

## Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER)

Report to  
the Mississippi Legislature



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# A Review of the Department of Rehabilitation Services

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In response to a legislative request, the PEER Committee reviewed the Mississippi Department of Rehabilitation Services (MDRS). PEER's primary goal was to evaluate whether MDRS addresses its stakeholders' needs by determining whether MDRS provides adequate channels for consumer input and provides effective quality assurance through its case management programs.

While MDRS provides all of the avenues for consumer input required by federal law, the department could enhance its efforts for soliciting input and using that information to improve services. While all federally required avenues for consumer input at MDRS are present and surveys show that, on average, vocational rehabilitation consumers are satisfied with services, the agency could make improvements to address concerns noted through PEER interviews. These areas include consolidating consumer complaint information, increasing efforts to involve consumers in advisory councils, and defining the role of MDRS staff in advisory council meetings.

MDRS and the federal agencies that provide the department's funding monitor the quality of MDRS's programs through methods such as case reviews, data reporting, and analysis. While the department monitors caseloads and the delivery of services by case workers, the agency lacks an agency-wide, comprehensive, strategic quality assurance plan that details standards, activities, and roles of staff involved in quality assurance, risking duplication of monitoring efforts and aspects of programs operating without monitoring efforts.

In the final chapter of the report, PEER answers several specific legislative questions regarding administrative issues at MDRS. The questions posed relate to staffing, the headquarters building and grounds, lobbying and advocacy, dues paid to professional associations, consumers' access to facilities, and vehicle management.

## **PEER: The Mississippi Legislature's Oversight Agency**

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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The Mississippi Legislature

# Joint Committee on Performance Evaluation and Expenditure Review

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October 19, 2005

Honorable Haley Barbour, Governor  
Honorable Amy Tuck, Lieutenant Governor  
Honorable Billy McCoy, Speaker of the House  
Members of the Mississippi State Legislature

On October 19, 2005, the PEER Committee authorized release of the report entitled **A Review of the Department of Rehabilitation Services.**

A handwritten signature in cursive script that reads "Dirk D. Dedeaux".

Representative Dirk Dedeaux, Chair

**This report does not recommend increased funding or additional staff.**



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# A Review of the Department of Rehabilitation Services

## Executive Summary

### Introduction

In response to a legislative request, the PEER Committee reviewed the Mississippi Department of Rehabilitation Services.

In conducting the review, PEER's primary goal was to evaluate whether MDRS addresses its stakeholders' needs by determining whether MDRS:

- provides adequate channels for consumer input; and,
- provides effective quality assurance through its case management programs.

PEER also sought to answer specific legislative questions regarding MDRS managers' administration of the agency. The questions and corresponding answers are given on pages x through xiv of this summary.

PEER did not review the program of the MDRS Office of Disability Determination Services, which determines individuals' eligibility for Social Security Disability Insurance and Supplemental Security Income. That office is funded entirely by the U. S. Social Security Administration. However, PEER did include the costs of the Office of Disability Determination Services in a comparison of staffing costs and compensation increases.

### Background

The Legislature created the Department of Rehabilitation Services in 1991 in the Vocational Rehabilitation Law of Mississippi (codified as MISS. CODE ANN. § 37-33-1 et seq.). MDRS was created "in order to provide for rehabilitation, habilitation and other services to eligible individuals with disabilities, their families and the community."

The State Board of Rehabilitation Services, consisting of five state officials and two members appointed by the Governor, governs MDRS. MISS. CODE ANN. § 37-33-153 (1972) organizes MDRS into the following offices, corresponding to its programs:

- Vocational Rehabilitation;
- Vocational Rehabilitation for the Blind;
- Special Disability Programs; and,

- Disability Determination Services.

The Office of Support Services provides administrative support for the department.

As of June 30, 2005, MDRS had a total of 873 staff, including those at the headquarters office and at service sites in thirty-four cities. MDRS receives 70% of its funds from federal grants, 7% from the state's general fund, and 23% from other state and federal sources.

## Adequacy of Avenues for Consumer Input and Level of Consumer Satisfaction

### Channels for Consumer Input

**While MDRS provides all of the avenues for consumer input required by federal law, the department could enhance its efforts for soliciting input and using that information to improve services.**

MDRS complies with requirements that state agencies receiving federal vocational rehabilitation funding must meet regarding specified methods for involving consumers in planning, service provision, and evaluation. MDRS establishes for each consumer an individualized plan for services, which the counselor and consumer, or the consumer's representative, develop jointly. The department also has procedures whereby decisions regarding consumers' services may be reviewed, both formally and informally. The Client Assistance Program is available to MDRS consumers through the Mississippi Society for Disabilities and the agency has established several advisory groups for its major functional areas.

MDRS's Consumer Relations staff follows up on inquiries and complaints about services. The department contracts for an annual satisfaction survey of MDRS consumers regarding services. For federal fiscal years 2002 through 2004, MDRS consumers overall rated MDRS's services on average between 4.56-4.63 on a 5 point scale (with 5 being "very good").

Consumers and advocacy groups reported to PEER in interviews that they were concerned with poor communication between counselors and consumers and had general concerns regarding resources and employment. Advocacy groups were also concerned with the role of advisory councils in shaping MDRS policy.

## **Areas Needing Improvement: Solicitation of and Response to Consumer Input**

**While all federally required avenues for consumer input at MDRS are present and MDRS surveys show that, on average, vocational rehabilitation consumers are satisfied with MDRS services, the agency could make improvements to address concerns noted through PEER interviews. These areas include consolidating consumer complaint information, increasing efforts to involve consumers in advisory councils, and defining the role of MDRS staff in advisory council meetings.**

MDRS does not have agency-wide consolidated information regarding complaints or informal and formal reviews. The department also does not have policies and procedures instructing field office staff and regional managers to log or report complaints and reviews.

Regarding MDRS's relationship with advisory councils, the State Rehabilitation Council and the Statewide Independent Living Council provide notice regarding their meetings that exceeds the amount of notice required by law. However, MDRS does not require vocational rehabilitation and independent living counselors to inform consumers about advisory council meetings. Also, the advisory councils' by-laws do not specify the role of MDRS staff serving as ex-officio members on the councils.

Since 2002, the Governor has not appointed members to either the State Rehabilitation Council or the Statewide Independent Living Council, even though these groups have sent recommendations for appointment.

## **Assurance of Quality Service for Consumers**

### **Quality Assurance Standards and Methods**

**MDRS and the federal agencies that provide the department's funding monitor the quality of MDRS's programs through methods such as case reviews, data reporting, and analysis.**

MDRS and its federal funding sources have implemented methods of monitoring performance on standards from the individual case level to district and regional officers to the state level. The U. S. Rehabilitation Services Administration monitors MDRS's performance through annual on-site reviews and through the department's self-reporting. MDRS also conducts internal monitoring through use of its management information systems, managers' review of monthly caseload reports and case reviews, internal program evaluations, and surveys.

## Areas Needing Improvement in Quality Assurance

While the Department of Rehabilitation Services monitors caseloads and the delivery of services by case workers, the agency lacks an agency-wide, comprehensive, strategic quality assurance plan that details standards, activities, and roles of staff involved in quality assurance, risking duplication of monitoring efforts and aspects of programs operating without monitoring efforts.

While MDRS monitors performance both internally and externally, all monitoring is program-specific. PEER did not find evidence of cross-program monitoring through a set of comprehensive quality assurance procedures. Cross-program monitoring would allow MDRS's agency administrators to identify more easily the areas that need improvement and would promote good monitoring practices for other programs.

As previously noted, MDRS does not have agency-wide consolidated information regarding complaints or formal, written policies and procedures instructing field office staff and regional managers to log or report complaints. Also, the department has not developed comprehensive written policies and procedures to govern the work of the Program Evaluation Unit.

The Program Evaluation Unit notifies counselors and managers in advance of case reviews rather than conducting them unannounced. Advance notification of case reviews may prohibit MDRS from identifying problems in case management.

## Questions and Answers Regarding Specific Administrative Issues

The legislative request that initiated this project included several specific questions to PEER regarding administrative issues at MDRS. The questions posed related to staffing, the headquarters building and grounds, lobbying and advocacy, dues paid to professional associations, consumers' access to facilities, and vehicle management.

Following are PEER's conclusions regarding these areas of MDRS's administration, as well as the specific questions and corresponding answers.

### Staffing

MDRS's administrative salary costs represented 16% of the agency's total salary costs in FY 2005; salary costs for direct service employees represented 84% of total salary costs. Compensation increases in FY 2005 were similarly distributed and, of eighteen new positions at MDRS, all are direct service positions. Given the nature of the rehabilitation services environment, PEER does not take exception to the proportion of administrative staff to direct service staff at MDRS.

Following are the specific questions regarding staffing that were posed to PEER, followed by PEER's answers.

**What is the cost of MDRS's administrative personnel in relation to its cost of direct service personnel?**

*In FY 2005, approximately 16% of MDRS's total salary expenditures were for administrative employees and approximately 84% were for direct service employees.*

**How has MDRS distributed increases in compensation between administrative and direct service personnel?**

*Direct service employees, comprising approximately 85% of MDRS's total number of employees, received approximately 78% of the dollar value of compensation increases in FY 2005. Within the administrative employees category, 50% of agency-level and 100% of office-level supervisors received compensation increases in FY 2005. Twenty-four percent of the support services staff received increases in compensation. Within the direct service employees category, 43% of direct service supervisors received compensation increases in FY 2005. Twenty-one percent of direct service staff received increases in compensation.*

*From FY 2002 through FY 2005, the number of direct service employees receiving increases in compensation increased by 71 and the total dollar amount of increases for direct service employees rose by \$217,534. During the same period, the number of administrative employees receiving increases declined by 17 and the total dollar amount of increases for administrative employees increased by \$836.*

**How has MDRS distributed new staff positions between administrative and direct service personnel?**

*From FY 2002 through FY 2005, the Legislature authorized thirty-one additional positions for MDRS. Of those new positions that are filled, all are direct service employees.*

## **Headquarters Building and Grounds Expenditures**

From FY 2001 through FY 2005, MDRS spent \$50,962 on improving accessibility to its headquarters. For this same period, the department's expenditures for grounds maintenance equipment and supplies totaled \$26,599 (some of which represents expenditures for equipment with an extended life, such as lawn mowers, and some of which represents recurring expenditures). Although the headquarters building has unnecessary amenities such as indoor fountains and tennis courts, those amenities were present on the property when it was bought by the state and have cost the state little to maintain.

Following is the specific question regarding headquarters building and grounds expenditures that was posed to PEER, followed by PEER's answer.

**What has MDRS spent recently for headquarters building and grounds improvements and maintenance?**

*From FY 2001 through FY 2005, MDRS spent \$50,962 on accessibility improvements and \$26,599 on grounds maintenance equipment and supplies for its headquarters building.*

## **Lobbying and Advocacy**

Some MDRS staff members travel to the Capitol three to four days per week during legislative sessions. While state agencies should have access to the legislative process to support the constituents that they serve, they should also ensure that resources are used efficiently.

Following are the specific questions regarding lobbying and advocacy that were posed to PEER, followed by PEER's answers.

**Are any MDRS staff registered lobbyists?**

*No. According to the Secretary of State's Office, MDRS does not have any registered lobbying groups or individuals.*

**How often do MDRS staff travel to the Capitol and for what purposes?**

*MDRS's Executive Director reports that he and the Deputy Director travel to the Capitol an average of three to four days per week during the legislative session.*

*During the 2005 regular legislative session, MDRS staff members were reimbursed for 103 round trips to the Capitol from MDRS headquarters in Madison in private vehicles. This does not include any trips made in MDRS vehicles.*

## **Dues to Professional Associations**

In FY 2005, MDRS paid \$21,181 in professional dues to associations, \$13,604 of which was spent for membership in the Council of State Administrators of Vocational Rehabilitation. MDRS also spent \$16,162 in travel to meetings of this association. Membership in the council provides MDRS with training, opportunities for federal advocacy, and facilitates interaction with similar agencies in other states.

Following are the specific questions regarding dues to professional associations that were posed to PEER, followed by PEER's answers.

**What associational dues does MDRS pay and for what purpose?**

*In FY 2005, MDRS paid \$21,181 in professional dues to associations.*

**How much did MDRS spend in FY 2005 in travel costs related to associations?**

*In FY 2005, MDRS spent \$16,162 on out-of-state travel to meetings of the Council of State Administrators of Vocational Rehabilitation.*

## **Consumer's Access to Facilities**

**MDRS chose the locations of its service facilities based on factors intended to maximize consumers' access to services. MDRS staff members state that they will travel to or provide transportation assistance for consumers who do not live near a service facility. MDRS chose to locate its headquarters in Madison after the state received bids on six buildings and the bid for the present site was the lowest received. Although the headquarters building is located outside of Jackson, no services are provided there that would require consumers to travel to that location.**

Following are the specific questions regarding consumers' access to facilities that were posed to PEER, followed by PEER's answers.

**Are MDRS's service locations easily accessible to consumers?**

*MDRS chose its office locations based on factors intended to maximize consumers' access to services. If an MDRS service location is not convenient to a consumer, MDRS will either provide transportation for the consumer or an MDRS counselor will travel to the consumer.*

**Why did MDRS locate its headquarters in Madison?**

*The state bought the MDRS headquarters building in Madison after reviewing six bids from the Jackson metro area. The state chose the Madison building because it had the lowest bid.*

## **Vehicle Management**

**MDRS manages ten state-owned vehicles but does not manage them in a way that ensures their most efficient and effective use.**

Following are the questions regarding vehicle management that were posed to PEER, followed by PEER's answers.

**What state-owned vehicles does MDRS manage?**

*MDRS manages ten state-owned vehicles.*

**What are the components of a good vehicle management program?**

*An agency's vehicle management program should include elements such as documented cost-benefit analysis regarding decisions about purchase and replacement and formal policies and procedures addressing vehicle use and documentation.*

**Does MDRS manage its state-owned vehicles in a way that ensures their most efficient and effective use?**

*No, the department does not manage its vehicles in a way that ensures their most efficient and effective use.*

*MDRS's policies and procedures do not require the staff to conduct an annual cost benefit analysis to determine when to provide an employee with an assigned state-owned vehicle, when to establish an agency pool of vehicles, and when to reimburse employees for mileage driven in private vehicles. MDRS reimburses some personnel for travel in private vehicles when MDRS vehicles are available for use at less cost. MDRS's policies and procedures do not require the staff to conduct formal annual needs analysis upon which to base decisions regarding purchase or replacement of vehicles. Although MDRS has formal, written policies and procedures for maintaining travel logs, MDRS staff do not keep consistent and detailed travel logs for state-owned vehicles.*

## Recommendations

1. MDRS should consolidate information about complaints and informal and formal reviews that come through the local field offices, districts, regions and state office and use that information to address individual concerns and to identify larger areas of concern from complaint patterns.
2. To ensure that the Statewide Independent Living Council and the State Rehabilitation Council receive maximum participation from members of the disabled community, these advisory councils should consider asking MDRS managers to have the agency's counselors make consumers aware of the councils during regular contact with consumers. The councils should also ask MDRS to use all reasonable efforts to advertise the time, date, and place of the councils' meetings.
3. The Chairman of the State Board of Rehabilitation Services should tender a written request to the Governor asking that he make replacement appointments to the State Rehabilitation Council and Statewide Independent Living Council as soon as is practicable.



4. The advisory councils should consider reviewing their by-laws and operating procedures to ensure that the role and participation of ex-officio non-voting members is proper, given that the purpose of these councils is to provide advice and guidance from constituencies outside of the department. Further, MDRS staff who are ex-officio and non-voting members should not make motions or nominations in advisory council meetings.
5. MDRS should develop a written, comprehensive, agency-wide plan for quality assurance that includes procedures for the coordination of quality assurance activities for all MDRS programs and that describes the roles of all staff levels in quality assurance.

The procedures should address, but not be limited to, the roles of following in quality assurance:

- the Program Evaluation Unit;
- district-, office-, and agency-level monitoring;
- training;
- federal reporting;
- Internal Audit; and,
- Management Information Systems.

The MDRS plan should also include production of an annual report of quality assurance activities and results.

6. MDRS should develop written policy and procedures for its Program Evaluation Unit that include, but are not limited to the following:
  - how the Program Evaluation Unit should conduct evaluations;
  - what types of evaluations should be conducted;
  - the evaluation schedule for the agency, evaluation techniques, and criteria;
  - how to disseminate program evaluation results; and,
  - how program evaluation reports should be used once obtained by MDRS management, including follow up of findings and training needs identified through the reviews.
7. The MDRS Program Evaluation Unit should conduct unannounced reviews of random samples of cases without allowing case managers to move or close cases prior to a review so that case reviews will provide an accurate picture of a counselor's caseload at the time of the review.
8. MDRS should request that the State Personnel Board study the classification of administrative assistants located in MDRS field offices to determine if their job title and job description are correct.

9. MDRS should establish written policy and procedures that describe how break-even analysis for vehicles should be conducted, how often, and by whom.
10. MDRS should establish policy and procedures that specify the justification process for vehicle procurement. MDRS should also produce a management report and use it to make decisions on which type of vehicle is the most fuel-efficient and cost-efficient to operate.
11. MDRS should amend its policies and procedures to require that travel logs be documented by all staff members in a standard format. At minimum, these logs should capture the beginning and ending mileage for each trip and the date, time, and purpose of all trips. The department should assign to its internal auditor or another member of management the responsibility of conducting regular audits of travel logs to ensure that they are maintained in conformity with policy.
12. MDRS should conduct the necessary break-even analysis to determine which employees should be assigned the agency's state-owned vehicles, rather than private vehicles, for official travel. This analysis should include a determination, based on need, of how many state-owned vehicles the agency should maintain and to which employees vehicles should be permanently assigned.

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# A Review of the Department of Rehabilitation Services

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## Introduction

### Authority

In response to a legislative request, the PEER Committee reviewed the Mississippi Department of Rehabilitation Services, hereafter referred to as MDRS. PEER conducted the review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-57 et seq. (1972).

### Scope and Purpose

In conducting this review, PEER's primary goal was to evaluate whether MDRS addresses its stakeholders' needs by determining whether MDRS:

- provides adequate channels for consumer input; and,
- provides effective quality assurance through its case management programs.

PEER also sought to answer specific legislative questions regarding MDRS managers' administration of the agency, including questions on:

- staffing;
- maintenance and improvements costs for the headquarters building and grounds;
- lobbying and advocacy;
- dues paid to professional organizations;
- consumers' access to MDRS facilities; and,
- management of state-owned vehicles.

PEER did not review the program of the MDRS Office of Disability Determination Services, which determines individuals' eligibility for Social Security Disability Insurance and Supplemental Security Income. That office is funded entirely by the U. S. Social Security Administration. However, PEER did include the costs of the Office of Disability Determination Services in the comparison of staffing costs and compensation increases beginning on page 29.

## Method

In conducting this review, PEER:

- reviewed state laws relating to MDRS;
- reviewed federal laws and regulations regarding federal funding for MDRS programs;
- reviewed MDRS's policies and procedures manuals;
- interviewed MDRS personnel and selected community advocacy groups for persons with disabilities; and,
- analyzed MDRS records and financial information.

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# Background

## Statutory Authority

MISS. CODE ANN. Section 37-33-152 (1972) declares it to be the policy of the state:

*. . .to provide rehabilitation services, to the extent needed and feasible within resources available, to eligible individuals with disabilities throughout the state, to the end that they may engage in useful and remunerative occupations and live independently to the extent of their capabilities, thereby increasing their social and economic well-being and that of their families, and the productive capacity of this state and nation, also thereby reducing the burden of dependency on families and taxpayers.*

The Legislature created the Department of Rehabilitation Services in 1991 in the Vocational Rehabilitation Law of Mississippi (codified as MISS. CODE ANN. § 37-33-1 et seq.). Prior to 1991, the State Department of Human Services provided vocational rehabilitation services. MDRS was created “in order to provide for rehabilitation, habilitation and other services to eligible individuals with disabilities, their families and the community.”

## Board Composition and Staff Organization

The State Board of Rehabilitation Services, consisting of five state officials and two members appointed by the Governor, governs MDRS. Exhibit 1 on page 4 shows the statutory composition of the board.

MISS. CODE ANN. § 37-33-153 (1972) organizes MDRS into the following offices, corresponding to its programs:

- Vocational Rehabilitation;
- Vocational Rehabilitation for the Blind;
- Special Disability Programs; and,
- Disability Determination Services.

The Office of Support Services provides administrative support for the department.

MDRS’s headquarters office is located in Madison, Mississippi, approximately fourteen miles from downtown Jackson. This location houses administrative staff and the Office of Disability Determination Services, but no services are provided there that would require consumers to travel to Madison office. MDRS provides its services through a network of service sites in thirty-

four cities across the state. Exhibit 2, on page 5, shows MDRS's service locations.

As of June 30, 2005, MDRS had a total of 873 staff, including those at the headquarters office and the service sites.

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### Exhibit 1: Statutory Composition of the Board of Rehabilitation Services

<b>Members</b>
Executive Director, Department of Health
Executive Director, Department of Mental Health
State Superintendent of Education
Director, Division of Vocational and Technical Education, Department of Education
Executive Director, Department of Human Services
An appointed individual who is a client or a parent of a client of vocational rehabilitation services
An appointed individual who is visually impaired or the parent of an individual who is visually impaired

SOURCE: MISS. CODE ANN. Section 37-33-155 (1972).

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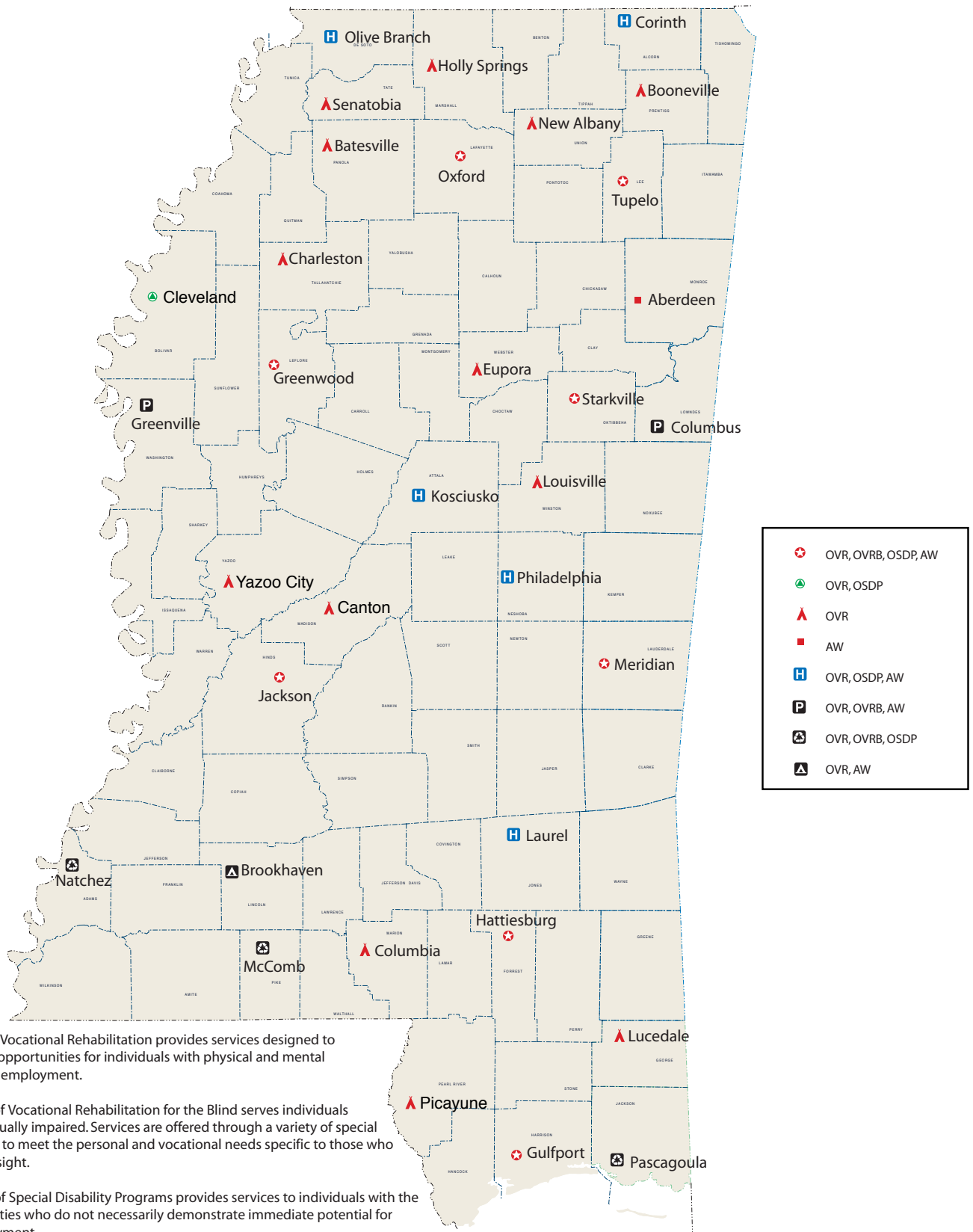
## Programs

The following sections briefly describe the functions of each office of MDRS. Appendix A, page 51, provides additional detail regarding the responsibilities of each office.

### Office of Vocational Rehabilitation

The Office of Vocational Rehabilitation provides services to individuals with disabilities who require vocational rehabilitation services to prepare for, secure, retain, or regain employment consistent with his or her unique strengths, resources, priorities, concerns, abilities, capabilities, career interests, and choice. More information on the services provided by the Office of Vocational Rehabilitation may be found in Appendix A on page 51.

# Exhibit 2: MDRS's Service Locations



**OVR**—The Office of Vocational Rehabilitation provides services designed to improve economic opportunities for individuals with physical and mental disabilities through employment.

**OVRB**—The Office of Vocational Rehabilitation for the Blind serves individuals who are blind or visually impaired. Services are offered through a variety of special programs designed to meet the personal and vocational needs specific to those who have severe loss of sight.

**OSDP**—The Office of Special Disability Programs provides services to individuals with the most severe disabilities who do not necessarily demonstrate immediate potential for competitive employment.

**AW**—Ability Works is a network of community rehabilitation programs that provide vocational assessment, job training, and actual work experience for individuals with disabilities. This is possible through a wide array of contract and subcontract services provided to local business and industry.

## **Office Vocational Rehabilitation for the Blind**

The Office of Vocational Rehabilitation for the Blind serves individuals who are blind or visually impaired who require vocational rehabilitation services to prepare for, secure, retain, or regain employment and/or who need services to live more independently. More information on the services provided by the Office of Vocational Rehabilitation for the Blind may be found in Appendix A on page 51.

## **Office of Special Disability Programs**

The Office of Special Disability Programs provides independent living services to individuals with the most severe disabilities who do not necessarily demonstrate immediate potential for competitive employment. This office provides services to individuals with severe disabilities that constitute multiple barriers to the individual's capacity to live independently. This office also administers the Spinal Cord and Traumatic Brain Injury program. More information on the services provided by the Office of Special Disability Programs, including the Spinal Cord and Traumatic Brain Injury Program, may be found in Appendix A on page 51.

## **Office of Disability Determination**

The Office of Disability Determination, funded entirely through the Social Security Administration, establishes eligibility for individuals with severe disabilities who apply for Social Security Disability Insurance and/or Supplemental Security Income. As noted on page 1, PEER did not review the functions of this MDRS office.

## **Office of Support Services**

MDRS created the Office of Support Services to administer the four programmatic offices. The creation of the Office of Support Services allowed MDRS to organize all of the functions of MDRS that are not directly linked to one of the other programs but instead provide agency-wide administrative services.

## **Funding Sources**

MDRS receives 70% of its funds from federal grants, 7% from the state's general fund, and 23% from other state and federal sources (including the state's Healthcare Expendable Fund, Medicaid, grants from State Workforce Investment Act boards, funds from a fee on traffic violations for the Spinal Cord and Brain Injury Program, and other sources). A large portion of the state funds



provided for MDRS services is used to match federal funds. Exhibit 3, below, shows the breakdown in MDRS funding for FY 2005.

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### Exhibit 3: FY 2005 MDRS Funding Summary by Source

Fund Type	Amount	Percentage of Total
State General Funds	\$6,791,723	7%
Federal Funds	63,604,700	70%
Other Funding	20,449,879	23%
Total	\$90,846,302	100%

SOURCE: MDRS

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### Federal Grants and State Matching

MDRS receives federal funds through federal grants from the U. S. Department of Education Rehabilitation Services Administration, the Social Security Administration, the U. S. Department of Health and Human Services, and the U. S. Department of Agriculture.

Eight of the federal grants received by MDRS require a match of state funds. Matching funds are funds or services that the state must provide for a program in order to match the federal funding received. The match percentages required for MDRS funds range from 5% state match to 22.92% of the total project funding, depending on the federal grant program.

Of the total \$63,604,700 in federal grant funds MDRS received in FY 2005, \$59,844,553 of those funds required state matching funds of approximately \$12,728,643.

According to MDRS's staff, the sources of the department's matching funds are state general funds, the state's Healthcare Expendable Trust Fund (tobacco settlement funds), a drug and alcohol grant from the Department of Mental Health and the State Hospital for providing vocational rehabilitation services to persons diagnosed with alcohol dependency, Business Enterprise Program funds, the Spinal Cord and Traumatic Brain Injury Trust Fund, and non-cash matches from Hinds Community College.<sup>1</sup>

### Program Funding

Exhibit 4, page 8, shows the breakdown of MDRS funding for each of the department's offices. In FY 2005, the Office of Vocational Rehabilitation received the most funding, followed by the Office of Disability Determination. The office with the least funding in FY 2005 was the Office of Support Services, which is actually

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<sup>1</sup> Services provided by Hinds Community College to hearing-impaired students who are eligible for MDRS Vocational Rehabilitation services under the matching agreement include, but are not limited to, providing interpreters, note takers, and tutors to make the college fully accessible to hearing-impaired students.  
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funded from transfers from the other offices to pay for agency-wide administrative costs.

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**Exhibit 4: MDRS Funding and Staff by Office or Program, FY 2005**

<b>Office or Program</b>	<b>Amount of Funding</b>	<b>Number of Staff</b>
Office of Vocational Rehabilitation	\$41,688,668	482
Office of Vocational Rehabilitation for the Blind	8,377,004	81
Office of Special Disability Programs	10,416,310	33
Spinal Cord and Brain Injury Program	6,844,861	1
Office of Disability Determination	23,519,459	256
<b>Total</b>	<b>\$90,846,302</b>	<b>873</b>
<i>Office of Support Services (paid by transfers from the other programs and not included in total)</i>	<i>1,586,581</i>	<i>20</i>

NOTE: The number of staff shown in the table is the number of MDRS filled positions as of June 30, 2005. The Spinal Cord and Brain Injury Program is listed under the Office of Special Disability Programs because it has separate funds provided through a state fee on traffic violations that go into a state trust fund.

SOURCE: PEER analysis of MDRS data

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# Adequacy of Avenues for Consumer Input and Level of Consumer Satisfaction

## Channels for Consumer Input

While MDRS provides all of the avenues for consumer input required by federal law, the department could enhance its efforts for soliciting input and using that information to improve services.

Through obtaining input from those persons who receive rehabilitation services, or their representatives, MDRS can determine areas in which it performs well and those in which it needs to improve.

Consumers can give input to MDRS at both the individual and policy levels.

PEER determined that avenues for consumers to give input to MDRS exist on two levels: the individual level (i.e., consumers may help make decisions regarding their own individual services) and the policy level (i.e., consumers may provide input regarding MDRS policies and prioritization of resources).

## Compliance with Federal Requirements Concerning Consumer Input

*MDRS complies with requirements that state agencies receiving federal vocational rehabilitation funding must meet regarding specified methods for involving consumers in MDRS planning, service provision, and evaluation.*

Throughout the MDRS case management process, consumers have several methods by which they may provide input regarding services and/or problems that may arise.

MDRS provides most services through the counselor-consumer relationship. Counselors provide case management for MDRS consumers, aiding them in applying for services, determining their eligibility for services, and planning services according to their needs and the resources available. The goal of these services is either employment, increased independence, or both, depending on the MDRS program. Counselors also monitor consumers' progress while receiving services and for a certain period after they achieve their goals. Throughout the MDRS case management process, consumers have several methods by which they may provide input regarding services and/or problems that may arise.

The Rehabilitation Services Administration, which provides funding for the major portion of MDRS's Vocational Rehabilitation and Independent Living services, requires MDRS to have channels for consumer input. In fact, federal law (29 USC 701 et seq.) requires that state agencies that receive federal vocational rehabilitation and independent living funding have specified methods of consumer input available.

The following sections describe federal requirements and what MDRS does to meet those requirements.

### ***Individualized Plans***

*MDRS establishes for each consumer an individualized plan for services, which the counselor and consumer, or the consumer's representative, develop jointly.*

Federal law (29 USC 701 et seq.) requires that programs that receive either federal vocational rehabilitation or independent living services funding establish an individualized plan for services through which the counselor and consumer, or the consumer's representative, make decisions together regarding the consumers' goals and the services to be provided.

**According to MDRS case management manuals, the consumer and counselor review the individualized plan for services at least annually.**

According to MDRS case management manuals for the offices of Vocational Rehabilitation, Vocational Rehabilitation for the Blind, and Special Disability Programs, after a consumer is determined to be eligible for services, an MDRS counselor works with the consumer to develop an Individualized Plan for Employment or an Independent Living Plan. The plans are developed and signed by both the counselor and the consumer or his or her authorized representative. The consumer and counselor review the plan as needed--at least annually.

### ***Formal and Informal Reviews***

*MDRS has procedures whereby decisions regarding consumers' services may be reviewed, either formally or informally.*

Federal law (29 USC 701 et seq.) requires that rehabilitation applicants and consumers have procedures by which decisions regarding their services may be reviewed. A review procedure may consist of an informal decision made by an administrator or a formal decision that involves mediation or a fair hearing.

**An informal review allows counselor supervisors, regional managers, and division directors to make a determination on the case.**

According to MDRS's case management manuals, the department makes consumers aware of formal and informal review procedures in writing at the time of application. This written information is also provided on documents for other stages of service delivery, which include when eligibility is determined, when the individualized plan is developed, and when a consumer's services are reduced, suspended, or terminated.

**A formal review involves persons external to the agency through mediation or through a fair hearing.**

The consumer may have agency decisions reviewed through informal or formal means. An informal review allows counselor supervisors, regional managers, and division directors to make a determination on the case. A formal review involves persons external to the agency through mediation or through a fair hearing. MDRS develops a list of mediators and fair hearing officers who are knowledgeable about rehabilitation laws and regulations. All parties agree to abide by the final ruling of the mediator or the hearing officer. An informal review should be completed in fifteen days from date of request for the review to

the final decision made by letter. Formal reviews must be completed within sixty days of the request.

According to MDRS staff, from FY 2002 through FY 2005, the department had thirty-one informal reviews and two formal reviews for the offices of Vocational Rehabilitation, Vocational Rehabilitation for the Blind, and Special Disability Programs.

### ***Client Assistance Program***

*The Client Assistance Program is available to MDRS consumers through the Mississippi Society for Disabilities.*

**Federal funding supports the existence of the Client Assistance Program at an organization external to MDRS to help applicants or consumers in accessing services.**

Federal law (29 USC 701 et seq.) also requires an external source called the Client Assistance Program to help applicants or consumers in accessing MDRS services. Federal funding supports the existence of the Client Assistance Program at an organization external to MDRS. The Mississippi Society for Disabilities, a nonprofit organization not administered by MDRS, administers the Client Assistance Program.

When an MDRS consumer has complaints regarding services, the consumer may choose to have the Client Assistance Program (CAP) serve as a liaison between the consumer and MDRS to resolve the issue. If the CAP's procedures do not resolve the issue or the consumer opts for a hearing, the consumer may choose an administrative decision or a formal hearing regarding the matter, as described on page 10. The CAP's staff may also represent a consumer during formal hearings.

According to MDRS's case management manuals, counselors make consumers aware of the CAP and how to contact the organization in writing upon application.

### ***Policy-Level Input to Advisory Councils***

*MDRS has established several advisory groups for its major functional areas.*

**The State Rehabilitation Council advises on vocational rehabilitation functions and helps develop and monitors the State Plan for Vocational Rehabilitation. The Statewide Independent Living Council advises MDRS on independent living services and helps develop and monitors the State Plan for Independent Living.**

Federal law (29 USC 701 et seq.) requires MDRS to establish various councils to serve in an advisory capacity for the major service areas and to monitor state plans. MDRS has established several advisory groups for its major functional areas. The State Rehabilitation Council advises on vocational rehabilitation functions and helps develop and monitors the State Plan for Vocational Rehabilitation. The Statewide Independent Living Council advises MDRS on independent living services and helps develop and monitors the State Plan for Independent Living. Both councils have quarterly meetings and hold public hearings to solicit comment on their respective state plans once they have been developed. The Statewide Independent Living Council also holds public forums throughout the development of the state plan even though it is not federally required to do so.

State law established an advisory council to the Office of Deaf and Hard of Hearing and a Traumatic Brain Injury and Spinal Cord Injury Trust Fund Council that allocates special funds to various therapeutic efforts for persons affected by these injuries.

## Consumer Inquiries

*MDRS's Consumer Relations staff follows up on inquiries and complaints about MDRS services.*

While not required to do so by federal funding sources, MDRS also has an agency-wide, staffed Consumer Relations function that takes and follows up on inquiries about MDRS services. Inquiries range from general questions about the nature of MDRS services to complaints about services.

## Consumer Satisfaction Surveys

*MDRS contracts for an annual satisfaction survey of MDRS consumers regarding services. For federal fiscal years 2002 through 2004, MDRS consumers overall rated MDRS's services on average between 4.56-4.63 on a 5 point scale (with 5 being "very good").*

In addition to having input in their plan of services and having procedures through which to have external review of agency determinations, consumers also have the possibility of giving feedback about their services through a consumer satisfaction survey. MDRS contracts for an annual satisfaction survey of MDRS consumers regarding their services.

### *Description of the Survey*

*MDRS contracts with the Mississippi State University Social Science Research Center for an annual Consumer Satisfaction Survey.*

For several years, MDRS consumers have rated their rehabilitation experiences using the Consumer Satisfaction Survey developed and administered by the Mississippi State University Social Science Research Center. The surveyors separate responses for consumers to provide feedback to the offices of Vocational Rehabilitation and Vocational Rehabilitation for the Blind.

**Each year, surveyors randomly select consumers whose cases were closed the previous year to respond to ten questions.**

Each year, surveyors randomly select consumers whose cases were closed the previous year to respond to ten questions. Seven of the questions ask consumers to rate MDRS services on a scale of 1-5 (5 being the highest). Three of the questions ask about whether the consumer received "good" services and "bad" services, allow consumers to give examples of their "good" and "bad" service experiences, and make other comments. All ten questions used in the survey are listed in Appendix B on page 56.

It should be noted that no one would expect MDRS to have no complaints; therefore, the presence of complaints does not show

MDRS services to be deficient. These consumer surveys show that most MDRS consumers are satisfied with their services. Additionally, federal monitoring shows MDRS to be rated highly in federal performance indicators (see information on federal monitoring in Appendix D on page 61).

### **Survey Results**

*In annual consumer satisfaction surveys for federal fiscal years 2002 through 2004, MDRS consumers overall rated MDRS's services on average between 4.56-4.63 on a 5 point scale (with 5 being "very good"). When the surveyors asked whether the consumers had experienced any "bad" services provided by MDRS, an average of 9% of respondents commented they had received a "bad" service.*

**Consumer surveys show that most MDRS consumers are satisfied with their services.**

MDRS Consumer Satisfaction Surveys from Federal Fiscal Year (FFY) 2002 through the first three quarters of FFY 2005 show that the majority of MDRS's rehabilitation experiences are positive. Consumers consistently gave a rating of "4" or higher on a scale of one to five, with five being the highest and one being the lowest, to all closed-ended questions except "employment benefits." Employment benefits were generally rated as "3" or neutral. Exhibit 5 on page 14 shows the average ratings of MDRS services by respondents.

As discussed on page 12, some of the survey questions asked consumers whether they had experienced any good or bad services and to identify those experiences. Exhibit 6 on page 15 shows the number of respondents to the survey and the number and percentage of those who reported a good or bad service experience during the last three years.

**Complaints pertaining to services fell into three categories: medical, employment, and accessibility of services.**

PEER conducted a content analysis of the FFY 2004 responses to the survey question: "Are there any bad services you received from the Mississippi Department of Rehabilitation Services or an outside service provider you'd like to mention?" to determine types of complaints consumers have regarding their service experience. A content analysis summarizes and identifies patterns in a set of data.

PEER found that complaints pertaining to services fell into three categories for consumers of the Office of Vocational Rehabilitation and the Office of Vocational Rehabilitation for the Blind: medical, employment, and accessibility of services. Eight percent of the consumers of the Office of Vocational Rehabilitation reported a concern in at least one of the following areas:

- *Medical*--Consumers frequently reported having to pay bills that they expected to be part of their benefits. Also, several consumers noted having trouble with devices such as hearing aids, eyeglasses, and leg prosthetics.
- *Employment*--Some consumers noted that the district offices were not helpful with their employment searches. Once on the job, several consumers reported varying unpleasant

conditions of their employment (e.g., treatment of disabled, pay, cleanliness, type of assignments).

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**Exhibit 5: Average Rating of MDRS Services of MDRS Consumer Survey Respondents, Federal Fiscal Years 2002 through 2004**

**Office of Vocational Rehabilitation**

<i>Rate the following items on a scale of 1 to 5, with 1 being very bad and 5 being very good.</i>	<b>Average Rating 2001-2002</b>	<b>Average Rating 2002-2003</b>	<b>Average Rating 2003-2004</b>
The help the VR staff provided at the time you applied for VR services	4.58	4.61	4.59
The help from the VR staff during the planning of your services	4.57	4.56	4.58
The help from the VR staff when you were receiving your VR services	4.58	4.59	4.61
The help you received from other agencies or service providers	4.05	4.25	4.07
Your employment outcome	4.26	4.16	4.21
Employment benefits such as health insurance provided by your employer	3.32	3.53	3.37
Overall, how do you rate the services you received?	4.56	4.56	4.63

**Office of Vocational Rehabilitation for the Blind**

<i>Rate the following items on a scale of 1 to 5, with 1 being very bad and 5 being very good.</i>	<b>Average Rating 2001-2002</b>	<b>Average Rating 2002-2003</b>	<b>Average Rating 2003-2004</b>
The help the VR staff provided at the time you applied for VR services	4.77	4.78	4.78
The help from the VR staff during the planning of your services	4.75	4.74	4.8
The help from the VR staff when you were receiving your VR services	4.74	4.79	4.82
The help you received from other agencies or service providers	4.26	4.67	4.41
Your employment outcome	4.24	4.42	4.47
Employment benefits provided by your employer	3.52	3.04	3.07
Overall, how do you rate the services you received?	4.71	4.82	4.81

SOURCE: PEER analysis of MDRS consumer surveys completed by Mississippi State University Social Science Research Center



- *Accessibility of services*--Consumers stressed challenges they have had with access. A common area of concern for consumers was a poor relationship with their counselors. Some consumers also portrayed MDRS as being unresponsive. Consumers of the Office of Vocational Rehabilitation for the Blind noted the same experiences as the consumers of the Office of Vocational Rehabilitation. Nine percent of the respondents, when asked, commented about bad service experiences. Additionally, these consumers reported frustrations with transitioning from one counselor to another, incorrect non-approval of services, additional required surgeries with no support, changes in personnel assigned to a case, and lack of support from the Office of Vocational Rehabilitation for the Blind.

**Exhibit 6: Number of MDRS Consumer Survey Respondents Who Identified Good or Bad Service Experiences**

**Consumers of Office of Vocational Rehabilitation**

Year	Number of Respondents	Reported Good Services	% Reported Good Services	Reported Bad Services	% Reported Bad Services
2001-02	854	567	66%	78	9%
2002-03	1,117	813	73%	112	10%
2003-04	951	555	58%	72	8%
2004-05 (3 quarters)	824	396	48%	55	7%
<b>Average Percentage</b>			<b>61%</b>		<b>8%</b>

**Consumers of Office of Vocational Rehabilitation for the Blind**

Year	Number of Respondents	Reported Good Services	% Reported Good Services	Reported Bad Services	% Reported Bad Services
2001-02	168	122	73%	12	7%
2002-03	158	151	96%	16	10%
2003-04	125	101	81%	14	11%
2004-05 (3 quarters)	89	78	88%	5	6%
<b>Average Percentage</b>			<b>84%</b>		<b>9%</b>

SOURCE: PEER analysis of MDRS consumer surveys completed by Mississippi State University Social Science Research Center.

## Interviews with Advocacy Groups

*Consumers and advocacy groups reported in interviews that they were concerned with poor communication between counselors and consumers and had general concerns regarding resources and employment. Advocacy groups were also concerned with the role of advisory councils in shaping MDRS policy.*

After PEER reviewed MDRS consumer surveys, inquiry logs, and minutes of advisory councils, PEER interviewed advocacy and community groups that are either involved with the MDRS advisory councils or work with persons receiving MDRS services. PEER identified these groups through the minutes of the advisory councils discussed on page 11 and through “snowball sampling.” Snowball sampling is a method by which through interviews, one identifies other persons of interest to interview.

PEER reviewed the complaints listed in the survey and approached the interviews with community groups not with the intention of highlighting consumers’ complaints with MDRS services, but instead with the intention of determining common areas of concern that could lead to improvements.

**PEER reviewed the complaints listed in the survey and approached the interviews with community groups with the intention of determining common areas of concern that could lead to improvements.**

Three areas of common concern among consumers that PEER discovered through consumer comments on surveys and interviews with advocacy groups were: poor communication between counselors and consumers, general concerns regarding resources and employment, and the role of advisory councils in shaping MDRS policy.

The first two issues were identified by both the MDRS consumer surveys and the advocacy groups interviewed. The third was only identified by the advocacy groups PEER interviewed. In following up on the concerns noted through the survey and PEER interviews, PEER determined that improvements could be made in some of the areas identified to enhance effectiveness in soliciting input from consumers and in using that input to improve MDRS services.

### **Areas Needing Improvement: Solicitation of and Response to Consumer Input**

**While all federally required avenues for consumer input at MDRS are present and MDRS surveys show that, on average, vocational rehabilitation consumers are satisfied with MDRS services, the agency could make improvements to address concerns noted through PEER interviews. These areas include consolidating consumer complaint information, increasing efforts to involve consumers in advisory councils, and defining the role of MDRS staff in advisory council meetings.**

PEER found that MDRS does not have agency-wide consolidated information regarding complaints or informal and formal reviews. MDRS also does not have policies and procedures instructing field office staff and regional managers to log or report complaints and reviews.

PEER determined that while advisory council meetings are advertised in newspapers, on the MSRS websites, and through related advocacy organizations, MDRS does not ask vocational rehabilitation and independent living counselors to inform consumers directly about advisory councils or their meetings. PEER also found that several individuals who have been nominated for membership in the advisory councils have not had their appointments made by the Governor. Also, bylaws of the State Rehabilitation Council and Statewide Independent Living Council do not provide guidance on the role of MDRS staff members on the advisory councils.

## Consumer Complaint Reporting

***MDRS does not have agency-wide consolidated information regarding complaints or informal and formal reviews. MDRS does not have policies and procedures instructing field office staff and regional managers to log or report complaints and reviews.***

As discussed on page 10, consumers can lodge complaints and have them resolved either through informal or formal reviews.

Although some complaints come from consumers through the agency-wide Consumer Relations unit at MDRS, others, including requests for informal and formal reviews, come through counselors, supervisors, and district managers.

**Because detailed information about complaints and reviews is not compiled and analyzed at the office and agency level, MDRS lacks valuable management information.**

According to the directors of the offices of Vocational Rehabilitation, Vocational Rehabilitation for the Blind, and Special Disability Programs, information on those types of complaints is kept at the district level offices. When PEER asked for complaint logs and the number of informal and formal reviews, the directors had to contact regional and district managers to gather this information.

Detailed information and records of these complaints and reviews should be kept at the district level. However, because information about these complaints and reviews is not compiled and analyzed at the office and agency level, MDRS lacks valuable management information. Consolidated information would allow patterns to be identified and changes to be made in response to those patterns.

## Advisory Council Meetings and Appointments

***The State Rehabilitation Council and the Statewide Independent Living Council provide notice regarding their meetings that exceeds the amount of notice required by law. However, MDRS does not require vocational rehabilitation and independent living counselors to inform consumers about advisory council meetings.***

Mississippi's open meetings law (MISS. CODE ANN. § 25-41-13 [1972]) states that a public body that does not have meeting times and places specifically prescribed by statute shall "spread upon

its minutes the times and places and the procedures by which all of its meetings are to be held.”

The State Rehabilitation Council and the Statewide Independent Living Council do not have regularly scheduled meetings and their meeting times and places are not prescribed in state law. PEER reviewed minutes of the State Rehabilitation Council and the Statewide Independent Living Council from 2001 through 2005 and found that all of the Statewide Independent Living Council minutes for those years contained information regarding the next scheduled meetings. PEER found that in the State Rehabilitation Council minutes, meeting dates were in some of the minutes reviewed by PEER but not in others.

The State Rehabilitation Council publishes meeting notices in newspapers across the state and both the State Rehabilitation Council and the Statewide Independent Living Council provide announcements of their meeting dates on the MDRS website. Notice is also given to related advocacy groups who are encouraged to distribute notice of the meetings. Many of the members of the State Rehabilitation Council and the Statewide Independent Living Council are also involved with related advocacy groups.

Notice regarding public hearings for the state plans developed by MDRS, the State Rehabilitation Council, and the Statewide Independent Living Council is more widely advertised. In addition to distributing notice to related advocacy groups, both the State Rehabilitation Council and the Statewide Independent Living Council place advertisements in newspapers across the state and on the MDRS website. Also, according to MDRS staff, notice is sent to radio stations.

**Because MDRS does not require counselors to provide consumers with information regarding the advisory groups and tell them how to get information about the meeting times, they risk missing the opportunity to include consumers who might not even know of the existence of the advisory councils.**

The notice provided by the State Rehabilitation Council and the Statewide Independent Living Council of their meetings meets and exceeds state and federal requirements. However, according to MDRS staff, counselors do not advertise the State Rehabilitation Council and the Statewide Independent Living Council meetings.

MDRS staff said that they are not required to have counselors advertise the advisory group meetings and that neither the State Rehabilitation Council nor the Statewide Independent Living Council have asked MDRS to advertise their meetings in this manner.

Counselors are the main point of contact with the actual consumers of MDRS services. Because MDRS does not require counselors to provide consumers with information regarding the advisory groups and tell them how to get information about the meeting times, they risk missing the opportunity to include consumers who might not even know of the existence of the advisory councils if they do not see the advertisements in the newspaper or visit the MDRS website. Some of these consumers might have valuable input for the advisory council meetings.

According to MDRS staff, sending letters to consumers to notify them of each advisory council meeting would be cost prohibitive. However, MDRS could establish a policy that requires counselors to notify consumers of the existence of the advisory councils and

how they could find out about meeting times upon application for services and at other times in which they would have contact with consumers--for instance, upon review of the consumer's individualized plan.

***Since 2002, the Governor has not appointed members to either the State Rehabilitation Council or the Statewide Independent Living Council, even though these groups have sent recommendations for appointment.***

Federal law (29 USC 725 and 796) requires the State Rehabilitation Council and the Statewide Independent Living Council members to be appointed by the Governor. The councils are to provide recommendations to the Governor that represent a broad range of individuals with disabilities and organizations interested in individuals with disabilities.

While federal law limits the terms of members to two consecutive three-year terms, the State Rehabilitation Council and the Statewide Independent Living Council have not been able to replace members since 2002 because the recommendations sent to the Governor have not yet been appointed.

**Since 2002, the councils have not received the benefit of new ideas and perspectives that might come from new members.**

According to MDRS, for the State Rehabilitation Council, eleven of the fifteen members are serving even though their terms have expired because they are waiting on the Governor's appointment of a replacement. Some of those have been waiting on another appointment since March 2002. MDRS has resubmitted recommendations periodically since that time, with the most recent recommendations occurring in April 2004.

For the Statewide Independent Living Council, eight members that have been recommended to serve on the council are awaiting appointment by the Governor. Five of these members have been awaiting appointment since April 2004 and three have been awaiting appointment since May 2003.

As a result, the terms of some members of the advisory councils have expired without replacement, risking burnout of existing members who continue to serve beyond their initial commitment. Also, the councils have not received the benefit of new ideas and perspectives that might come from new members.

***The advisory councils' by-laws do not specify the role of MDRS staff serving as ex-officio members.***

Federal law (20 USC 725 and 796) requires some MDRS staff members to be ex-officio members of the State Rehabilitation Council and the Statewide Independent Living Council. The law specifies that such ex-officio members should be non-voting.

Some of the persons from advocacy groups interviewed by PEER have the perception that MDRS staff have too much of a role in the advisory councils. Minutes of the Statewide Independent Living Council show that one ex-officio member has sporadically

made motions and nominations, although that individual has not voted.

**Some of the persons from advocacy groups interviewed by PEER have the perception that MDRS staff have too much of a role in the advisory councils.**

According to MDRS staff, the advisory councils use *Robert's Rules of Order* to guide the procedures of their meetings. They believe that *Robert's Rules of Order* gives them the authority as ex-officio members to make motions. *Robert's Rules of Order* does state that ex-officio members of a body have all the rights of membership as do other members of that body, including the right to vote.

However, PEER believes that while *Robert's Rules of Order* states that ex-officio members have full rights of membership, the fact that federal law states that ex-officio members of the Statewide Independent Living Council and the State Rehabilitation Council should be non-voting also governs actions leading up to a vote, including motions and nominations. Thus, PEER believes that MDRS staff who are ex-officio members of the councils should not make motions or nominations.

**PEER believes that MDRS staff who are ex-officio members of the councils should not make motions or nominations.**

Neither the State Rehabilitation Council nor the Statewide Independent Living Council bylaws describes the role of MDRS ex-officio members, particularly as to whether they can make motions or nominations. The State Rehabilitation Council's bylaws were developed by a previous council and the Statewide Independent Living Council bylaws were last updated in 2002.

Because advisory council members have not clearly communicated what they would like the role of the MDRS staff members to be on the advisory councils, the staff may take a greater or lesser role than is appropriate, considering the purpose of the councils is to provide advice and guidance from constituencies outside of the department.

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# Assurance of Quality Services for Consumers

## Quality Assurance Standards and Methods

**MDRS and the federal agencies that provide the department's funding monitor the quality of MDRS's programs through methods such as case reviews, data reporting, and analysis.**

**Because each of MDRS's funding sources has its own process and outcome standards for programs it funds, the department has numerous standards that are program-specific.**

Not only is MDRS accountable for meeting the needs of the persons it serves, the agency is also accountable to the expectations of its funding sources. Being funded through a complex network of federal, state, and special funds, MDRS has monitoring methods in place to meet the requirements of these funding sources. Each of the federal fund sources requires reporting, not only on expenditures, but also on various process and outcome measures of the programs funded. Because each funding source has its own process and outcome standards for programs it funds, MDRS has numerous standards that are program-specific—i.e., instead of having a list of performance goals or standards of case management for all MDRS services, it has some for each program as required by each funding source.

In this area of the review PEER focused on the three main MDRS case management programs: the offices of Vocational Rehabilitation, Vocational Rehabilitation for the Blind, and the Independent Living program of the Office of Special Disability Programs. These programs are mainly funded through the U. S. Department of Education Rehabilitation Services Administration Basic Support formula grant. Some smaller sources fund smaller, more specific programs for persons needing supported employment, transition from school to work, or special services due to a spinal cord or traumatic brain injury. Other smaller funding sources provide specific services such as assistive technology or personal care attendants for consumers of one of the three main case management programs.

## Quality Assurance Defined

*Quality assurance* may be defined as the systems, mechanisms, and procedures intended to lead to the achievement, maintenance, monitoring, and enhancement of quality. Some quality assurance activities for service delivery include but are not limited to:

- reviewing and revising programs to ensure that they are responsive to consumer needs;
- establishing and nurturing partnerships and community service;
- providing staffing to support the strategic thrusts of the organization; and,

- improving the efficiency and effectiveness of the management, financial, and administrative systems within the organization.

## Standards for Performance

Each of the three main MDRS programs has standards for performance that were either developed internally or imposed by funding sources. The standards allow MDRS and its funding sources to define what quality services are and whether MDRS is providing quality services. Performance measurement allows managers to monitor and articulate the results of their programs and usually include two types of measures: *process measurement* and *outcome measurement*.

- *Process measurement* shows the activities of a program, such as the number of people served. It may also include measures that show the quality or efficiency of these activities.
- *Outcome measures* show the impact that those activities have had, such as the number of persons who became employed after being served.

Appendices C and D on pages 58 and 61 provide detailed information regarding the process and outcome measurement standards and results for MDRS services.

## Methods of Monitoring

***MDRS and its federal funding sources have implemented methods of monitoring performance on standards from the individual case level to district and regional officers to the state level.***

### ***Federal Monitoring***

*The U. S. Rehabilitation Services Administration monitors MDRS's performance through annual on-site reviews and through MDRS's self-reporting.*

The Rehabilitation Services Administration, which funds Vocational Rehabilitation and Independent Living services in the state, monitors MDRS's performance through annual on-site reviews and self-reporting from MDRS.

### **Annual Reviews**

Annually, staff members from the Rehabilitation Services Administration conduct a site visit in which they review case files to determine whether MDRS case management meets federal requirements.

The reviewers check program policies and procedures, interview staff, examine financial records, and evaluate a random sample of case files to ensure that MDRS is adhering to federal requirements



for vocational rehabilitation programs. Among other things, while reviewing case documentation, the reviewers look at eligibility determination, assessment, timeliness of services, substantiality of services provided, employment outcomes, and closures without employment outcomes.

**In Federal Fiscal Year 2002, MDRS ranked first in the nation on the percentage of individuals who exit the vocational rehabilitation program after receiving services who are determined to have achieved an employment outcome.**

PEER reviewed the last four annual review reports regarding MDRS from the Rehabilitation Services Administration in federal fiscal years 2001 through 2004. The reports noted few negative findings from the reviews. Each report commended MDRS for its ability to exceed required performance levels on federal standards and indicators. The Federal Fiscal Year 2004 report noted that in Federal Fiscal Year 2002, MDRS ranked first in the nation on the percentage of individuals who exit the vocational rehabilitation program after receiving services who are determined to have achieved an employment outcome (Standard 1.2).

### **Federal Reporting**

MDRS sends quarterly and annual reports with performance and financial data to its federal funding sources. Appendix E on page 63 lists each federal reporting requirement for vocational rehabilitation programs in the Offices of Vocational Rehabilitation and Vocational Rehabilitation for the Blind and the Independent Living programs in the Office of Special Disability Programs including, as applicable, the types of data monitored through each report—both process and outcome measures.

### ***Internal Monitoring***

*MDRS conducts internal monitoring through its management information systems, managers' review of monthly caseload reports and case reviews, internal program evaluations, and surveys.*

### **Use of Management Information Systems**

MDRS's regional managers and office directors monitor caseloads and eligibility determination using the agency's computer information system called the Accessible Automated Case Environment (hereafter referred to as AACE). From this system, MDRS office directors may also review documents of an individual consumer case that have been entered into the system.

MDRS's office directors, counselors, regional and district managers, and administrative staff have access to various reports in AACE that they may generate and use as management tools. The AACE may be used to track the progress of services delivered to consumers. For example, AACE allows display of cases on an Activity Due List when they meet the notification parameters set by the agency. The cases remain on this list until action is taken.

## Monitoring by Managers

**MDRS's district managers conduct case reviews to determine whether counselors are complying with policies and procedures.**

MDRS's office directors monitor programs using different methods. For example, the Director of the Office of Vocational Rehabilitation for the Blind told PEER that he monitors caseloads through AACE on a daily basis and converts data on case closures by case worker to a spreadsheet so that he can determine whether the office will meet its targeted goal for case closures. The Director of the Office of Vocational Rehabilitation reviews monthly caseload reports to keep track of case activity. The Director of the Office of Special Disability Programs told PEER that she reviews caseloads using AACE reports and also sometimes reviews individual cases using AACE.

Additionally, district managers conduct case reviews to determine whether counselors are complying with policies and procedures. After the district managers' case reviews, the Program Evaluation Unit staff review the same cases to determine whether the district managers are monitoring their cases correctly. (See discussion of the Program Evaluation Unit below.)

## Program Evaluation

**After the district managers' case reviews, the Program Evaluation Unit staff review the same cases to determine whether the district managers are monitoring their cases correctly.**

MDRS's Program Evaluation Unit has four staff members who conduct internal program evaluations of the programs at MDRS. PEER reviewed the program evaluation reports for 2003-2005 and determined that the evaluation reports consist of periodic case reviews of MDRS case management programs in which they check case file documentation to ensure that policy and procedures are followed. The Program Evaluation Unit also tests the monitoring efforts of regional or district program managers by reviewing some of the same cases that the managers have previously reviewed to make sure they obtain the same results.

## Consumer Surveys

As discussed on page 12, MDRS also monitors the quality of its services by conducting a telephone survey to determine consumer satisfaction. MDRS contracts with Mississippi State University to conduct this survey.

MDRS also conducts a Survey of Unmet Needs for consumers of the offices of Vocational Rehabilitation and Vocational Rehabilitation for the Blind, conducts exit interviews at AbilityWorks, and conducts an Independent Living Participant Survey Upon Closure for consumers of the Office of Special Disability Programs.

## Areas Needing Improvement in Quality Assurance

While the Department of Rehabilitation Services monitors caseloads and the delivery of services by case workers, the agency lacks an agency-wide, comprehensive, strategic quality assurance plan that details standards, activities, and roles of staff involved in quality assurance, risking duplication of monitoring efforts and aspects of programs operating without monitoring efforts.

### Comprehensive Quality Assurance Procedures

*While MDRS monitors performance both internally and externally, all monitoring is program-specific. PEER did not find evidence of cross-program monitoring through a set of comprehensive quality assurance procedures. Cross-program monitoring would allow MDRS's agency administrators to identify more easily the areas that need improvement and would promote good monitoring practices for other programs.*

The complexity of the funding structure at MDRS has led to various program-specific monitoring efforts, but MDRS has not developed a strategic agency-wide monitoring framework.

**Because the funding and organization structure of MDRS is so complex, the agency should develop a comprehensive plan for quality assurance that includes all organizational units that participate in quality assurance and delineates the roles and tasks of each.**

Because the funding and organization structure of MDRS is so complex, the agency should develop a comprehensive plan for quality assurance that includes all organizational units that participate in quality assurance and delineates the roles and tasks of each organizational unit in quality assurance and performance monitoring. The plan should outline both agency-wide and program-specific standards and indicators for process and outcome measurement. The organizational units should at least include district and regional managers, office directors, and the program evaluation, internal audit, quality assurance, management information systems, and training staff.

Because MDRS does not have a comprehensive plan for monitoring programs, the result could be duplication of effort in quality assurance or lack of sufficient quality assurance. Also, managers may find it difficult to identify good monitoring practices that can be replicated throughout the agency.

### Consumer Complaints

*MDRS does not have agency-wide consolidated information regarding complaints. MDRS does not have policies and procedures instructing field office staff and regional managers to log or report complaints.*

**Consolidated information would allow patterns to be identified and changes to be made in response to those patterns.**

As discussed on page 17, MDRS does not have agency-wide consolidated information regarding complaints. MDRS does not have policies and procedures instructing field office staff and regional managers to log or report complaints.

Because information about these complaints and reviews is not compiled and analyzed at the office and agency level, MDRS lacks

valuable management information. Consolidated information would allow patterns to be identified and changes to be made in response to those patterns.

## **Program Evaluation Unit**

### ***Lack of Written Policies and Procedures for the Program Evaluation Unit***

***The Department of Rehabilitation Services has not developed comprehensive written policies and procedures to govern the work of the Program Evaluation Unit.***

During fieldwork, PEER reviewed MDRS's policies and procedures manuals and determined that the agency does not have comprehensive policies and procedures to govern the work of the Program Evaluation Unit.

MDRS has not clearly specified the goals, objectives, and scope of evaluative activity within the Program Evaluation Unit. Further, MDRS's policies and procedures do not provide general information on:

- how the Program Evaluation Unit should conduct evaluations;
- what types of evaluations the unit should conduct;
- the evaluation schedule for the agency, evaluation techniques, and criteria;
- how program evaluation results should be disseminated; and,
- how program evaluation reports should be used once obtained by MDRS management, including follow-up of findings and training needs identified through the reviews.

The Program Evaluation Unit does have a Review Guide that details the criteria for Vocational Rehabilitation case file review. However, it also does not provide more than the general information listed above that would guide the Program Evaluation Unit.

**The lack of policy and procedures in the Program Evaluation Unit could impact the consistency of the program when staff turnover occurs.**

Written policies and procedures for the Program Evaluation Unit would enhance coordination between the Program Evaluation Unit and MDRS program and maximize usefulness of the reports. Also, the lack of policy and procedures could impact the consistency of a program when staff turnover occurs. For example, the Program Evaluation Unit Director, who had been at MDRS since 1968, retired in June 2005 and the unit has not had written policies and procedures to ensure consistency of operation subsequent to the director's retirement.

## ***Case Review Methodology***

***The MDRS Program Evaluation Unit notifies counselors and managers in advance of case reviews. This allows counselors and managers to make preparations and may prohibit MDRS from identifying problems in case management.***

PEER observed during its review of Program Evaluation Study Reports that although the unit's evaluators randomly chose cases for review and did not reveal the names they had chosen for their sample until the date of the review, counselors and managers were notified in advance of the timeframes from which the cases would be selected and were told the approximate date of the review. This occurred even for reviews that were meant to be cold, or unannounced, reviews. For other reviews that were not meant to be cold reviews, counselors were told in some reviews that cases they moved or closed before a review would not be selected for review and in other reviews were able to choose which cases would be reviewed.<sup>2</sup>

**PEER observed that MDRS counselors and managers were notified in advance even of reviews that were meant to be cold, or unannounced, reviews.**

For example, in an Office for Vocational Rehabilitation of the Blind Eligibility Study by Program Evaluation dated August 2004, twenty-three cases were initially selected for review; however, counselors chose to move or close seventeen cases prior to the program evaluation reviewer's arrival, allowing the reviewers to review only six cases.

Announcing the approximate date a review will take place and excluding recently moved or closed cases from a review in essence allows counselors to prepare their caseload to be reviewed and may not allow reviewers to obtain an accurate picture of the actual state of a counselor's caseload.

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<sup>2</sup> Counselors *move* a case from one status to another (such as application, eligibility, or service status) or *close* a case either when a goal has been achieved for that case or there is some documented reason that the case cannot be moved forward.

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# Questions and Answers Regarding Specific Administrative Issues

The legislative request that initiated this project included several specific questions to PEER regarding administrative issues at MDRS. The questions posed related to staffing, the headquarters building and grounds, lobbying and advocacy, dues paid to professional organizations, consumers' access to facilities, and vehicle management. This chapter contains answers to those questions. The nature of each answer depends on the nature of the question and, in some cases, on what type of information was available on comparative standards in that area.

For the following questions, PEER provides simple descriptive answers without providing evaluative information.

## *Staffing*

- What is the cost of MDRS's administrative personnel in relation to its cost of direct service personnel?
- How has MDRS distributed increases in compensation between administrative and direct service personnel?
- How has MDRS distributed new staff positions between administrative and direct service personnel?

## *Headquarters Building and Grounds Expenditures*

- What has MDRS spent recently for headquarters building and grounds improvements and maintenance?

## *Lobbying and Advocacy*

- Are any MDRS staff registered as lobbyists?
- How often do MDRS staff travel to the Capitol and for what purposes?

## *Dues Paid to Professional Organizations*

- What associational dues does MDRS pay and for what purpose?
- How much did MDRS spend in FY 2005 in travel costs related to associational meetings?

For the following questions, PEER provides more in-depth answers and evaluative conclusions:

## *Consumers' Access to Facilities*

- Are MDRS's service locations easily accessible to consumers?

- Why did MDRS locate its headquarters in Madison?

#### *Vehicle Management*

- What state-owned vehicles does MDRS manage?
- What are the components of a good vehicle management program?
- Does MDRS manage its state-owned vehicles in a way that ensures their most efficient and effective use?

The following sections correspond to the topical areas listed above and contain answers to each of the listed questions.

## Staffing

**MDRS's administrative salary costs represented 16% of the agency's total salary costs in FY 2005; salary costs for direct service employees represented 84% of total salary costs. Compensation increases in FY 2005 were similarly distributed and of the 18 new positions at MDRS, all are direct service positions. Given the nature of the rehabilitation services environment, PEER does not take exception to the proportion of administrative staff to direct services staff at MDRS.**

While 130 of MDRS's 873 employees have administrative functions, those personnel administer nine federal grants as well as several smaller grants and funding sources. Administering these grants requires MDRS to have management, accounting, auditing, and evaluation staff, in addition to the staff who provide direct services.

Below, PEER has answered specific questions regarding the proportion of administrative to direct service personnel at MDRS, increases in compensation, and the number of new positions established for both administrative and direct service functions.

### **What is the cost of MDRS's administrative personnel in relation to its cost of direct service personnel?**

***In FY 2005, approximately 16% of MDRS's total salary expenditures were for administrative employees and approximately 84% were for direct service employees.***

As noted on page 4, as of June 30, 2005, MDRS had 873 filled positions. PEER sought to determine the percentage of salaries spent on administrative personnel and the percentage spent on direct service personnel.

For purposes of this analysis, PEER considered "administrative employees" to include MDRS's support staff, office-level supervisors, and agency-level supervisors. The administrative category represents 130 employees as of June 30, 2005. PEER considered "direct service employees" to include direct service

staff and direct service supervisors. The direct service category represented 743 employees as of June 30, 2005.<sup>3</sup>

**Based on PEER's categorization of MDRS positions, as of June 30, 2005, MDRS had 130 administrative employees and 743 direct service employees.**

As shown in Exhibit 7, page 31, MDRS spent \$4,296,175 in FY 2005 for salaries for administrative employees, representing approximately 16% of total salary expenditures. The department spent \$22,401,173 in FY 2005 for salaries for direct service employees, representing approximately 84% of total salary expenditures.

PEER completed its analysis by categorizing employees based on their function as detailed in their job titles and job descriptions, with input from MDRS staff. PEER discussed this analysis with MDRS staff and found that MDRS did not agree with the categorization of one group of employees. PEER categorizes administrative assistants as administrative staff because of the job description. MDRS categorizes some of those employees as direct service staff because MDRS staff said that administrative assistants provide some direct services that their job description does not reflect and because the federal agency that administers the grants allows them to categorize them as direct service staff. If the staffing costs were calculated based on MDRS's categorization of the administrative assistants as direct service staff, the percentage of salary costs for administrative staff would be 12% of total salary costs and direct service salary costs would be 88%.

**According to one source that compared all administrative costs for a specific vocational rehabilitation grant by state, MDRS was not unusually high or low in administrative costs.**

PEER could not identify a recommended standard for administrative salary expenditures for a public rehabilitation services agency. However, PEER did review one source that compared all administrative costs for a specific vocational rehabilitation grant by state and found that, according to that data, MDRS was not unusually high or low in administrative costs.

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<sup>3</sup> MDRS and PEER categorized all of the department's employees into one of five categories: support staff, office-level supervisors, agency-level supervisors, direct service staff, and direct service supervisors. Appendix F, page 66, contains descriptions of each of these categories of employees.



## Exhibit 7: Distribution of MDRS Personnel and Salaries as of June 30, 2005

	Actual Employees as of June 30, 2005		Actual Salaries as of June 30, 2005	
<u>Administrative Staff</u>				
Agency Level	2	0.2%	\$ 185,026.00	0.7%
Support Services	125	14.3%	3,904,257.90	14.6%
Office Level	3	0.3%	206,891.15	0.8%
Total Administrative Staff	<u>130</u>	14.9%	<u>4,296,175.05</u>	16.1%
<u>Direct Service Staff</u>				
Direct Supervisors	136	15.6%	5,792,001.70	21.7%
Direct Service	607	69.5%	16,609,171.37	62.2%
Total Direct Service Staff	<u>743</u>	85.1%	<u>22,401,173.07</u>	83.9%
Grand Total	<u>873</u>	100.0%	<u>26,697,348.12</u>	100.0%

SOURCE: PEER analysis of MDRS employee data.

### How has MDRS distributed increases in compensation between administrative and direct service personnel?

*Direct service employees, comprising approximately 85% of MDRS's total number of employees, received approximately 78% of the dollar value of compensation increases in FY 2005.*

MDRS awards increases in compensation based on nineteen State Personnel Board criteria, including attainment of educational benchmarks, reallocation of positions if a significant change in duties occurs, inter-agency transfers, intra-agency promotions, realignment of positions, and salary adjustments.

In FY 2005, the department awarded \$740,395 in compensation increases to a total of 220 employees. Exhibit 8, page 32, shows the distribution of these increases between administrative and direct service employees. As shown in the exhibit, thirty-four administrative employees received increases in compensation in FY 2005. Administrative employees received approximately 22% of the dollar value of compensation increases during the period. The exhibit also shows that 186 direct service employees received compensation increases during FY 2005 and these direct service employees received approximately 78% of the dollar value of compensation increases during the period.

**Exhibit 8: Distribution of Compensation Increases Among MDRS Staff, FY 2005**

	Dollar Value of Raises for FY Ended June 30, 2005		Number of Employees Receiving Raises for FY Ended June 30, 2005	
<u>Administrative Staff</u>				
Agency Level	15,988.77	2.2%	1	0.5%
Support Services	136,841.24	18.5%	30	13.6%
Office Level	8,205.17	1.1%	3	1.4%
Total Administrative Staff	<u>161,035.18</u>	21.7%	<u>34</u>	15.5%
<u>Direct Service Staff</u>				
Direct Supervisors	200,047.12	27.0%	58	26.4%
Direct Service	379,313.36	51.2%	128	58.2%
Total Direct Service Staff	<u>579,360.48</u>	78.3%	<u>186</u>	84.5%
Grand Total	<u><u>740,395.66</u></u>	100.0%	<u><u>220</u></u>	100.0%

SOURCE: PEER analysis of FY 2002 through FY 2005 State Personnel Board data and MDRS employee data.

***Within the administrative employees category, 50% of agency-level and 100% of office-level supervisors received compensation increases in FY 2005. Twenty-four percent of the support services staff received increases in compensation.***

As noted above, in FY 2005, MDRS awarded compensation increases to 220 employees. As shown in Exhibit 8, 34 administrative employees received increases in compensation in FY 2005. Exhibit 7, page 31, shows that as of June 30, 2005, MDRS had 130 administrative employees. Thus approximately 26% of the department's administrative employees received compensation increases in FY 2005.

Within the administrative employees category, the following number of employees received compensation increases: one of the two agency-level supervisors (50%), all of the three office-level supervisors (100%), and 30 of the 125 support services staff (24%).

***Within the direct service employees category, 43% of direct service supervisors received compensation increases in FY 2005. Twenty-one percent of direct service staff received increases in compensation.***

During FY 2005, MDRS awarded compensation increases to 186 of 743 direct service employees. Thus, approximately 25% of all direct service employees received compensation increases in FY 2005.

Within the direct service employees category, the following number of employees received compensation increases: 58 of the

136 direct service supervisors (43%) and 128 of 607 direct services staff (21%).

***From FY 2002 through FY 2005, the number of direct service employees receiving increases in compensation increased by 71 and the total dollar amount of increases for direct service employees rose by \$217,534. During the same period, the number of administrative employees receiving increases declined by 17 and the total dollar amount of increases for administrative employees increased by \$836.***

Exhibit 9 on page 34 compares the number of administrative employees receiving compensation increases and the number of direct services staff receiving compensation increases from FY 2002 through FY 2005. As shown, the number of direct service employees receiving raises increased by 71 during that period, while the number of administrative employees receiving raises declined by 17.

Exhibit 10 on page 34 compares the dollar amount of the increases given to administrative and direct service employees from FY 2002 through FY 2005. As shown in the exhibit, the total dollar amount of increases given to direct service employees rose by \$217,534 from FY 2002 through FY 2005, while the total dollar amount of increases increased for administrative employees by \$836 over the same period.

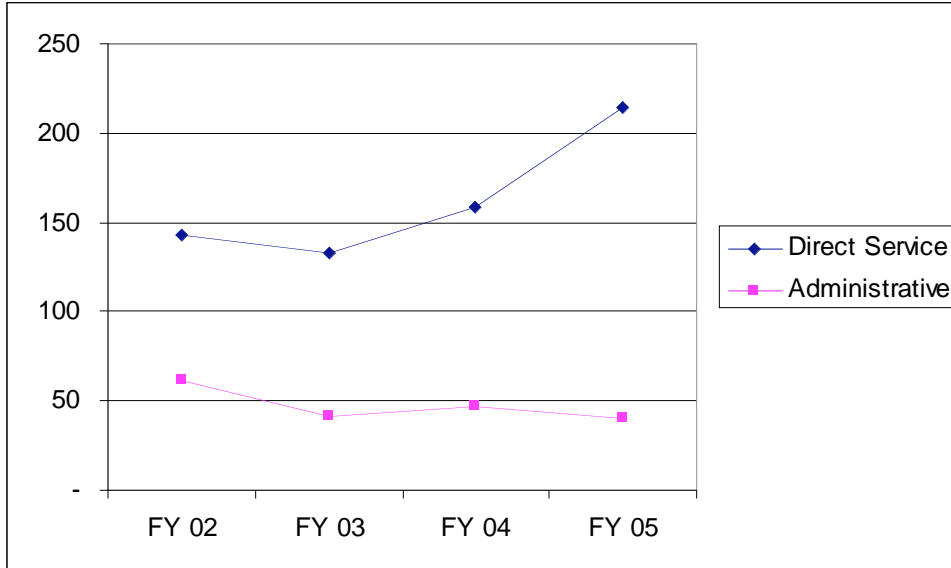
### **How has MDRS distributed new staff positions between administrative and direct service personnel?**

***From FY 2002 through FY 2005, the Legislature authorized thirty-one additional positions for MDRS. Of those new positions that are filled, all are direct service employees.***

From FY 2002 through FY 2005, the Legislature authorized MDRS to add thirty-one new PINs (position identification numbers) to its staff. Of these, thirteen are vacant and eighteen are filled. All of the eighteen filled positions are direct service employees.

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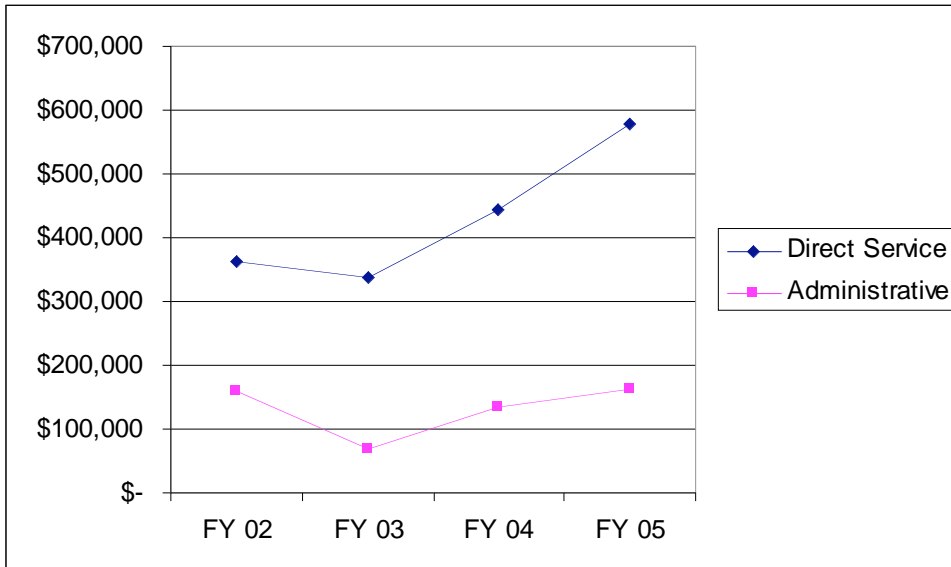
**Exhibit 9: MDRS Administrative and Direct Service Staff Who Received Compensation Increases, FY 2002 through FY 2005**



SOURCE: PEER analysis of State Personnel Board data.

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**Exhibit 10: Amount in Compensation Increases Received by MDRS Administrative and Direct Service Staff, FY 2002 through FY 2005**



SOURCE: PEER analysis of State Personnel Board data.

## Headquarters Building and Grounds Expenditures

From FY 2001 through FY 2005, MDRS spent \$50,962 on improving accessibility to its headquarters. For this same period, the department's expenditures for grounds maintenance equipment and supplies totaled \$26,599 (some of which represents expenditures for equipment with an extended life, such as lawn mowers, and some of which represents recurring expenditures). Although the headquarters building has unnecessary amenities such as indoor fountains and tennis courts, those amenities were present on the property when it was bought by the state and have cost the state little to maintain.

### What has MDRS spent recently for headquarters building and grounds improvements and maintenance?

*From FY 2001 through FY 2005, MDRS spent \$50,962 on accessibility improvements and \$26,599 on grounds maintenance equipment and supplies for its headquarters building.*

#### **Improvements**

In Calendar Year 2002, MDRS spent \$21,981 on renovations at the MDRS headquarters in Madison to improve accessibility to the building. The costs included \$6,021 for the installation of a ramp at the front of the building; \$12,960 for an aluminum canopy covering the front of the building; and \$3,000 for bathroom renovations.

In Calendar Year 2003, MDRS also acquired a new sign for the front of the grounds that cost \$7,000 and, according to MDRS, was paid for with federal funds.

#### **Maintenance**

The following table shows MDRS's expenditures for headquarters grounds maintenance for fiscal years 2001-2005:

2001	\$9,268	*
2002	1,036	
2003	8,414	**
2004	4,937	
2005	2,944	
Total	\$26,599	

\*MDRS spent \$6,944 of this amount for a lawn mower.

\*\*MDRS spent \$7,450 of this amount for a lawn mower.

Of the total \$26,599 spent over five fiscal years, \$14,395 was spent on two lawn mowers; this will not be a recurring expense because this equipment has an extended life. Other than lawn mowers, expenses for grounds maintenance included items such as weed killer, repairs to equipment, gasoline, weed eaters, and flowers.

Inside the building at the MDRS headquarters are two fountains that were installed by previous owners of the building. From FY 2001 through FY 2005, the only maintenance cost for the fountain was a purchase of chlorine in 2004 for \$13.

The MDRS headquarters also has tennis courts that MDRS staff have reported are not in use and were built by a previous owner of the building. State accounting records show that in FY 2001, MDRS spent \$318.50 at a tennis equipment store; however, MDRS reported that it could not obtain access to specific records from FY 2001 to show what MDRS purchased with those funds.

## Lobbying and Advocacy

**Some MDRS staff members travel to the Capitol three to four days per week during legislative sessions. While state agencies should have access to the legislative process to support the constituents that they serve, they should also ensure that resources are used efficiently.**

**State agencies should be aware that the resources they spend at the Capitol (either monetary or staff time) are a public expenditure.**

PEER believes that state agencies should have access to the legislative process in order to support the constituents whom they serve. However, state agencies' constituents are not only those they provide services to, but also the taxpayers in general. Thus state agencies should be aware that the resources they spend at the Capitol (either monetary or staff time) are a public expenditure and should be expended as efficiently as possible.

While PEER considered these principles in this review, no standard has been established to guide agencies regarding the amount of resources they should spend while participating in the legislative process.

Below, PEER answers questions regarding the extent to which MDRS staff members spend time at the Capitol during the legislation sessions and for what purposes.

### **Are any MDRS staff registered lobbyists?**

***No. According to the Secretary of State's Office, MDRS does not have any registered lobbying groups or individuals.***

MISS. CODE ANN. Section 5-8-1 et seq. (1972) defines "lobbying" as:

- influencing or attempting to influence legislative or executive action through oral or written communication; or,
- solicitation of others to influence legislative or executive action; or,
- paying or promising to pay anything of value directly or indirectly related to legislative or executive action.

The same CODE section defines a “lobbyist” as:

- an individual who is employed and receives payments, or who contracts for economic consideration, including reimbursement for reasonable travel and living expenses, for the purpose of lobbying;
- an individual who represents a legislative or public official or public employee, or who represents a person, organization, association or other group, for the purpose of lobbying; or,
- a sole proprietor, owner, part owner or shareholder in a business who has a pecuniary interest in legislative or executive action, who engages in lobbying activities.

According to state law, all lobbyists must register with the Secretary of State’s Office. State agency personnel must register as a lobbyist if lobbying is a primary responsibility of their job or if they give legislators more than \$200 of anything of value in a calendar year. According to the Secretary of State’s Office, MDRS does not have any registered lobbying groups or individuals.

According to MDRS staff, the agency has made no payments to or on behalf of public officials by MDRS for lobbying purposes and MDRS does not lobby or pay any public officials any money for lobbying.

## **How often do MDRS staff travel to the Capitol and for what purposes?**

***MDRS’s Executive Director reports that he and the Deputy Director travel to the Capitol an average of three to four days per week during the legislative session.***

According to MDRS’s Executive Director, he and the MDRS Deputy Director travel to the Capitol an average of three to four days per week during the legislative session. On these days, they spend at least a portion of their work day at that location.

The Executive Director noted that other MDRS staff who spend time at the Capitol as needed include: the Director of the Office of Financial Management; the Director of the Office of Human Resources; the Director of the Office of Vocational Rehabilitation; the Director of the Office of Vocational Rehabilitation for the Blind; the Project Director for the youth transition program; and a Staff Officer who assists the Executive Director.

***During the 2005 regular legislative session, MDRS staff members were reimbursed for 103 round trips to the Capitol from MDRS headquarters in Madison in private vehicles. This does not include any trips made in MDRS vehicles.***

PEER analyzed data for MDRS's private vehicle travel reimbursement during the term of the legislative session. According to this data, during the 2005 regular legislative session, MDRS staff members were reimbursed for the following number of trips to the Capitol:

<b>MDRS Staff Member</b>	<b>Number of Round Trips to Capitol During 2005 Regular Legislative Session That Were Reimbursed with State/Federal Funds</b>
Deputy Director	44
Director of Financial Management	25
Project Director, Youth Transition	16
Director, Voc Rehab for the Blind	9
Director, Human Resources	9
<i>Total</i>	103

This does not include any trips MDRS staff might have made to the Capitol in MDRS vehicles.

According to MDRS, legislators request MDRS staff to come to the Capitol. Their purpose in going to the Capitol is to answer questions and to ensure that MDRS's appropriation includes enough matching funds to maximize the federal funding available to MDRS (see page 7 for a discussion of matching funds).

## **Dues to Professional Associations**

**In FY 2005, MDRS paid \$21,181 in professional dues to associations, \$13,604 of which was spent for membership in the Council of State Administrators of Vocational Rehabilitation. MDRS also spent \$16,162 in travel to meetings of this association. Membership in the council provides MDRS with training, opportunities for federal advocacy, and facilitates interaction with similar agencies in other states.**

Below, PEER answers questions regarding MDRS's dues to professional associations and the travel costs related to meetings of these associations.



## What associational dues does MDRS pay and for what purpose?

*In FY 2005, MDRS paid \$21,181 in professional dues to associations.*

In FY 2002, MDRS paid \$17,616 in dues paid to professional associations. In FY 2005, the agency paid \$21,181 in dues.

The largest amounts for associational dues MDRS paid from FY 2002 through FY 2005 were for membership in the Council of State Administrators of Vocational Rehabilitation and the National Organization of Rehabilitation Partners. Exhibit 11 on page 39 shows the amount of dues MDRS paid to these two associations from FY 2002 through FY 2005.

According to MDRS staff, the Council of State Administrators of Vocational Rehabilitation was founded in 1940 to provide input into the state-federal rehabilitation program. The council is the only national organization whose sole purpose and function is to advocate for the public vocational rehabilitation program.

According to MDRS staff, the National Organization of Rehabilitation Partners was a spinoff of the council that was formed in 2002 due to federal funding policy differences. Once the funding differences were resolved, the twelve states rejoined the council and the National Organization of Rehabilitation Partners dissolved.

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### Exhibit 11: Associational Dues MDRS Paid to Council of State Administrators of Vocational Rehabilitation (CSAVR) and National Organization of Rehabilitation Partners (NORP), FY 2002 through FY 2005

Fiscal Year	MDRS Dues Paid to CSAVR	MDRS Dues Paid to NORP
FY 2002	\$13,604	\$0
FY 2003	0	9,420
FY 2004	0	9,420
FY 2005	13,604	0
Total	\$27,208	\$18,840

SOURCE: MDRS

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The Council of State Administrators of Vocational Rehabilitation lobbies Congress regarding laws that affect vocational rehabilitation programs. According to the MDRS Executive Director, membership in the council benefits MDRS because the council tracks bills, reduces the amount of travel needed to stay in contact with federal officials, advocates additional federal funding for vocational rehabilitation programs, and keeps its members apprised of federal matters.

**How much did MDRS spend in FY 2005 in travel costs related to associations?**

*In FY 2005, MDRS spent \$16,162 on out-of-state travel to meetings of the Council of State Administrators of Vocational Rehabilitation.*

In addition to membership dues, MDRS pays for travel to conferences and events sponsored by the Council of State Administrators of Vocational Rehabilitation and, prior to its dissolution, paid for travel to meetings of the National Organization of Rehabilitation Partners. In FY 2005, MDRS spent \$187,599 on all out-of-state travel. Of that amount, MDRS spent \$16,162 on travel for Council of State Administrators of Vocational Rehabilitation meetings. Exhibit 12 on page 40 shows the cost of MDRS's travel associated with the council and with National Organization of Rehabilitation Partners from FY 2002 through FY 2005 and the number of staff attending these meetings.

According to MDRS staff, the associations' conferences provide training to state agency staff regarding the policy environment for rehabilitation services and information about changes in federal requirements. The meetings also facilitate regional meetings with other state agencies that provide vocational rehabilitation.

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**Exhibit 12: MDRS Travel Costs for National Organization of Rehabilitation Partners and the Council of State Administrators of Vocational Rehabilitation, FY 2002 through FY 2005**

NORP Travel Costs	Year	Number of NORP Meetings Attended	CSAVR Travel Costs	Number of CSAVR Meetings Attended	Number of Staff Who Attended at Least one Meeting
\$ 0	FY 2005	0	\$16,162	7	5
7,493	FY 2004	4	8,559	2	6
12,730	FY 2003	2	0	0	8
7,039	FY 2002	4	3,059	1	4
<b>\$27,262</b>	<b>Total</b>	<b>10</b>	<b>\$27,780</b>	<b>10</b>	

SOURCE: PEER analysis of MDRS travel data

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## Consumers' Access to Facilities

MDRS chose the locations of its service facilities based on factors intended to maximize consumers' access to services. MDRS staff members state that they will travel to or provide transportation assistance for consumers who do not live near a service facility. MDRS located its headquarters in Madison after the state received bids on six buildings and the bid for the present site was the lowest received. Although the headquarters building is located outside of Jackson, no services are provided there that would require consumers to travel to that location.

Regarding consumers' access to MDRS facilities, PEER analyzed the locations of MDRS field offices in relation to both the number of persons served by MDRS in each county and the number of individuals with disabilities in each county (according to 2000 census data).

Also, regarding the location of MDRS headquarters in Madison, PEER reviewed records documenting the request for proposals for the agency's headquarters location, notes on the selection process, and the lease-purchase agreement for the Madison location.

### Are MDRS's service locations easily accessible to consumers?

*MDRS chose its office locations based on factors intended to maximize consumers' access to services. If an MDRS service location is not convenient to a consumer, MDRS will either provide transportation for the consumer or an MDRS counselor will travel to the consumer.*

MDRS provides services through a network of service sites in thirty-four cities across the state. Exhibit 2, on page 5, is a map of MDRS service locations.

At one time, MDRS had an office location in each county. However, for the sake of efficiency, MDRS consolidated offices and divided the programs into district and regional office locations throughout the state. MDRS now locates its offices in areas based on factors such as consumer population, central location to the counties served, and availability of public transit. When possible, MDRS makes an effort to locate its offices near universities to help with job placement.

**MDRS bases its office location decisions on factors such as consumer population, central location to the counties served, and availability of public transit.**

According to MDRS staff, in those areas in which individuals are not near an MDRS service location, MDRS will either provide transportation assistance for a consumer to travel to the nearest location or the agency's counselors will travel to meet the consumer who is unable to travel.

PEER analyzed the locations of MDRS field offices in relation to both the number of persons served by MDRS in each county and the number of individuals with disabilities in each county (according to 2000 census data). PEER found that, overall, most MDRS offices were located in areas with the greatest numbers of

consumers. In a few cases, instead of being located in the area most populated by its consumers, MDRS located an office centrally between other populated areas. For example, the Oxford office is centrally located to the counties that it serves, even though Oxford does not have the greatest number of persons to be served.

**PEER found that, overall, most MDRS offices were located in areas with the greatest numbers of consumers.**

The MDRS headquarters building, housing MDRS administrative staff, is located in Madison. No services are provided at the Madison office that would require consumers to travel there. MDRS's Office of Disability Determination operates from the Madison office, but individuals do not have to travel to that office to receive a disability determination.

## **Why did MDRS locate its headquarters in Madison?**

*The state bought the MDRS headquarters building in Madison after reviewing six bids from the Jackson metro area. The state chose the Madison building because it had the lowest bid.*

The Department of Finance and Administration purchased the Madison office in 1993 after issuing a Request for Proposals for the MDRS headquarters building and evaluating several locations throughout the Jackson metro area.

According to the former Director of Real Property Management of the Department of Finance and Administration's Bureau of Building, state law did not limit the location of the MDRS building to the city of Jackson. Therefore, the bureau issued an RFP to obtain the lowest bid and best location.

The Department of Finance and Administration (DFA) received six responses and inspected each building for which a proposal was received. MDRS and the Department of Finance and Administration's Bureau of Building and Real Property staff reviewed the proposals. The Procurement Board and State Bond Commission also reviewed the proposals. After evaluating all locations and bid proposals, the building in Madison was chosen as the lowest bid, taking into account renovations necessary for MDRS occupancy.

The state issued a bond to pay for the building and DFA set up a lease-purchase program with MDRS through which federal funding sources pay 97% of the lease payments.

The consolidation of administrative offices into one building saved the state \$1 per square foot over the rent paid by MDRS for its offices prior to consolidating. This savings does not take into account potential increases in rent that usually occur when contracts expire.

**MDRS manages ten state-owned vehicles but does not manage them in a way that ensures their most efficient and effective use.**

Because vehicle management is an issue that affects many agencies and is an oversight area of unique interest to the Legislature, PEER not only sought to answer specific questions about the Department of Rehabilitation Services' state-owned vehicles, but also evaluated the agency's management of its state-owned vehicles to determine whether MDRS ensures their most efficient and effective use.

### **What state-owned vehicles does MDRS manage?**

*MDRS manages ten state-owned vehicles.*

MDRS currently operates seven administrative vehicles and three other vehicles at the Madison location. These vehicles are:

- four Ford Crown Victoria automobiles (three model year 1995 and one model year 2000);
- two Ford F-150 trucks (model years 1998 and 2003);
- one Ford van (model year 1998); and,
- three Dodge Caravan mini-vans (model years 1997, 1999, and 2003)

The MDRS Executive Director drives one of the Ford F-150 trucks, which is unmarked as authorized by MISS. CODE ANN. §25-1-87 (1972). (This section of the CODE allows certain agencies to have one unmarked vehicle.) With the exception of the Executive Director's vehicle and the two vehicles assigned to maintenance personnel, other MDRS vehicles must be checked out by staff when authorized travel is necessary.

### **What are the components of a good vehicle management program?**

*An agency's vehicle management program should include elements such as documented cost-benefit analysis regarding decisions about purchase and replacement and formal policies and procedures addressing vehicle use and documentation.*

PEER established critical components of a model vehicle management system in its report *A Performance Audit of State-Owned Vehicle Management* (1993). The report provided examples of the types of policies and procedures and analysis needed to make procurement decisions for state-owned vehicles.

A vehicle management program that ensures efficient and effective use includes documented cost-benefit analysis to guide managers' decisions regarding whether the travel needs of agency

staff justify the need to buy vehicles, how many vehicles to buy, and when to replace a vehicle.

This type of analysis is twofold. The first, a breakeven analysis, includes analysis of staff travel and whether the amount of travel justifies the need for an agency vehicle or whether reimbursement for mileage is more cost-efficient. To determine this, an agency must determine the breakeven mileage point at which it is more cost-efficient to provide a state-owned vehicle rather than reimburse for mileage. This point is determined using a formula that contains variable costs such as maintenance costs, depreciation of the vehicle, insurance costs, and oil and gas costs and may change regularly. It also depends upon the type of vehicle that is to be purchased.

The second type of analysis, or needs analysis, provides information to help managers decide when to replace a vehicle and what type of vehicle to buy. This often consists of analyzing the maintenance and fuel costs of a vehicle in relation to its depreciation.

A good vehicle management program also contains some measures to ensure that staff use state-owned vehicles according to their policies and procedures. One way to do this is by having staff keep a travel log documenting each trip in a state-owned vehicle, including the beginning and ending mileage, destination, and the purpose of the travel. If staff use state-owned vehicles for personal use, this use is considered compensation for tax reporting purposes.

### **Does MDRS manage its state-owned vehicles in a way that ensures their most efficient and effective use?**

***No, the department does not manage its vehicles in a way that ensures their most efficient and effective use.***

PEER reviewed MDRS's policies and procedures, travel logs, and records of reimbursement for travel in private vehicles and found weaknesses in the agency's policies and procedures for vehicle management and in the implementation of those policies and procedures.

MDRS has a pool of seven vehicles for use by administrative staff and three assigned vehicles. MDRS also provides reimbursement of travel in private vehicles for its staff. However, MDRS does not perform and document the analysis necessary to determine whether its vehicle use is efficient and effective.

MDRS also does not conduct needs analysis of the maintenance and fuel costs and depreciation of its vehicles. MDRS uses breakeven analysis from a 1996 PEER report that is now outdated and was not meant to be used as a template for breakeven analysis statewide.

Also, MDRS does not require all staff to keep travel logs documenting the use of state-owned vehicles.

*MDRS's policies and procedures do not require the staff to conduct an annual cost benefit analysis to determine when to provide an employee with an assigned state-owned vehicle, when to establish an agency pool of vehicles, and when to reimburse employees for mileage driven in private vehicles.*

**Because MDRS does not conduct annual cost-benefit analysis, the department does not know whether its assignment of state-owned vehicles, agency pool vehicles, and mileage reimbursement is the most efficient use of state-owned vehicles.**

In determining whether to use a state-owned vehicle for official travel or to use a private vehicle and reimburse mileage, agency managers should conduct a cost-benefit analysis. Although MDRS has ten state-owned vehicles, the agency's policies and procedures manual does not provide instructions on how or when to conduct such analysis. Instead, MDRS instead uses the break-even mileage provided in PEER's 1996 report *A Review of Private Vehicle Mileage Reimbursement Expenses* to determine at what point the purchase and use of a state vehicle would be more economical than reimbursing mileage expenses. DFA had published this breakeven mileage figure in its procurement manual.

The breakeven mileage amount presented in the 1996 PEER report (and published in the DFA procurement manual) is now outdated and agencies should recalculate to determine a current breakeven mileage amount. The breakeven mileage figures used in the 1996 PEER report were not meant to be used as a template for breakeven analysis for years to come because the figures were determined using a formula that contains variable costs such as maintenance costs, depreciation of the vehicle, insurance costs, and oil and gasoline costs.

The effect of this is that MDRS does not know whether its assignment of state-owned vehicles, agency pool vehicles, and mileage reimbursement is the most efficient use of state-owned vehicles.

*MDRS reimburses some personnel for travel in private vehicles when MDRS vehicles are available for use at less cost.*

While it is possible for reimbursement of travel in a private vehicle to be more cost-efficient than buying a state-owned vehicle, if a staff member already has access to a state-owned vehicle, it costs less to use that vehicle than to be reimbursed for mileage in a private vehicle.

**In FY 2005, of 300 total days traveled in private vehicles by the MDRS administrative staff, on 245 of those days the staff were reimbursed for travel in their private vehicles when agency vehicles were available.**

PEER reviewed the documentation for FY 2005 reimbursements to eight MDRS administrative employees for official in-state travel. In FY 2005, MDRS spent \$7,777 on private vehicle reimbursement for those staff members. PEER reviewed the number of days traveled according to the travel reimbursement documentation, in conjunction with a list of dates provided by MDRS in which all the agency's state-owned vehicles were in use. Of 300 total days traveled in private vehicles by the eight administrative staff, on 245 of those days the staff were reimbursed for travel in their private vehicles when agency vehicles were available.

MDRS does not have policies and procedures requiring that employees use the agency's state-owned vehicles, if available, rather than using a private vehicle and being reimbursed. Reimbursement of travel in private vehicles is generally more costly than travel in an agency's state-owned vehicle. MDRS is sometimes not using the most cost-efficient means of travel and should be utilizing available state-owned vehicles to avoid unnecessary cost to the state.

*MDRS's policies and procedures do not require the staff to conduct formal annual needs analysis upon which to base decisions regarding purchase or replacement of vehicles.*

PEER found the following problems with MDRS's vehicle purchase, replacement, and disposal decisions:

- *MDRS managers do not base purchase decisions on available management information.* MDRS generates management reports that give managers information recommending when a vehicle is to be replaced and what kind of vehicle would be the most fuel- and cost-efficient vehicle to serve as the replacement. Currently, MDRS reviews the Fuelman cost for the vehicle and if the staff believes the cost is more than the vehicle is worth, it is replaced. However, the agency's managers do not base this decision on a formal analyzed report generated by MDRS staff.
- *Seven of the ten MDRS vehicles have mileage of 100,000 miles or more.* MDRS depreciates some of these vehicles over ten years, instead of the standard three- to five-year rate established by the Office of the State Auditor. Thus MDRS's depreciation data reported to the State Auditor leads to inaccurate book values of vehicles in state property inventory records.

MDRS's policies and procedures do not address how to make vehicle purchase or replacement decisions. Thus, the agency may not replace vehicles that have high maintenance costs and are not efficient for staff to use. This situation could also lead to unnecessary replacement of vehicles when their use is still efficient.



*Although MDRS has formal, written policies and procedures for maintaining travel logs, MDRS staff do not keep consistent and detailed travel logs for state-owned vehicles.*

**Lack of consistent documentation and internal auditing of vehicle use provide opportunity for potential misuse of state-owned vehicles, resulting in unwarranted costs to the state.**

MDRS has a policy requiring travel logs for all state-owned vehicles operated by MDRS staff. The policy requires that each employee record the date, beginning odometer reading, ending odometer reading, number of gallons of fuel purchased, odometer reading at time of fuel purchase, driver's name, and destination on the travel logs. The policy does not require that an employee record the time or purpose of travel in the travel log.

Some MDRS administrative staff members, such as the Director of Administrative Services and the Executive Director of MDRS, do not adhere to the travel log requirement. Other administrative staff who have traveled to the Capitol during the legislative session did not keep records of such travel in the travel logs. Also, some travel logs include broad descriptions of destinations, using terms such as "local." MDRS managers have not periodically audited travel logs to ensure that all required data is properly recorded.

Lack of consistent documentation and internal auditing of vehicle use provide opportunity for potential misuse of state-owned vehicles, resulting in unwarranted costs to the state.

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# Recommendations

## Channels for Consumer Input

1. MDRS should consolidate information about complaints and informal and formal reviews that come through the local field offices, districts, regions and state office and use that information to address individual concerns and to identify larger areas of concern from complaint patterns.
2. To ensure that the Statewide Independent Living Council and the State Rehabilitation Council receive maximum participation from members of the disabled community, these advisory councils should consider asking MDRS managers to have the agency's counselors make consumers aware of the councils during regular contact with consumers. The councils should also ask MDRS to use all reasonable efforts to advertise the time, date, and place of the councils' meetings.
3. The Chairman of the State Board of Rehabilitation Services should tender a written request to the Governor asking that he make replacement appointments to the State Rehabilitation Council and Statewide Independent Living Council as soon as is practicable.
4. The advisory councils should consider reviewing their by-laws and operating procedures to ensure that the role and participation of ex-officio non-voting members is proper, given that the purpose of these councils is to provide advice and guidance from constituencies outside of the department. Further, MDRS staff who are ex-officio and non-voting members should not make motions or nominations in advisory council meetings.

## Quality Assurance Standards and Methods

5. MDRS should develop a written, comprehensive, agency-wide plan for quality assurance that includes procedures for the coordination of quality assurance activities for all MDRS programs and that describes the roles of all staff levels in quality assurance.

The procedures should address, but not be limited to, the roles of following in quality assurance:

- the Program Evaluation Unit;
- district-, office-, and agency-level monitoring;

- training;
- federal reporting;
- Internal Audit; and,
- Management Information Systems.

The MDRS plan should also include production of an annual report of quality assurance activities and results.

6. MDRS should develop written policy and procedures for its Program Evaluation Unit that include, but are not limited to the following:
  - how the Program Evaluation Unit should conduct evaluations;
  - what types of evaluations should be conducted;
  - the evaluation schedule for the agency, evaluation techniques, and criteria;
  - how to disseminate program evaluation results; and,
  - how program evaluation reports should be used once obtained by MDRS management, including follow-up of findings and training needs identified through the reviews.
7. The MDRS Program Evaluation Unit should conduct unannounced reviews of random samples of cases without allowing case managers to move or close cases prior to a review so that case reviews will provide an accurate picture of a counselor's caseload at the time of the review.

## Staffing

8. MDRS should request that the State Personnel Board study the classification of administrative assistants located in MDRS field offices to determine whether their job title and job description are correct.

## Lobbying and Advocacy

9. To ensure the most efficient use of staff resources, the Board of Rehabilitation Services should review the extent to which the department's staff should participate in the legislative process.

10. MDRS should establish written policy and procedures that describe how break-even analysis for vehicles should be conducted, how often, and by whom.
11. MDRS should establish policy and procedures that specify the justification process for vehicle procurement. MDRS should also produce a management report and use it to make decisions on which type of vehicle is the most fuel-efficient and cost-efficient to operate.
12. MDRS should amend its policies and procedures to require that travel logs be documented by all staff members in a standard format. At minimum, these logs should capture the beginning and ending mileage for each trip and the date, time, and purpose of all trips. The department should assign to its internal auditor or another member of management the responsibility of conducting regular audits of travel logs to ensure that they are maintained in conformity with policy.
13. MDRS should conduct the necessary break-even analysis to determine which employees should be assigned state-owned vehicles, rather than private vehicles, for official travel. This analysis should include a determination, based on need, of how many state-owned vehicles the agency should maintain and to which employees vehicles should be permanently assigned.

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## Appendix A: MDRS Offices and Programs

### Office of Vocational Rehabilitation

The Office of Vocational Rehabilitation's services are individualized and may include but are not limited to: counseling, job development, job training, job placement, supported employment, transition services from school to work and employability skills training. Persons are eligible for this program if they are an individual with a disability who requires vocational rehabilitation services to prepare for, secure, retain, or regain employment consistent with his or her unique strengths, resources, priorities, concerns, abilities, capabilities, career interests, and informed choice.

In addition to providing counseling, rehabilitation, and job placement services, the Office of Vocational Rehabilitation also administers some special programs, including AbilityWorks, the Office of Deaf and Hard of Hearing, Transition Service, and Assistive Technology.

#### **AbilityWorks**

AbilityWorks is a nonprofit corporation administered by MDRS that is made up of seventeen community rehabilitation programs throughout the state that provide job training, vocational assessment, and actual work experience for individuals with disabilities.

#### **Deaf Services and Office of Deaf and Hard of Hearing**

The Office of Vocational Rehabilitation provides specialized vocational rehabilitation services to individuals who are deaf, deaf-blind, or are otherwise hearing impaired with counselors who are trained to communicate with persons who are deaf.

The Office of Vocational Rehabilitation also has established a program cooperatively with Hinds Community College to provide post-secondary education to individuals who are deaf.

The Office of Deaf and Hard of Hearing was created in state law to provide education, outreach, and advocacy for individuals who are deaf or hard of hearing. This office receives a direct appropriation from the Legislature.

## **Transition Services**

Transition Services provides vocational evaluation, education, and training for youth who are preparing to transition from school to work.

## **Supported Employment**

While most vocational rehabilitation services end once a consumer has been successfully rehabilitated, the supported employment program provides intensive and ongoing services to individuals with the most significant disabilities to secure and retain employment.

## **Office of Vocational Rehabilitation for the Blind**

The Office of Vocational Rehabilitation for the Blind serves individuals who are blind or visually impaired. Types of services provided through case management include but are not limited to: job development, job training, job placement, orientation and mobility, communications, physical conditioning, and independent living services.

In addition to providing counseling, rehabilitation, and job placement services, the Office of Vocational Rehabilitation for the Blind also administers the Business Enterprise Program, Independent Living Services, and Facility Services.

## **Itinerant Teacher Program**

Through the itinerant teacher program, the Office of Vocational Rehabilitation for the Blind provides on-site training and other services to individuals who are blind at either the consumer's home, work, or in their community.

## **Business Enterprise Program**

The Business Enterprise Program provides employment for a limited number of legally blind adults through training and the provision of equipment, initial stock, licenses, supervision, and equipment maintenance. The Business Enterprise Program has assisted participants in operating forty-six vending locations in public buildings throughout the state.

## **Independent Living Services**

The Office of Vocational Rehabilitation for the Blind provides Independent Living Services such as case management and

training in the home to persons who are blind or visually impaired and who have a significant secondary disability whose goals are to become independent in the home and community but are not seeking to gain employment.

## **Independent Living Services for Older Individuals Who Are Blind**

The Office of Vocational Rehabilitation for the Blind also provides special Independent Living Services such as instruction and aid and appliances for persons who are legally blind who are fifty-five years of age or older.

## **Facility Services**

The Office of Vocational Rehabilitation for the Blind operates the Addie McBryde Rehabilitation Center in Jackson and the REACH Center for the Blind in Tupelo. These facilities provide training to persons who are blind or have severe visual impairments to help them adjust to loss of vision and function independently.

## **Office of Special Disability Programs**

The Office of Special Disability Programs provides independent living services to individuals with the most severe disabilities who do not necessarily demonstrate immediate potential for competitive employment. An individual who is eligible is one who has a severe disability that constitutes multiple barriers to the individual's capacity to live independently and exhibits a strong likelihood that the individual will be able to live significantly more independent at home, avoiding institutionalization.

The office provides case management and also administers special programs such as the State Attendant Care Program, Home- and Community-Based Waiver Programs, and the Spinal Cord and Traumatic Brain Injury Program.

## **Independent Living Services**

The Independent Living Services program provides case management to individuals with the most severe disabilities. Types of services available through case management include, but are not limited to: home and vehicle modification, durable medical equipment, personal care attendant services, and peer counseling.

## **State Attendant Care Program**

The State Attendant Care Program provides personal care services in the home for individuals with severe disabilities. The personal care attendants work to help individual consumers live more independently, become independent enough to allow family members to work, or become employable themselves.

## **Home- and Community-Based Waiver Programs**

The Home- and Community-Based Waiver services, provided in partnership with the Division of Medicaid, provide personal care services and special medical equipment and supplies that allow persons with severe disabilities who participate in the program to live at home rather than in nursing homes or other institutions.

## **Spinal Cord and Traumatic Brain Injury Program**

The Spinal Cord and Traumatic Brain Injury program, established in MISS. CODE ANN. §37-33-251 et seq., provides services for individuals who are severely disabled by spinal cord or traumatic brain injury to resume the activities of daily living. MDRS provides some services directly to individuals, including durable medical equipment, assistive technology, home and vehicle modifications, respite care services, and personal care attendants. MDRS also provides grants to other organizations to provide prevention, education, and recreation projects and transitional living services for individuals with spinal cord and traumatic brain injuries. The Spinal Cord and Traumatic Brain Injury program is funded by a \$4 fee levied on each moving vehicle violation and a \$25 fee on each driving under the influence law violation.

## **Office of Disability Determination**

The Office of Disability Determination, funded entirely through the Social Security Administration, establishes eligibility for individuals with severe disabilities who apply for Social Security Disability Insurance and/or Supplemental Security Income. As discussed on page 1, PEER did not review the functions of this MDRS Office.

## **Office of Support Services**

While the other four offices are provided for in state law, the Office of Support Services was created by MDRS to direct the administration of the other four offices. The creation of the Office of Support Services allowed MDRS to organize all of the functions of MDRS that are not directly linked to one of the other



programs but instead provide agency-wide administrative services.

## Other Services

### **Assistive Technology**

The Assistive Technology program works to provide access to assistive technology. The program provides an assessment of consumer needs and may provide services including home and vehicle modification, adaptive computer access, vision aids, and seating and mobility aides, among other services. MDRS also has the START program, which works to increase the awareness of and access to assistive technology for individuals with disabilities.

### **Selected Social Security Programs**

MDRS also administers other selected Social Security programs, including the Ticket to Work Program, the Mississippi Partners for Informed Choice, the Social Security Administration/Vocational Rehabilitation Reimbursement Program, the Model Youth Transition Innovation Project, and the Disability Quality Assurance Program. These programs operate with funding provided by the Social Security Administration and provide various specialized vocational rehabilitation services.

SOURCE: PEER analysis of MDRS's budget requests, the MDRS website, and the MDRS 2004 Annual Report.

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# Appendix B: MDRS Consumer Satisfaction Survey: Background and Questions

## Consumer Survey Background

MDRS contracts with the Mississippi State University Social Science Research Center to conduct a Consumer Satisfaction Survey and develop a report for the State Rehabilitation Council. The Survey Research Unit of the Social Science Research Center surveys consumers of MDRS offices of Vocational Rehabilitation and Vocational Rehabilitation for the Blind quarterly and compiles the results in an annual report.

The surveyors select a random sample from each district of Vocational Rehabilitation and Vocational Rehabilitation for the Blind consumers whose cases were closed in the previous quarter. The surveyors interview about 20% of the consumers whose cases were closed in each district.

PEER reviewed the survey reports from Federal Fiscal Year 2002 through Federal Fiscal Year 2004 and the survey results for the first three quarters of Federal Fiscal Year 2005. In those years, the surveyors interviewed between 1,076 and 1,275 consumers annually.

The following section provides the survey questions. Six of the questions ask consumers to rate the services they received on a scale of one to five, with one being very bad and five being very good. The other four questions ask consumers whether they experienced any “good” or “bad” services and give the consumers an opportunity to provide examples of each.

Page 13 of the report provides a summary of the results of the surveys PEER reviewed.

## MDRS Consumer Survey Questions

On a scale of 1 to 5, with 1 being very bad and 5 being very good, please rate the following items:

1. The help the VR staff provided at the time you applied for VR services.
2. The help from the VR staff during the planning of your services.
3. The help from the VR staff when you were receiving your VR services.

4. The help you received from other agencies or service providers such as Goodwill, Methodist Rehabilitation Center, Employment Services, T.K. Martin Center, Mississippi Industries for the Blind, and Mississippi Medical Supply while you were receiving VR services from them.
5. A. Are there any good services you received from the Mississippi Department of Rehabilitation Services or an outside service provider you'd like to mention? What good services did you receive?  
  
B. Are there any bad services you received from the Mississippi Department of Rehabilitation Services or an outside service provider you'd like to mention? What bad services did you receive?
6. A. Are there any good service providers inside or outside the Mississippi Department of Rehabilitation Services that you would like to mention? What good service providers are these?  
  
B. Are there any bad service providers inside or outside the Mississippi Department of Rehabilitation Services that you would like to mention? What bad service providers are these?

On a scale of 1 to 5, with 1 being very bad and 5 being very good, please rate the following items:

7. Your employment outcome.
8. Employment benefits such as health insurance provided by your employer.
9. Overall, how do you rate the services you received?
10. Do you have any other comments you would like to make?

SOURCE: MDRS consumer surveys completed by Mississippi State University Social Science Research Center.

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## Appendix C: MDRS Process and Outcome Measurement Standards

Each of the three main MDRS case management programs in the offices of Vocational Rehabilitation, Vocational Rehabilitation for the Blind, and Special Disability Programs has standards for performance that are either developed internally or imposed by their funding sources. The standards allow MDRS and its funders to define “quality services” and whether they are providing quality services. Performance measurement allows managers to monitor and articulate the results of programs and usually includes two types of measures: process measures and outcome measures.

- *Process measures* show the activities of a program, such as the number of people served. These can also include measures that show the quality or efficiency of these activities.
- *Outcome measures* show the impact that those activities have had, such as the number of persons who became employed after being served.

Below, the process and outcome standards are provided in detail for each of the MDRS offices.

### Process Standards

While the Office of Vocational Rehabilitation and the Office of Vocational Rehabilitation for the Blind share the same standards of performance, the Office of Special Disability Programs has similar, but separate, standards for the quality of case management.

#### **Office of Vocational Rehabilitation/Office of Vocational Rehabilitation for the Blind**

As shown in the following table, MDRS’s offices of Vocational Rehabilitation and Vocational Rehabilitation for the Blind have established the following standards for the components of services that should be provided and the time frames in which those services should be provided. MDRS is required to establish these time standards for vocational rehabilitation services by federal regulation.

**Office of Vocational Rehabilitation/Office of Vocational Rehabilitation for the Blind  
Standards for Service Initiation/Provision and Timeframes**

Service Initiation/Provision	Timeframe
Referral to Application	contact as soon as possible, not to exceed 14 days – application is to be taken as soon as possible, not to exceed 30 days from referral
Application to Eligibility	no more than 60 days w/o extension as required by federal law for vocational rehabilitation funding
Eligibility to IPE development	90 days (general standard), if exceeds 90 days, rationale for exception is to be documented in the case record. If exceeds 6 months, district manager is to review case and approve any extension
Client Contact	maximum of 90 days, more often if warranted by client’s disability or services being provided
Services	provided as appropriate and indicated on IPE
Annual Plan Review	from date of last plan/amendment, not to exceed 1 year
Employment to Closure “Rehabilitated”	must remain in Employed Status a minimum of 90 days from date of employment
Federal Follow-up (Closure Rehabilitated)	no more than 6 months and 12 months from date of employment
Annual Review (cases closed: due to severity of disability and cases closed with an employment outcome of extended employment)	no more than 12 months from closure date and in keeping with the policies in the Closure section of the Office of Vocational Rehabilitation/Office of Vocational Rehabilitation for the Blind Policy & Procedure Manual

**Office of Special Disability Programs—Independent Living**

The Office of Special Disability Programs also requires that eligibility be determined within sixty days and that an Independent Living Plan be developed and reviewed annually. The Director of the Office of Special Disability Programs said that the office uses the same timeframe standards as Office of Vocational Rehabilitation/Office of Vocational Rehabilitation for the Blind for referral, application, and contact.

## Outcome Standards

As discussed on page 23, outcome measures are monitored through data collected through the MDRS Management Information Systems (see description on page 23) and reported to federal funding sources. MDRS management staff also monitor their programs' progress toward outcome goals.

Appendix C on page 58 shows the federal outcome measures for Vocational Rehabilitation and Independent Living Programs. These are monitored annually by the Rehabilitation Services Administration.

SOURCE: *Office of Vocational Rehabilitation/Office of Vocational Rehabilitation for the Blind Resource Guide, Office of Special Disability Programs Case Management Resource Guide, and interviews with MDRS staff.*

## Appendix D: Federal Standards and Indicator Results for Vocational Rehabilitation Programs and Independent Living Programs for Federal Fiscal Year 2004

Vocational Rehabilitation				
Standard	Definition	Required Performance Level	MDRS Score	Rank Among States and DC
1.1	The number of individuals exiting the VR program who achieved an employment outcome during the current performance period compared to the number of individuals who exit the VR program after achieving an employment outcome during the previous performance period.	0	7	20
1.2	Of all individuals who exit the VR program after receiving services, the percentage who are determined to have achieved an employment outcome.	55.8%	69.92%	5
1.3	Of all individuals determined to have achieved an employment outcome, the percentage who exit the VR program in competitive, self-, or business enterprise program (BEP) employment with earnings equivalent to at least the minimum wage.	72.6%	97.87%	18
1.4	Of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the percentage who are individuals with significant disabilities	63.4%	98.97%	10
1.5	The average hourly earnings of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage as a ratio to the state's average hourly earnings for all individuals in the state who are employed (as derived from the Bureau of Labor Statistics report "State Average Annual Pay" for the most recent available year).	.52	.713	2
1.6	Of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the difference between the percentage who report their own income as the largest single source of economic support at the time they exit the VR program and the percentage who report their own income as the largest single source of support at the time they apply for VR services.	53.0%	66.26%	15

2.1	The service rate for all individuals with disabilities from minority backgrounds as a ratio to the service rate for all individuals with disabilities from non-minority backgrounds.	.80	.933	15
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NOTE: For standard 1.1 the required performance level of 0 indicates that state agencies must have at least the number of individuals exiting the VR program who achieved an employment outcome in the current performance period as the last performance period. Mississippi's score of 7 shows that they had 7 more individuals who achieved an employment outcome in the current performance period than in the last performance period.

SOURCE: PEER analysis of Rehabilitation Services Administration data tables

## Independent Living

Standard	Description	Number of Persons, Federal Fiscal Year 2004
1	Did the services provided in the federal fiscal year help support the participant to successfully relocate from a nursing home or other institution to a community-based living arrangement?	18
2	Did the services provided in the federal fiscal year prevent the necessity of the participant entering a nursing home or other institution?	1,059

SOURCE: MDRS Annual Performance Report for State Independent Living Programs to the Rehabilitation Services Administration, Federal Fiscal Year 2004



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# Appendix E: Federal Reports Sent by MDRS to the Federal Rehabilitation Services Administration

Most funding for MDRS main case management programs in the offices of Vocational Rehabilitation, Vocational Rehabilitation for the Blind, and Special Disability programs are funded through grants provided by the U. S. Department of Education's Rehabilitation Services Administration. The Rehabilitation Services Administration requires MDRS to send the reports listed below showing either how it plans to implement services or details about how it has implemented the services funded by the Rehabilitation Services Administration.

The following sections list each of these reports along with the types of data contained in the reports.

## Offices of Vocational Rehabilitation and Vocational Rehabilitation for the Blind

### Vocational Rehabilitation State Plan

The state plan is developed jointly by MDRS and the State Rehabilitation Council (see discussion on page 11). It is the document that describes how MDRS intends to provide vocational rehabilitation in the state.

### Quarterly Cumulative Caseload Report

- Applicants not yet determined eligible
- Number determined eligible on Order of Selection Waiting List
- Individuals determined eligible before IPE
- Individuals with signed IPE awaiting services
- Individuals receiving services
- Individuals exiting with or without employment outcomes

### RSA-2

- Expenditures information
- Information regarding the number of persons receiving services and the amount expended for each service
- Number of person years in administrative staff, counselor staff, and staff supporting counselor activities

## **RSA-911**

The RSA-911 report is consumer-level data extracted from the MDRS Management Information System and sent electronically to the Rehabilitation Services Administration for monitoring. The Rehabilitation Services Administration uses the data gathered through the RSA-911 report to produce each state's results on the standards and indicators shown in Appendix D on page 61.

## **FSR-269**

The FSR-269 report is a financial status report for each federal grant that MDRS receives, including those of the other MDRS offices.

### **Office of Vocational Rehabilitation for the Blind**

The reports listed above include data for both the Office of Vocational Rehabilitation and the Office of Vocational Rehabilitation for the Blind. The following report is only related to the Office of Vocational Rehabilitation for the Blind.

## **RSA-15      Report of Vending Facility Programs (for the Business Enterprise Program)**

Information regarding the vending facilities operated including, but not limited to, the number and type operated, their expenses, income, maintenance, and training provided.

## **RSA-70B      Annual Report for Independent Living Services for Older Individuals Who are Blind**

- Demographics of those served
- Source of referral
- The number of persons for whom each service was provided during the year

### **Office of Special Disability Programs**

## **Independent Living State Plan**

The state plan is developed jointly by MDRS and the Statewide Independent Living Council (see discussion on page 11). It is the

document that describes how MDRS intends to provide Independent Living Services in the state.

**RSA-704    Annual Performance Report for State Independent Living Services**

- Total served
- Number of cases closed by reason
- Total with plans or waivers
- Demographics of those served
- Number of those closed who completed all goals set
- Individual consumer achievements (by types of goal set and goals met)
- Community change achievements (by type of goal set and goals met)

SOURCE: PEER analysis of MDRS federal reports submitted to the Rehabilitation Services Administration.

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## Appendix F: Employee Classifications at MDRS

PEER, in conjunction with the Director of the Human Resources of MDRS, created a system of employee classification with five classes of employees for the purpose of evaluation of staff resources. The purpose of these classifications was to distinguish between direct service staff, support staff, and supervisory level staff of MDRS.

Direct Service Staff--An employee is considered direct service staff if the primary function of the employee is to interact with MDRS consumers or to provide either direct or indirect services to MDRS consumers specifically rather than to the agency in general. For example, an employee may not have direct contact with MDRS consumers, but may network with employers on behalf of consumers. This is contrasted with agency support staff.

Direct Service Supervisor Staff--An employee is considered direct service supervisor staff if the primary function is to oversee direct service staff or operations. This employee may or may not have contact with consumers.

Support Services Staff--An employee is considered support services staff if the employee works on behalf of supporting agency operations. These employees usually do not have contact with DRS consumers. They support the agency in general rather than consumers specifically, in contrast with direct service staff. Examples include accounting, systems, purchasing, and clerical staff.

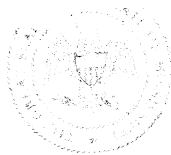
Office Level Supervisor--An employee is considered an office-level supervisor if the primary function of the employee is to oversee support services staff. Examples include the direct supervisors of accounting or systems operations for each division, but not for the agency level.

Agency Level Supervisors--An employee is an agency level supervisor if the job includes general direction and management of DRS as a whole.

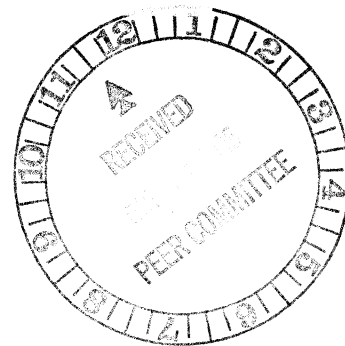
As noted on page 29 of the report, for purposes of this analysis, PEER considered “administrative personnel” to include MDRS’s support staff, office-level supervisors, and agency-level supervisors. PEER considered “direct services personnel” to include direct service staff and direct service supervisors.

SOURCE: PEER analysis of MDRS organizational chart and employee data and interviews with MDRS staff.

# Agency Response



**State of Mississippi**  
**DEPARTMENT OF REHABILITATION SERVICES**



October 10, 2005

Max K. Arinder, Ph.D.  
Executive Director  
Mississippi PEER Committee  
501 N. West Street, Suite 301-A  
Jackson, MS 39201

RE: MDRS response to PEER Executive Summary

Dear Dr. Arinder,

The Mississippi Department of Rehabilitation Services (MDRS) wishes to express appreciation for the professional manner in which the staff of the Legislative PEER Committee performed their review of MDRS. The report is a positive one noting that MDRS goes beyond the required state and federal regulations in many areas of its service delivery and even points out that MDRS has been commended by the Rehabilitation Services Administration for being among the top rehabilitation agencies in the country. Additionally, although the report does reflect twelve recommendations, it is noteworthy to point out that no violations or instances of non-compliance with state or federal regulations are cited. Finally, MDRS is grateful to PEER for dispelling some misunderstandings concerning management decisions and for showing that agency expenditures are more than reasonable.

Having voiced the above, we would be remiss if we did not provide the following clarifications of facts:

In response to the question posed about the cost of administrative personnel in relation to direct service personnel, PEER only focused on the salary category. In taking into account all budgeted costs expended by MDRS and classifying those costs in accordance with federal requirements, total administrative costs for MDRS are only 9.62%. Below is a chart which documents this administrative percentage:

**Administrative Charges by Program**

<b>Program</b>	<b>Direct Administrative Charges</b>	<b>Allocated Administrative Charges</b>	<b>Total Administrative Costs</b>	<b>Total Costs by Program</b>	<b>Percent of Admin Costs to Total Costs</b>
<b>Section 110</b>	\$4,069,923.00	\$1,409,847.00	\$5,479,770.00	\$49,879,650.00	10.99%
<b>Supported Employment</b>	\$0.00	\$0.00	\$0.00	\$233,794.00	0.00%
<b>Training Grant</b>	\$0.00	\$0.00	\$0.00	\$153,613.00	0.00%
<b>SSA Reimbursement</b>	\$0.00	\$0.00	\$0.00	\$352,789.00	0.00%
<b>OSDP ( L and TBI)</b>	\$429,547.00	\$91,190.00	\$520,737.00	\$14,745,561.00	3.53%
<b>Disability Determination Services</b>	\$1,909,893.00	\$544,973.00	\$2,454,866.00	\$24,303,633.00	10.10%
<b>MS Partners for Informed Choice</b>	\$55,153.00	\$10,784.00	\$65,937.00	\$325,530.00	20.26%
<b>Model Youth Transition Initiative</b>	\$51,080.00	\$2,623.00	\$53,703.00	\$178,695.00	30.05%
<b>Project START</b>	\$4,635.00	\$7,341.00	\$11,976.00	\$260,725.00	4.59%
<b>Office of Deaf and Hard of Hearing</b>	\$0.00	\$0.00	\$0.00	\$7,010.00	0.00%
<b>Workforce Investment Act</b>	\$174,036.00	\$32,286.00	\$206,322.00	\$997,876.00	20.68%
<b>Total</b>	<b>\$6,694,267.00</b>	<b>\$2,099,044.00</b>	<b>\$8,793,311.00</b>	<b>\$91,438,876.00</b>	<b>9.62%</b>

We acknowledge the calculations performed by PEER regarding the percentage of salary expenditures related to Administrative activities. However, we disagree with their methodology in performing such calculation. MDRS receives approximately 88% of its total funding from federal sources. As a result, our federal grantor determines what is classified as a direct service cost. PEER should have followed the federal requirement and classified the Administrative Assistants who function in the field each day, in direct contact with our consumers, as direct service costs. This, in turn, would have reduced our Administrative salary percentage from 16% to approximately 12%.

In addition to responding to the calculations of Administrative Costs, as noted above, we would also like to provide the following responses to the recommendations as reported in PEER's Executive Summary. These responses are identified in Attachment A.

Thank you for the opportunity to respond to this report.

Sincerely,



H. S. McMillan  
Executive Director

## **Attachment A**

### **Responses to Recommendations Two thru Four**

The federally mandated advisory councils relevant to MDRS are autonomous councils. The mere mandatory composition of each council serves to promote cooperation, inclusion, and collaboration between consumers and the agency. As stated in the PEER report, MDRS exceeds all requirements for advising the public of meeting times, dates, and places.

### **Responses to Recommendation Five and Six**

Earlier this year (prior to PEER review), MDRS established the Office of Program Integrity. This office includes the Internal Audit Unit, the Program Evaluation Unit, and the Quality Assurance Unit. Currently, an agency-wide Program Integrity Plan is being developed. This plan will include policies and procedures for each unit, the scope of activities of each unit, and the specific goals and objectives of each unit. However, it should be stressed that each unit is designed to monitor a distinct and very different program. Even without this new unit, MDRS has been one of only six states that have met all federal standards and indicators. According to the Rehabilitation Services Administration, MDRS leads the nation in the percentage of successful rehabilitations.

### **Response to Recommendation Seven**

MDRS concurs that random samples are a useful tool in the program evaluation process. We will review our current process and determine if random samples are feasible and beneficial.

### **Response to Recommendation Nine**

We concur with PEER's recommendation. Written policies and procedures will be developed by our Director of Administrative Services with assistance from our Director of Financial Management and Director of Program Integrity.

### **Response to Recommendation Ten**

MDRS utilizes monthly vehicle management reports issued by Fuelman. These reports document the fuel-efficiency and the maintenance expenses incurred on each vehicle. Additionally, our Director of Administrative Services reviews these reports on a monthly basis. We feel that these reports are a good management tool to determine the fuel efficiency and the cost effectiveness of each administrative vehicle MDRS operates. We will review the feasibility of the development of an in-house vehicle management report.

### **Response to Recommendation Eleven**

The Office of Administrative Services is responsible for overseeing the fleet of administrative vehicles, which includes the maintaining of travel logs. These logs require the driver to complete the following:

- Driver's Name,
- Beginning and ending mileage of each trip,

- Date of trip,
- Purpose of the trip.

Therefore, although we maintain policies and procedures regarding the use of travel logs for each administrative vehicle in the administrative pool, we will strengthen our procedures to ensure that each employee utilizing an administrative vehicle from the pool, properly complete and file a travel log with the Office of Administrative Services. Additionally, our Program Integrity unit will routinely perform reviews of travel logs to ensure logs are properly completed and all miles are accounted for properly.

**Response to Recommendation Twelve**

See response under “Recommendation Nine” above. We will review our procedures to determine when break-even analysis should be performed, subject to spending authority limitations.



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## PEER Committee Staff

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James Barber, Deputy Director  
Ted Booth, General Counsel

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Linda Triplett, Division Manager  
Larry Whiting, Division Manager  
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