuck" Kleckley,  
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

This report provides the results of our performance audit on Louisiana Rehabilitation Services (LRS) within the Louisiana Workforce Commission. The purpose of this audit was to evaluate LRS's oversight of the Vocational Rehabilitation Program.

The report contains our findings, conclusions, and recommendations. Appendix A contains LRS's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of LRS for their assistance during this audit.

Sincerely,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style.

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/aa

LRS 2015



# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Oversight of the Vocational Rehabilitation Program Louisiana Rehabilitation Services - Louisiana Workforce Commission

March 2015

Audit Control # 40130052

### Introduction

The Rehabilitation Act of 1973 gives federal grants to assist states in providing vocational rehabilitation services to individuals with disabilities. Louisiana Rehabilitation Services (LRS), within the Louisiana Workforce Commission, administers the Vocational Rehabilitation Program in Louisiana and assists individuals with disabilities to obtain or maintain employment.<sup>1</sup> The purpose of this audit was to evaluate LRS's oversight of the Vocational Rehabilitation Program to ensure that counselors and service providers comply with all program requirements and provide quality services to individuals in a cost-effective manner.

**Vocational Rehabilitation** offers services that help people with disabilities obtain the skills and other resources they need to get a job, keep a job, and develop a lifetime career. Services include career counseling, job placement, tuition assistance, training, and medical equipment such as wheelchairs, prostheses, and hearing aids.

To be eligible to receive vocational rehabilitation services, individuals must have a physical, mental, learning, or emotional disability that creates a substantial difficulty in obtaining or maintaining employment. LRS has eight regional offices with 212 vocational rehabilitation staff who are responsible for determining eligibility for services and helping individuals identify and work toward their employment goals. LRS provides services to individuals directly or refers them to third-party service providers. LRS had agreements with approximately 95 providers to provide services during fiscal year 2014. As of November 30, 2014, there were 12,672 individuals receiving vocational rehabilitation services and 137 individuals on the waiting list to receive services.

The Vocational Rehabilitation Program is funded through state and federal funds. Louisiana contributes 21.3% of program costs and the federal government contributes 78.7%. During fiscal year 2014, LRS contributed \$8.1 million of state General Fund dollars and received \$37.7 million in federal contributions. Our audit objective was:

#### **To evaluate LRS's oversight of the Vocational Rehabilitation Program.**

Overall, we found that while LRS implemented a quality assurance process in 2005 to ensure counselors comply with LRS policies, it needs to strengthen its oversight to ensure service providers comply with LRS requirements and to ensure that consumers receive quality vocational rehabilitation services in a cost-effective manner. Appendix A contains LRS's response to this report, Appendix B contains our scope and methodology, and Appendix C provides additional background information on the program.

<sup>1</sup> Louisiana Revised Statute 23:3001

## Objective: To evaluate LRS's oversight of the Vocational Rehabilitation Program

Overall, we found that while LRS implemented a quality assurance process in 2005 to ensure counselors comply with LRS policies,<sup>2</sup> it needs to strengthen its oversight to ensure service providers comply with LRS requirements and to ensure that consumers receive quality vocational rehabilitation services in a cost-effective manner. Specifically, LRS should do the following:

- Develop risk-based criteria for selecting service providers to site review.
- Ensure that service providers submit all required annual renewal documentation, including proof of accreditation status and staff qualifications.
- Implement a report card system to provide consumers more comprehensive information when selecting service providers.
- Improve its current process for analyzing consumer satisfaction so that it receives sufficient feedback that is representative of all consumers using vocational rehabilitation services.
- Consider conducting financial needs assessments on consumers receiving rehabilitation technology services to determine if they are financially able to contribute to service costs.

Our specific findings and recommendations are discussed in detail below.

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### **LRS needs to develop risk-based criteria for selecting service providers to site review.**

During fiscal years 2011 through 2014, LRS paid \$80.2 million (42%) of its \$189.1 total budget to vocational rehabilitation service providers. Monitoring service providers is important because they are required to provide consumers with vocational rehabilitation services such as supported employment, job readiness, job development, and job placement in accordance with LRS operating standards. LRS has developed an internal goal to conduct 30 site reviews per year to verify compliance with its standards, including evidence of staff development, review of consumer case records, and proof that service providers have policies and procedures. However, we found that LRS did not meet its goal of 30 site reviews for any year during fiscal years 2011 through 2014. Exhibit 1 shows the number and percentage of site reviews conducted by LRS staff during the past four fiscal years.

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<sup>2</sup> LRS implemented the quality assurance process in 2005 to address the findings in our 2000 performance audit on the Vocational Rehabilitation Program.

<b>Exhibit 1</b>					
<b>Number and Percentages of Site Reviews Conducted</b>					
<b>Fiscal Year 2011 through 2014</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Average</b>
Number of Approved Service Providers	120	114	114	95*	<b>111</b>
Number of Site Reviews**	5	2	6	17	<b>7.5</b>
*Only 70 of these 95 providers delivered services to consumers and received payments from LRS in fiscal year 2014.					
**The number of site reviews conducted only includes those service provider files that contained a completed site review checklist.					
<b>Source:</b> Prepared by legislative auditor's staff using information provided by LRS.					

According to LRS, it was not able to meet its internal goal of conducting 30 site visits per year because of staffing changes and budget cuts. Therefore, LRS could improve its monitoring process by developing risk-based criteria on how to select providers for site reviews to ensure that resources are devoted to providers that pose the highest risk. Specifically, LRS could select service providers that received high payments, providers that have not had site reviews over extended periods of time, providers that have a history of noncompliance, or providers with low placement rates.<sup>3</sup> Exhibit 2 shows the 10 highest-paid providers in fiscal year 2014 along with LRS's site review history. As shown in this exhibit, Teem Academy and Brighter Future Employment both had high payments but no site reviews over a three-year period. Additional LRS data indicated that these providers had placement rates of 36% and 56%, respectively. As a result, LRS may be paying vocational rehabilitation funds to service providers that are not complying with required operating standards. Appendix D contains similar information on all 70 providers, including job placement rates for relevant providers.

<b>Exhibit 2</b>		
<b>Top Ten LRS Service Providers, Payments, and Site Review History</b>		
<b>Fiscal Year 2014</b>		
<b>Service Provider</b>	<b>Amount Paid by LRS*</b>	<b>Reviewed in Last 4 FYs?</b>
Lifeworks, LLC	\$516,569	Yes
North Louisiana Goodwill Industries	\$458,641	Yes
Affiliated Blind of Louisiana Training Center, Inc.	\$429,755	No
Lighthouse for the Blind	\$428,069	Yes
Teem Academy	\$308,860	No
Transitions and New Beginnings	\$238,217	Yes
Louisiana Association for the Blind	\$227,219	No
LifeSync Solutions	\$222,217	No
Employment Solutions	\$219,055	Yes
Brighter Future Employment	\$198,841	No
*Payments to service providers include costs such as supported employment and job placement, as well as mobility and orientation training.		
<b>Source:</b> Prepared by legislative auditor's staff using information provided by LRS.		

<sup>3</sup> The placement rate is the percentage of closed cases for which the individuals achieved employment after receiving services. The placement rate helps LRS to measure the effectiveness of its providers.

**Recommendation 1:** LRS should develop risk-based criteria for selecting service providers to site review, such as amount paid each year, job placement rate, compliance history, and time since last review.

**Summary of Management's Response:** LRS agrees with this recommendation. See Appendix A for LRS's full response.

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### **LRS needs to ensure that service providers submit all required annual renewal documentation, including proof of accreditation status and staff qualifications.**

According to LRS policy, all service providers are required to submit specific documentation each year to be allowed to offer vocational rehabilitation services to consumers. Examples of these requirements include:

- Barrier surveys to show compliance with the Americans with Disabilities Act accessibility requirements at each training facility
- Documentation of accreditation status by agencies recognized by the United States Department of Education
- Documentation of licensure, or non-exempt status, from the Louisiana Board of Regents for proprietary schools
- Documentation of qualifications of provider staff, including education background, experience, and required training

We reviewed a total of 46 files of the approximately 114 service providers that were active each year during fiscal years 2011 through 2013 and found that 34 (74%) of the 46 files did not include all annual renewal documentation for at least one year after they were initially approved by LRS to provide services.<sup>4</sup> As a result, LRS cannot ensure that these providers met all requirements to provide vocational rehabilitation services.

**Recommendation 2:** LRS should ensure that vocational rehabilitation service providers submit all required annual renewal documentation to ensure that consumers receive services from approved providers.

**Summary of Management's Response:** LRS agrees with this recommendation. See Appendix A for LRS's full response.

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<sup>4</sup> Fiscal year 2014 was not included in this analysis, because we conducted our file review prior to the end of the fiscal year.

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**LRS needs to implement a report card system to provide consumers more comprehensive information for selecting service providers.**

LRS policy requires that counselors provide information to assist consumers in making choices from options based on accurate information and knowledge, as required by federal law, when selecting service providers. To fulfill this requirement, LRS counselors provide consumers with a list of all available service providers so that consumers can choose a provider for vocational rehabilitation services. Although counselors can answer questions as needed to assist consumers with their choices, LRS could provide consumers with more comprehensive information regarding providers, such as specific services offered, disabilities served, job placement history rates, number of consumers served, and prior consumers' satisfaction.

Some other states' Vocational Rehabilitation Programs currently use report cards to provide consumers with information on service providers during the selection process. For example, both Indiana and Oregon have report cards that include information on types of jobs consumers obtained, the disabilities that the provider served, the number of consumers served, and the job placement rate. Indiana uses this information to evaluate the effectiveness of service providers as well as provide consumers with more informed choices.

According to LRS staff, program management had planned to implement a similar report card system but has not yet been able to because of staffing changes and budget cuts. By providing consumers with more comprehensive information on service providers, LRS can better ensure that it is providing quality information to consumers so that they can make informed choices and select the providers that best fit their needs.

**Recommendation 3:** LRS should consider implementing a report card system to provide more comprehensive information on service providers to consumers so that they can make informed choices and select the providers that best fit their needs.

**Summary of Management's Response:** LRS agrees with this recommendation. See Appendix A for LRS's full response.

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**LRS needs to improve its current process for analyzing consumer satisfaction so that it receives sufficient feedback that is representative of all consumers using vocational rehabilitation services.**

The Rehabilitation Act of 1973 requires LRS to review and analyze the satisfaction of consumers that have received vocational rehabilitation services. To meet this federal mandate,

the Louisiana Rehabilitation Council<sup>5</sup> sends satisfaction surveys to consumers every three years in conjunction with LRS. These surveys ask consumers to indicate whether they were satisfied with their counselor, services received, current employment situation, and overall experience with LRS. The Council compiles the survey results for LRS, which are then reported in LWC's annual Operational Plan. In 2013, the Council sent out 1,875 surveys and received only 98 (5.2%) responses. While the Council reported that consumers who did respond conveyed an overall satisfaction rate of approximately 75.5%, this may not be representative of all consumers since such a low percentage responded. In addition, the survey only allows consumers to indicate "yes" or "no" to each question and does not give the option of answering "not applicable." As a result, the survey results may not be indicative of true consumer satisfaction.

In addition to the Council's surveys, each year LRS randomly selects 250 consumers to complete a separate satisfaction survey. According to LRS staff, the LRS director uses these survey results to identify trends and issues to suggest training for staff. However, LRS only received approximately 25 (10%) responses to the 250 surveys in 2013. Again, the low response rate indicates that LRS may not be receiving enough useful feedback from consumers to effectively analyze consumer satisfaction with vocational rehabilitation services.

While federal law requires LRS to analyze consumer satisfaction, it does not specify the method it should use to do so. We contacted other states to determine how they meet this federal requirement and found that other states use similar surveys but conduct these surveys more frequently and/or supplement surveys with focus groups. For example, Massachusetts is implementing a monthly online exit survey of all closed cases and also holds an annual focus group to assess consumer satisfaction. Utah sends quarterly surveys to all consumers who have received services, regardless of whether the cases were successfully or unsuccessfully closed, to get feedback from consumers.

LRS management acknowledges the low response rates of both its own survey and the Council's survey. According to LRS, the survey formats may be confusing for some consumers and contribute to the low response rates. Whether LRS changes the method by which it evaluates consumer satisfaction and/or increases the frequency by which it surveys consumers, more comprehensive feedback would allow it to better analyze consumers' satisfaction with vocational rehabilitation counselors and services.

**Recommendation 4:** LRS should evaluate its current process for analyzing consumer satisfaction to identify potential improvements, such as exit surveys on all consumers, which would enable it to receive more comprehensive feedback to analyze consumer satisfaction.

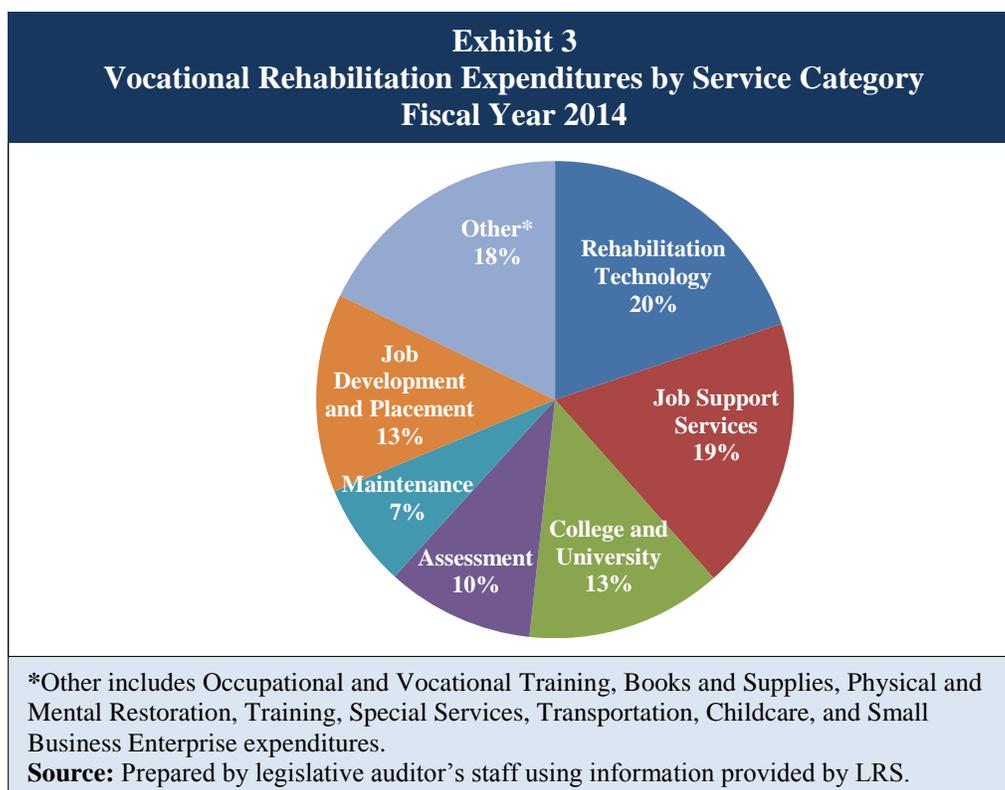
**Summary of Management's Response:** LRS agrees with this recommendation. See Appendix A for LRS's full response.

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<sup>5</sup> The Louisiana Rehabilitation Council consults with and advises LRS on the performance of its responsibilities under Title I of the Rehabilitation Act of 1973, particularly in the areas related to eligibility, extent, and scope of services provided.

**LRS should consider conducting financial needs assessments on consumers receiving rehabilitation technology services to determine if they are financially able to contribute to service costs.**

LRS's policy states that the program must provide vocational rehabilitation services in a cost-effective manner. To do so, counselors are required to assess the financial need of consumers to determine their ability to financially contribute to the cost of various vocational rehabilitation services, such as tuition assistance and hearing aids. However, LRS does not require counselors to conduct these assessments on consumers receiving rehabilitation technology services, which can include vision aids, prostheses, wheelchairs, and vehicle modifications. LRS spent \$3.9 million (20%) of its vocational rehabilitation budget of \$19.6 million on rehabilitative technology services for 771 consumers in fiscal year 2014, as shown in Exhibit 3.



Federal law, however, does not allow states to conduct financial needs assessments on individuals eligible for Social Security benefits under the Social Security Act. According to LRS, of the 771 consumers that received rehabilitative technology services in fiscal year 2014, 483 consumers also received Social Security benefits, leaving 288 consumers that LRS could have assessed to determine if they were financially able to contribute to their service costs. Federal law does allow for assessments on consumers who use these services and are not eligible for Social Security benefits, provided the state has written policies outlining its process. We found that other states, such as Alabama and Massachusetts, have policies that require counselors

to conduct financial assessments for rehabilitation technology services. Determining whether consumers could contribute to rehabilitation technology costs before LRS pays for these services may help the program operate in a more cost-effective manner. In turn, this potential cost savings would enable LRS to have available funds to serve more of the 137 eligible consumers that were waiting to receive vocational rehabilitation services as of November 30, 2014.

**Recommendation 5:** LRS should consider revising its current policies to require counselors to conduct financial needs assessments on consumers receiving rehabilitation technology services to ensure that it is providing services in a cost-effective manner.

**Summary of Management's Response:** LRS partially agrees with this recommendation. LRS has updated its Technical Assistance and Guidance Manual to provide high cost vehicle modifications only when tied to employment, disallow routine maintenance when consumer is employed, and not replace wheelchairs for a period of at least five years. These revisions will result in a more cost-effective provision of services. See Appendix A for LRS's full response.

## **APPENDIX A: MANAGEMENT'S RESPONSE**





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**Bobby Jindal**, Governor  
**Curt Eysink**, Executive Director

## Office of the Executive Director

Daryl Purpera, CPA, CFE  
Legislative Auditor  
Louisiana Legislator Auditor's Office  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Purpera,

The Louisiana Workforce Commission appreciates this opportunity to respond to the performance report on the oversight of the Vocational Rehabilitation Program. We have reviewed the revised draft of the audit and concur, for the most part, with the recommendations contained in the report.

The Office of Louisiana Rehabilitation Services (LRS) believes that implementation of the recommendations will help ensure continued improvement of the Vocational Rehabilitation program, rendering it even more responsive to the employment needs of eligible individuals with disabilities.

LRS has implemented a number of cost-saving measures since the Louisiana Legislature transferred regulatory authority for LRS' programs to the Louisiana Workforce Commission (LWC) in July 2010. Because the employment mission of LRS aligned with that of LWC, LRS implemented an employment initiative which resulted in cost savings, allowing LRS to serve more consumers. In January 2012, LRS was serving only Order of Selection (OOS) group 1, comprising individuals with the most significant employment challenges. There were also 3,844 individuals on the waiting list in OOS groups 2, 3, 4, and 5. The employment initiative and cost-saving measures resulted in efficiencies that allowed LRS to open OOS groups 2 and 3 in July 2014 and provide services to individuals in those groups. Additionally, these efficiencies provided the means to reduce the waiting list from 3,844 individuals to 149.

The transfer of LRS to the LWC also resulted in cost savings through the integration of human resource, budget, and fiscal staff, and better positioned LRS to meet the workforce needs of employers. Since the transfer, LRS' Vocational Rehabilitation Program has experienced a significant decrease in the average cost per individual served, while increasing the number of individuals who have been successful in obtaining and retaining meaningful employment. The program recently met or exceeded all of its federal performance indicators—an accomplishment that none of the LRS staff recall achieving in the past. These efficiencies and program improvements have been made in spite of a 37% reduction in the state general fund appropriation since 2008.

Our comments regarding the recommendations in the report are discussed below.

**Recommendation 1:** LRS should develop risk-based criteria for selecting service providers to site review, such as amount paid each year, job placement rate, compliance history, and time since last review.

- LRS agrees with this recommendation. LRS will review 30 service providers each year. An evaluation process will begin with the top 10 service providers based on the amount paid to each vendor. The remaining 20 vendors per year will be based on regional issues, concerns, or randomly selected. All service providers should be reviewed within a 3 year period. In addition, regional staff will be accompanying State Office personnel to the site reviews and proper documents will be used to verify site reviews. LRS is receiving consultation on all aspects of Supported Employment procedures, including site reviews and vendor renewal, through a Rehabilitation Technical Assistance Center grant with the University of Massachusetts. Recommendations from this group will be considered and included as appropriate.

**Recommendation 2:** LRS should ensure that vocational rehabilitation service providers submit all required annual renewal documentation to ensure that consumers receive services from approved providers.

- LRS agrees with this recommendation. New procedures have been implemented regarding annual renewals. Service providers will now renew every 3 years and must complete 20 hours of continued training per renewal period. Procedures 511.5 have been updated to reflect additional changes. Regional offices will request corrective action plans and/or exceptions when needed. Corrective action plans are for a 6 month period and the vendor is re-evaluated after the 6 months to determine if sufficient improvement has been made.

**Recommendation 3:** LRS should implement a report card system to provide more comprehensive information on service providers to consumers so that they make informed choices and select the providers that best fit their needs.

- LRS agrees with this recommendation. LRS plans to utilize our AWARE/VIS data analysis program to obtain this information once Alliance begins hosting our AWARE. In the meantime, we are obtaining quarterly reports from each service provider identifying the number of referrals, placement, wage information, hours scheduled, and benefits. We are working with the Louisiana Rehabilitation Council to determine the best way to develop a report card system utilizing this information. Our goal is to make this readily available for our Rehabilitation Counselors and our customers to use as a tool in selecting service providers.

**Recommendation 4:** LRS should evaluate its current process for analyzing consumer satisfaction to identify potential improvement, such as exit surveys on all consumers, which would enable it to receive more comprehensive feedback to analyze consumer satisfaction.

- LRS agrees with this recommendation. LRS will work with the Louisiana Rehabilitation Council to determine methods to increase opportunities to gather consumer satisfaction information. This information will be used in planning process improvements and program efficiencies, as well as determining staff training needs.

**Recommendation 5:** LRS should consider revising its current policies to require counselors to conduct financial needs assessments on consumers receiving rehabilitation technology services to ensure that it is providing services in a cost-effective manner.

- LRS has updated its Technical Assistance and Guidance Manual to provide high cost vehicle modifications only when tied to employment (Chapter 4, Part 412.08 (I)(C)(3&4); disallow routine maintenance when consumer is employed (Chapter 4, Part 412.04 (II)(E); and not replace wheelchairs for a period of at least five years (Chapter 4, Part 412.04 (VI)(D)(1)(a)). These revisions will result in a more cost-effective provision of services. In addition, participation in costs of services for individuals receiving SSI/DI is prohibited in Section 361.54 (b) (3) (G) (ii) of the Federal Register. According to AWARE reports, for SFY 2014, 448 of the 771 consumers who received Rehab Tech services were SSI/DI recipients.

As requested, we have included the completed checklist for the report recommendations. We appreciate the professional efforts of your office in conducting this audit and preparing this report.

Sincerely,



Curt Eysink  
Executive Director  
Louisiana Workforce Commission

## APPENDIX B: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Our audit covered fiscal years 2011 through 2014 and focused on whether Louisiana Rehabilitation Services (LRS) provided effective oversight of the Vocational Rehabilitation Program. The audit objective was:

### **To evaluate LRS's oversight of the Vocational Rehabilitation Program.**

We conducted this performance audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. To answer our objective, we reviewed internal controls relevant to the audit objectives and performed the following audit steps:

- Researched federal laws and regulations to determine requirements for state Vocational Rehabilitation Programs;
- Researched Louisiana laws and administrative regulations to determine requirements for LRS and the Vocational Rehabilitation Program;
- Interviewed LRS staff to determine what each section is currently doing to ensure that LRS operates in compliance with federal and state requirements and to ensure consumers are receiving quality vocational rehabilitation services from providers;
- Obtained all LRS internal policies and procedures relevant to monitoring and evaluating service providers, consumer satisfaction surveys, Quality Assurance, consumer appeals, and providing vocational rehabilitation services to consumers;
- Analyzed LRS internal policies and procedures to determine if they comply with federal requirements;
- Conducted file reviews of consumers who received vocational rehabilitation services to determine if LRS staff comply with federal, state, and internal requirements;
- Conducted file reviews of service providers to determine if LRS staff comply with policies and guidelines for monitoring and evaluating service providers;
- Conducted a review of the Quality Assurance unit's case reviews to determine if the unit is completing reviews in accordance with internal policies and procedures;

- Observed a service provider site review to more fully understand the site review process;
- Interviewed federal Rehabilitation Service Administration staff and researched policies and procedures of other state Vocational Rehabilitation Programs to understand best practices including provider report cards;
- Developed and implemented a job satisfaction survey for LRS regional staff in order to understand potential challenges regional staff face in providing vocational rehabilitation services to consumers;
- Obtained, reviewed, and analyzed LRS financial information including federal grant amounts, state match amounts, and expenditures; and
- For comparative research, we selected similar states based on feedback from LRS. RSA also suggested best practices states.

## APPENDIX C: BACKGROUND

In 1973, the United States Congress enacted the Rehabilitation Act, which authorized grants to assist states in operating programs designed to provide vocational rehabilitation services to individuals with disabilities. The Vocational Rehabilitation Program is managed at the federal level by the Department of Education’s Rehabilitation Services Administration. The Louisiana Rehabilitation Services (LRS), housed within the Louisiana Workforce Commission, administers the program in Louisiana. LRS provides a variety of services to assist people with disabilities to obtain and/or maintain employment.

**Eligibility for Services.** To receive vocational rehabilitation services, disabled individuals submit an application and participate in an eligibility assessment process. According to federal regulations, individuals must meet the following criteria to be eligible for vocational rehabilitation services:

- Individuals must have a physical or mental impairment.
- The impairment constitutes a substantial impediment to employment.
- The individual requires vocational rehabilitation services.

Federal regulations require that individuals with the most significant disabilities have priority to receive services. If a state is not able to provide services to all eligible individuals due to insufficient resources, it must establish a waiting list and an order to be followed for prioritizing the individuals that will receive vocational rehabilitation services. As a result, states have Order of Selection groups. Vocational rehabilitation counselors, housed at LRS regional offices, assess the severity of the consumer’s disability based on the extent to which the individual’s disability impacts functional capacity in the areas of mobility, motor skills, interpersonal skills, communication, work tolerance, work skills, self-care, and self-direction. Exhibit C-1 summarizes the selection groups and number and percent of consumers in each.

<b>Exhibit C-1 Vocational Rehabilitation Consumers, by Selection Group As of June 30, 2014</b>			
<b>Category</b>	<b>Description</b>	<b>Consumers Served</b>	<b>Percent of Total</b>
Selection Group 1	Severe limitations in 4+ functional capacities	17,118	78%
Selection Group 2	Severe limitations in 3 functional capacities	3,013	14%
Selection Group 3	Severe limitations in 2 functional capacities	949	4%
Selection Group 4	Severe limitations in 1 functional capacity	544	2%
Selection Group 5	All others	294	2%
<b>Total</b>		<b>21,918*</b>	<b>100%</b>
*The total amount served does not include consumers who had not been placed in a Selection Group as of June 30, 2014.			
<b>Source:</b> Prepared by legislative auditor’s staff using information provided by LRS.			

**Services Provided.** LRS staff works with consumers to establish employment goals based on their individual abilities and interests. Employment outcomes may include full or part-time employment in all types of vocations ranging from fast food worker to medical doctor. Consumers receive a range of services including, but not limited to: career counseling, job placement, and tuition for higher education and training programs; medical equipment needed for employment, such as wheelchairs; mental health counseling; and modifications to the workplace, such as adapting a telephone. LRS provides services through vocational rehabilitation counselors and numerous third-party providers located throughout the state.

**Funding.** The Vocational Rehabilitation Program is funded with 78.7% federal funds. The state provides 21.3% of funds through the state General Fund, local government funds from school districts that contract with LRS to provide vocational rehabilitation services, and funds from other entities such as non-profits that contract with LRS to provide vocational rehabilitation services. Total federal funding available for Louisiana in federal fiscal year 2014 was \$53.1 million. However, since LRS contributed only \$8.1 million as the state share, it only received approximately \$35.5 million of federal contributions. According to LRS, since the state did not appropriate more funding for the state's share, LRS was not able to draw down the remaining \$17.6 million available in federal contributions. LRS has been unable to use all allocated federal funds each year for the past four fiscal years. Exhibit C-2 shows the funding amounts and percentages for fiscal years 2011 through 2014.

<b>Exhibit C-2</b>					
<b>LRS Vocational Rehabilitation Program Funding</b>					
<b>Fiscal Years 2011 through 2014</b>					
<b>Funding Year</b>	<b>Final State General Fund Appropriation</b>	<b>Federal Grant Award*</b>	<b>Federal Funds Received*</b>	<b>Total Federal Funds Unused</b>	<b>Percentage of Funds Unused</b>
2011	\$8,180,089	\$54,394,159	\$33,432,451	\$20,961,708	38.54%
2012	\$8,204,992	\$53,948,251	\$35,542,942	\$18,405,309	34.12%
2013	\$8,169,514	\$53,719,738	\$34,037,665	\$19,682,073	36.64%
2014	\$8,124,640	\$53,132,592	\$35,549,297	\$17,583,295	33.09%

\*Federal funds are awarded on the federal fiscal year basis (October 1 through September 30).  
**Source:** Prepared by legislative auditor's staff using information obtained from LRS.

## APPENDIX D: VOCATIONAL REHABILITATION SERVICE PROVIDER INFORMATION FISCAL YEAR 2014

Service Provider	Total Paid*	Number of Referrals	Referrals Placed in Jobs	Placement Rate	Reviewed in Last 4 FY?	Site Review Year(s)
1. Abilities First, Inc.	\$8,726	4	1	25%	Yes	2014
2. Acadiana Works, Inc.	\$25,276	31	12	39%	No	
3. Access to Meaningful Employment, Inc.	\$147,929	33	10	30%	Yes	2013
4. Addus 2 LLC	\$15,469	2	2	100%	No	
5. Advanced Employment Opportunity, LLC	\$34,678	22	5	23%	No	
6. Affiliated Blind of Louisiana Training Center, Inc.	\$429,755	16	n/a	n/a	No	
7. An Ideal Job, LLC	\$50,830	29	21	72%	Yes	2013
8. Arc of Iberia	\$44,807	17	11	65%	Yes	2014
9. ARCO Industries	\$30,104	18	6	33%	No	
10. Arc of Greater New Orleans On-Site Training Program	\$138,494	24	16	66%	Yes	2012
11. Baton Rouge Vocational Services	\$43,638	30	15	50%	Yes	2011
12. Brighter Future Employment	\$198,841	25	14	56%	No	
13. Calcasieu Association for Retarded Citizens, Inc.	\$130,085	43	22	51%	Yes	2012
14. Capital Area Resource for Employment	\$137,412	43	22	51%	No	
15. Connecting Conceptual Constructs, Inc.	\$25,145	19	7	37%	Yes	2012
16. Deaf Action Center	\$40,984	n/a	n/a	n/a	No	
17. Deaf Focus Services, LLC	\$95,875	14	6	43%	Yes	2013
18. Deaf Resources Center of Greater Baton Rouge, LLC	\$110,470	n/a	n/a	n/a	No	
19. Djourney's Employment Service, LLC	\$187,973	42	27	64%	Yes	2013
20. Emergent Management Service, Inc.	\$1,000	n/a	n/a	n/a	No	
21. Employment Connections	\$109,988	52	44	85%	No	
22. Employment Solutions	\$219,055	54	35	65%	Yes	2014
23. Employment Transition Service, Inc.	\$10,752	3	3	100%	No	
24. Foundation Industries	\$13,952	12	3	25%	Yes	2013
25. Goodwill Industries of Acadiana	\$22,804	6	5	83%	Yes	2011
26. Goodwill Industries of Southeastern Louisiana	\$144,549	38	18	47%	Yes	2013
27. Grenier Industries	\$6,226	1	1	100%	Yes	2011

<b>Service Provider</b>	<b>Total Paid*</b>	<b>Number of Referrals</b>	<b>Referrals Placed in Jobs</b>	<b>Placement Rate</b>	<b>Reviewed in Last 4 FY?</b>	<b>Site Review Year(s)</b>
28. GulfSouth Area Employment Service	\$51,037	7	7	100%	Yes	2011
29. Jefferson Parish Human Services Authority	\$64,471	12	11	91%	Yes	2014
30. John Eskew Training Center	\$8,311	4	1	25%	No	
31. Louisiana Association for the Blind	\$227,219	1	n/a	n/a	No	
32. Lafayette Association for Retarded Citizens	\$5,343	6	2	33%	Yes	2013, 2014
33. Lafayette Parish Sheriff's Office	\$134,050	61	45	74%	Yes	2013
34. Lafourche Parish Sheriff's Office	\$47,082	28	17	61%	No	
35. Last Chance Ranch/Operation Re-Entry	\$114,083	79	19	24%	Yes	2014
36. LifeSync Solutions	\$222,217	34	27	79%	No	
37. Lifeworks, LLC	\$519,569	77	63	81%	Yes	2013
38. Lighthouse for the Blind	\$428,069	22	n/a	n/a	Yes	2013
39. Magnolia School Adult Day Program	\$27,694	10	7	70%	No	
40. Me God Sees, Inc.	\$53,139	7	4	57%	No	
41. Mia's Educational and Employment Agency, LLC	\$98,108	19	11	58%	Yes	2014
42. Navy Enterprises, LLC	\$95,325	89	22	45%	No	
43. New Horizons	\$3,961	1	0	0%	No	
44. North Louisiana Goodwill Industries	\$458,641	77	38	49%	Yes	2012
45. Options for Independence	\$105,000	23	7	30%	No	
46. Options, Inc.	\$22,178	6	4	67%	Yes	2013
47. Pathways to Success, LLC	\$31,180	n/a	n/a	n/a	No	
48. People Centered Support Services, Inc.	\$1,500	1	0	0%	No	
49. Pinnacle Employment, Inc.	\$54,781	32	19	59%	Yes	2014
50. Preferred Living, Inc.	\$4,521	1	1	100%	No	
51. Pride Industries, Inc.	\$59,612	4	4	100%	No	
52. Progressive Healthcare Services, LLC	\$13,232	n/a	n/a	n/a	Yes	2012, 2014
53. Southwest Louisiana Independence Center	\$136,738	25	15	60%	Yes	2012
54. Southwest Louisiana Independence Center, Inc.	\$41,156	35	23	57%	No	
55. Special Education District #1 of Lafourche	\$6,726	1	1	100%	No	
56. St. Tammany Association for Retarded Citizens	\$140,746	37	16	43%	No	
57. Strive Incorporated	\$10,869	13	4	30%	Yes	2011, 2013
58. TARC Industries	\$1,451	2	0	0%	No	
59. Teem Academy	\$308,860	182	65	36%	No	
60. The Association for Retarded Citizens of East Ascension	\$61,533	11	10	91%	Yes	2011

Service Provider	Total Paid*	Number of Referrals	Referrals Placed in Jobs	Placement Rate	Reviewed in Last 4 FY?	Site Review Year(s)
61. The Association for Retarded Citizens of St. Charles	\$15,039	6	3	50%	Yes	2013, 2014
62. The Association for Retarded Citizens - Iberville and West Baton Rouge, Inc.	\$21,478	11	6	54%	Yes	2012
63. The Way To Go, LLC	\$46,589	22	18	82%	Yes	2012, 2014
64. The Whole Person Baton Rouge	\$1,619	8	4	50%	No	
65. Transitions and New Beginnings	\$238,217	80	37	46%	Yes	2013, 2014
66. UpLIFTD	\$150,817	69	39	56%	Yes	2012
67. UpLIFTD/WCRC	\$132,735	11	9	82%	Yes	2012, 2014
68. Virage	\$43,930	4	3	75%	Yes	2013, 2014
69. West Feliciana Parish Sheriff's Office	\$104,000	56	24	43%	No	
70. Westbank Association for Retarded Children, Inc.	\$7,526	8	6	75%	Yes	2013, 2014
<p>*LRS did not calculate referral rates for providers that did not offer supported employment and job placement services in fiscal year 2014 (see "n/a" above). However, these providers did receive payment for other services such as mobility and orientation training.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using information obtained from LRS.</p>						