

# **LBA Performance Audit Report Summary:**

Department of Education, Bureau of Vocational Rehabilitation and Service Delivery  
Performance Audit Report – August 2001

---

This report assesses how efficiently and effectively the Bureau of Vocational Rehabilitation and Service Delivery (the bureau) is using its resources. The mission of the bureau is to assist eligible individuals with disabilities (i.e. its customers) in preparing for, entering into, and retaining employment. The bureau does this by assessing, planning, developing, and providing vocational rehabilitation (VR) services for customers consistent with their strengths, resources, capabilities, interests, and informed choice. Individuals are eligible for VR services if they: 1) have a physical or mental disability that is a barrier to employment, 2) are able to benefit from VR services, and 3) require services to obtain or retain employment.

The VR program uses federal and state funds to cover the costs of providing services. The federal portion of this formula grant is 78.7 percent and the state match is 21.3 percent. For each of the past three federal fiscal years the federal basic support grant in New Hampshire was approximately \$8.8 million and the State's match was approximately \$2.4 million. The bureau provides or purchases from community rehabilitation programs (CRP), a broad range of services.

## **Observations**

We provided the bureau eight observations with recommendations: two dealing with compliance issues, four identifying inadequate management oversight of the program and its data, and two regarding Social Security reimbursements. The bureau concurred with all of our observations. In addition, we identify and discuss a number of issues being addressed by management but remain areas of concern.

### Bureau Lacks Administrative Rules

The bureau does not have administrative rules in place for important segments of the vocational rehabilitation program. In the mid 1990s, the Department of Education chose not to update the bureau's rules, mistakenly believing that simply following federal regulations would be adequate. State law requires administrative rules for vocational rehabilitation services. Without these rules the bureau may be functioning without proper authority and contrary to legislative intent.

### Insufficient Management Oversight Of Program

The bureau is not adequately managing program information:

- Federally required program reports contain errors and inconsistencies which proper management oversight should have identified and corrected.
- A review of high cost cases, which include vehicle modifications, found the files lacked required documentation.

- The bureau does not systematically collect CRP performance information, which should be used so customers can make more fully informed decisions.
- The process to identify and claim Social Security reimbursements is not sufficient to ensure the bureau is maximizing this source of revenue.

### Numerous Issues Continue To Require Management's Attention

There are a number of issues the bureau is working towards resolving. We believe these issues need to be reported to provide proper oversight by the Legislature. The bureau is continuing to plan, develop, and implement improvements to its computerized case management system. It is assisting VR counselors in meeting new professional requirements. Recently, the bureau has focused attention on the quality of employment outcomes and we suggest they continue to examine this issue. Lastly, management needs to closely monitor the actual effects of budget constraints on providing services at regional offices.

### Conclusion

We have identified a number of weaknesses with the bureau's management of the State's VR program. First, we examined the effectiveness of the services and found that customer satisfaction surveys identified job placement as being very important and in need of improvement. In addition, while federal reports have ranked New Hampshire high in its rehabilitation rates, the quality of the job placements in terms of wages and hours worked are relatively low. We note the bureau is using their customer satisfaction survey to improve services with outcomes in mind.

Secondly, we reviewed the bureau's oversight of the VR program. While the bureau used federal law as the basis of operating the program, it lacks statutorily required administrative rules. These program rules are necessary in order to formally establish adequate controls over program resources and to make bureau policy legally enforceable on persons outside the agency. We identified a number of examples of inadequate management oversight of program information and reports. While the bureau's new computerized case management system is a step forward in improving management oversight of the program, in its current state the system represents an ongoing concern.

Thirdly, we examined the reasonableness of expenditures. Our review of high cost case files found them lacking some required documentation, calling into question the validity of some expenditures. We identified improvements the bureau can make in handling Social Security reimbursements. We note management has included regional personnel in the development and monitoring of the regional office budgets, and in the review of individual case expenditures. However, with this increased interest in regional office budgets, we are concerned with the possibility of delays in providing services to VR customers.