Sunset Advisory Commission

Staff Report

Department of Assistive and Rehabilitative Services

May 2014

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Cover Photo: The Texas State Capitol was completed in 1888. With the Goddess of Liberty atop the dome, the Texas State Capitol Building is 19 feet taller than the U.S. Capitol Building in Washington, D.C. The photo shows the north facade of the Capitol. The gardens in the foreground sit atop a 667,000 square foot underground structure, the Capitol Extension, which houses many legislators' offices and committee rooms. Photo Credit: Janet Wood

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Summary

Summary

The Department of Assistive and Rehabilitative Services (DARS) is a different agency today than it was just two years ago. After audit reports showing poor management and financial controls, and close scrutiny by the Legislature in 2012 and 2013, the agency now has a new executive management team. This team has begun to make many changes to correct past problems and move the agency in the right direction.

Despite the recent changes, more improvements are necessary, and some will be difficult. Eleven years after the Legislature consolidated four agencies to create DARS, those legacy agencies operate in separate silos within DARS, wasting precious funds through duplicative administration. This legacy structure, in particular the separation of vocational rehabilitation services between two divisions — one for people who are blind or visually impaired and one for people with all other disabilities — also limits the agency's ability to best meet the needs of its consumers, especially ones with multiple disabilities.

DARS' duplicative legacy structure wastes resources and limits access to needed services.

The new executive management team is working on but has yet to develop well-defined mechanisms to effectively communicate expectations with staff, hold them accountable, and ensure they are all working together to create an efficient system of rehabilitative services for all people with disabilities. Sunset staff found many instances in which the agency is not properly overseeing staff and not leveraging existing relationships to get the best outcomes for consumers. Sixty percent of DARS' staff work out of 131 field offices around the state, providing services directly to people with disabilities. However, lack of sufficient guidelines and an inconsistent case review process leads to spending without controls and unknown effectiveness of service delivery. Through these field offices, DARS' case workers provide independent living services to consumers even though similar services are available through the network of local centers for independent living. DARS has also not taken full advantage of the resources provided by its partners in the workforce and education systems to increase employment outcomes for its consumers.

Two of DARS' largest programs are not addressed in this report — early childhood intervention services and disability determination services. The Early Childhood Intervention (ECI) Program has been through many changes in recent years. The program made significant shifts in the structure of the ECI providers' contracts and reimbursements in fiscal year 2012. Also, last session, the Legislature adopted a bill and two riders requiring DARS to evaluate and adjust the ECI family cost share provisions. Sunset staff determined that further changes to the program at this point would only create instability in the provider network or result in significant costs to the State. DARS'

Disability Determination Services Division is entirely funded and directed by the federal Social Security Administration. Texas has little say in how these services are provided and the federal government strictly limits the availability of information necessary to evaluate the services. As a result, Sunset staff chose not to focus review time on this DARS function.

In fiscal year 2013, DARS provided services to more than 538,000 Texans with disabilities, helping them live more independent, productive lives. The recommendations in this report are intended to continue the improvements already begun by the new executive management team and to help the agency better serve all people with disabilities while also using the agency's limited resources wisely. The following material summarizes Sunset staff recommendations on the Texas Department of Assistive and Rehabilitative Services.

Issues and Recommendations

Issue 1

The Separation Between DARS' Divisions for Blind Services and Rehabilitation Services Causes Unnecessary Duplication and Impedes Access to Services.

DARS administers the Vocational Rehabilitation Program for people who are blind or visually impaired in its Division for Blind Services and for people with all other disabilities in its Division for Rehabilitation Services. Even though these divisions provide essentially the same core services and have a similar need to tailor these services to the needs of specialized populations, they administer their programs separately. This outdated structure is held over from when these services were provided by two separate agencies, and has not changed since the Legislature consolidated the entire health and human services system in 2003.

Maintaining separate programs has resulted in DARS' divisions for blind services and rehabilitation services having duplicative administrative, management, and field office structures, creating inefficiencies and unnecessary overhead costs. Further, consumers with multiple disabilities cannot access all the services they need because DARS maintains the artificial wall between vision-related and general services, preventing these consumers from receiving needed services in both divisions at the same time. Integrating the two divisions will eliminate duplication and allow for better coordination and pooling of resources, information sharing, and consumer access to services.

Key Recommendations

- Require DARS to integrate administration, management, and oversight of the divisions for blind services and rehabilitation services to eliminate duplication and better serve consumers.
- DARS should develop a transition plan for the integration of the administration, management, and oversight of the divisions for blind services and rehabilitation services, no later than March 1, 2016.
- Direct DARS to take immediate steps to ensure access to services for people with multiple disabilities, no matter which division offers the services.

Issue 2

DARS Lacks Case Oversight to Control Spending and Ensure Effective Delivery of Services.

DARS' case workers provided direct services to more than 100,000 consumers in fiscal year 2013 through six programs. The agency relies on case workers to use their own judgment when making decisions about consumer services and provides little guidance or monitoring to ensure case workers balance the conflicting goals of spending program funds wisely and providing services that consumers choose. Sunset staff found that DARS fails to provide safeguards to prevent the cost and length of cases from going unchecked. Moreover, the limited case review process is not consistent across programs or regions. Further, DARS does not adequately monitor the overall performance and outcomes of its direct services programs. Establishing better guidelines will ensure services meet consumers' needs while spending resources wisely. Creating a more robust and consistent case review system and program monitoring function should improve both case worker performance and overall program performance.

Key Recommendations

- Require DARS to create clear, validated guidelines for case workers to ensure better decision making for successful, cost-effective outcomes.
- Require the agency to create a robust and consistent case review system for all direct services programs.
- Require DARS to designate staff to monitor performance across programs and regions.

Issue 3

DARS Offers Many Independent Living Services Consumers Could Easily Access Through Local Centers for Independent Living.

The federal government has created a framework for each state to provide independent living resources to people with disabilities. In this framework, local centers for independent living serve as the hub for services. Of Texas' 27 centers for independent living, DARS funds 15, but has also opted to provide independent living services directly through two of its divisions.

Sunset staff found that DARS struggles to provide independent living services statewide with its own case workers and provides most of the same services as local centers for independent living. Despite heavy case loads, waitlists, and the availability of many of the same services through the local centers, DARS does not consistently refer consumers to the centers for services. Sunset staff also found that the agency has not established a transparent method for equitably dispersing funds among the centers and has only recently begun to develop consistent outcome measures for the centers. By outsourcing its independent living services to the centers and establishing DARS' role as monitoring the funding and performance of the centers, the agency will be better able to ensure consumers receive the services they need at the local level.

Key Recommendations

- Define DARS' role in the provision of independent living services as supporting and monitoring the network of centers for independent living.
- DARS should evaluate independent living services available in communities throughout the state.

Issue 4

DARS' Unfocused Approach to Employer Relations and Transition Services Hinders Its Ability to Increase Consumers' Job Opportunities.

By federal law, DARS is a partner in Texas' workforce system through its vocational rehabilitation services, which provide training and assistance to individuals with disabilities to help them find and retain employment. However, the agency does not adequately build relationships with key partners in the Texas workforce system to improve consumers' employment opportunities. For example, DARS divides its services to employers between two divisions, limiting its ability to pool resources to maximize employer outreach. Also, DARS coordinates poorly with the Texas workforce system, even though federal and state law require it. Further, DARS fails to effectively provide transition services to students preparing for employment after high school. Improving coordination with both the workforce system and the education system is necessary for DARS to be successful at increasing consumer employment.

Key Recommendations

- Require DARS to build and maintain close coordination with the Texas workforce system and employers to increase job opportunities for people with disabilities.
- Require DARS to partner with the Texas Education Agency to develop a mechanism to target schools with the highest need for transition services, and to develop policies to ensure it provides a consistent, minimum level of service.

Issue 5

DARS Lacks Mechanisms for Effectively Integrating, Directing, and Overseeing Its Programs.

Although the Legislature consolidated four agencies to create DARS 11 years ago, the agency has not fully integrated many of its legacy agency services. This lack of integration limits access across divisions to needed assistance, especially for people with multiple disabilities. Also, in recent years, certain DARS initiatives have suffered from poor planning, oversight, and financial controls.

While DARS is taking important steps to overcome past problems, the agency still lacks well-defined mechanisms to effectively communicate expectations with staff and hold them accountable. Further, DARS has a multitude of strategic priorities and no clear way to track the agency's progress on them or integrate them into the operations of the agency. By setting clear goals and priorities, assigning responsibility for implementing specific strategies, and holding staff accountable for those expectations, DARS will be better able to ensure its programs work together toward the common goal of improving services for people with disabilities.

Key Recommendation

- Direct DARS to develop mechanisms to more effectively plan for, track, and evaluate the performance of its programs and staff.

Issue 6

Texas Has a Continuing Need for DARS' Services, but Decisions on Its Structure Await Sunset's Analysis of the Health and Human Services System Overall.

Without the services DARS provides, children and adults with disabilities would be more dependent on social services and institutional living situations, limiting their ability to participate in and contribute to their communities while also costing the State more money for support systems. Further, DARS' three largest programs receive federal funding totaling $431.3 million and without DARS or another agency to administer these programs, the State would forfeit this money and the needed services it provides. While the agency's services are needed, the appropriateness of its organizational structure must be evaluated in conjunction with the overall Sunset review of the health and human services system, scheduled for completion in fall 2014.

Key Recommendation

- While DARS' services remain needed, delay decisions on continuation of the agency's structure until completion of the Sunset review of the health and human services system overall.

Fiscal Implication Summary

Overall, these recommendations would result in savings to state and federal funds of $1.8 million that could be used to improve services to people with disabilities. These recommendations would also eliminate 45 full-time equivalent employees, as summarized below.

Issue 1 — The recommendation to integrate administration, management, and oversight of the divisions for blind services and rehabilitation services would result in estimated annual savings of about $1.8 million in administrative costs, once phased in over two years. This estimate assumes elimination of 21 administrative and management staff positions identified as duplicative by Sunset staff. Since most of the savings would be in federal funds, the Legislature should consider redirecting the money into services to avoid the loss of these funds.

Issue 3 — The recommendation to clarify that all state independent living services should be provided by or through centers for independent living would result in DARS redirecting an estimated $10 million annually to the centers through contracts beginning in fiscal year 2017. The transfer of funds would result from the elimination of 24 independent living staff positions and the amount the agency spends on purchased goods and services in the program.

Department of Assistive and Rehabilitative Services

Fiscal Year	Savings to General Revenue*	Savings to Federal Funds*	Change in FTEs From 2013
2016	$0	$0	0
2017	$191,000	$705,000	-34
2018	$382,000	$1,410,000	-45
2019	$382,000	$1,410,000	-45
2020	$382,000	$1,410,000	-45

* The Legislature could redirect these savings into services to avoid the loss of federal funds.

Agency at a Glance

Agency At a Glance

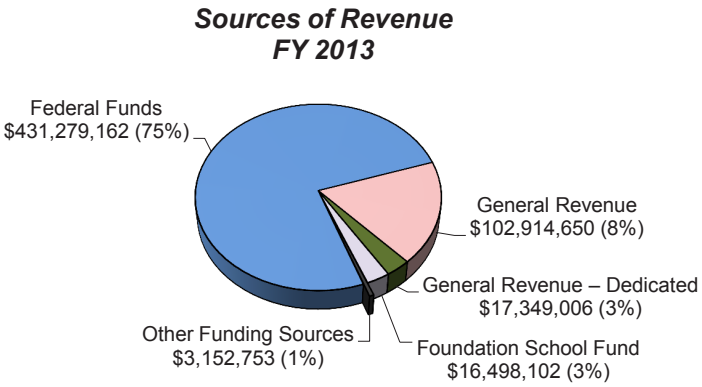
The Legislature created the Department of Assistive and Rehabilitative Services (DARS) in 2003 by consolidating the functions of four agencies: the Texas Rehabilitation Commission, Texas Commission for the Blind, Interagency Council on Early Childhood Intervention, and Texas Commission for the Deaf and Hard of Hearing. DARS works with Texans with disabilities and families with children who have developmental delays to improve the quality of their lives and to enable their full participation in society. To achieve its mission, DARS focuses on providing time-limited services through the following key activities.

- Providing Texans who have disabilities with assistance in preparing for, finding, and retaining employment.
- Helping Texans with disabilities gain functionality, avoid institutionalization, and live independently in their communities.
- Providing early intervention services to children who have disabilities and developmental delays to meet their educational and developmental goals.
- Making medical disability determinations for Texans who apply for Social Security Administration benefits.

Key Facts

- **Commissioner and advisory bodies.** As part of the health and human services system, the executive commissioner of the Health and Human Services Commission appoints a commissioner to oversee the operations of DARS. The governor-appointed DARS Council assists the commissioner by providing input in the development of rules and policies and by making recommendations for the management and operation of the agency, but does not have direct oversight of agency operations. The commissioner also receives input from three federally required advisory bodies: the Rehabilitation Council of Texas, Early Childhood Intervention Advisory Committee, and Elected Committee of Managers for the Business Enterprises of Texas. The Board for Evaluation of Interpreters also advises DARS' Office of Deaf and Hard of Hearing Services on the interpreter certification program and takes action on interpreter certifications.

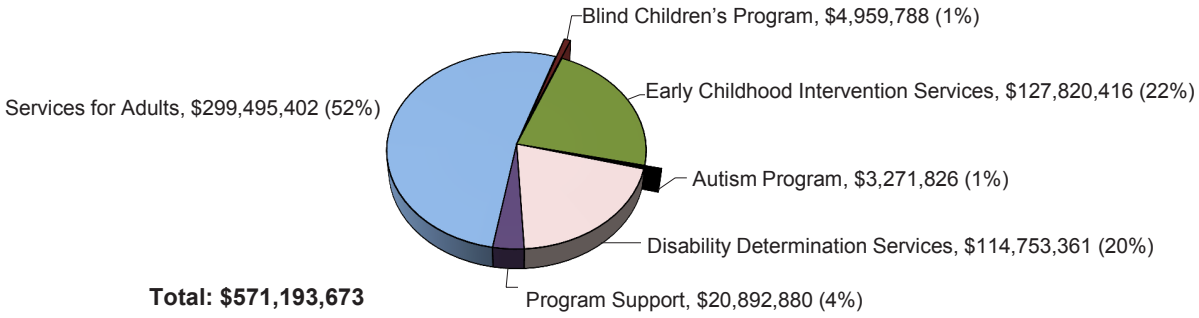
- **Funding.** In fiscal year 2013, the agency spent about $571 million. Three-quarters of the agency's budget is funded by the federal government, as shown in the chart, *Sources of Revenue*. Most of DARS' federal funding comes from the Rehabilitative Services Administration under the U.S. Department of Education, but the agency also receives funding from the Social Security Administration, Medicaid, and other federal sources. The agency spends a little more than half of



Total: $571,193,673

its budget on services for adults, including vocational rehabilitation and independent living services, as shown in the chart, *Expenditures by Function*.

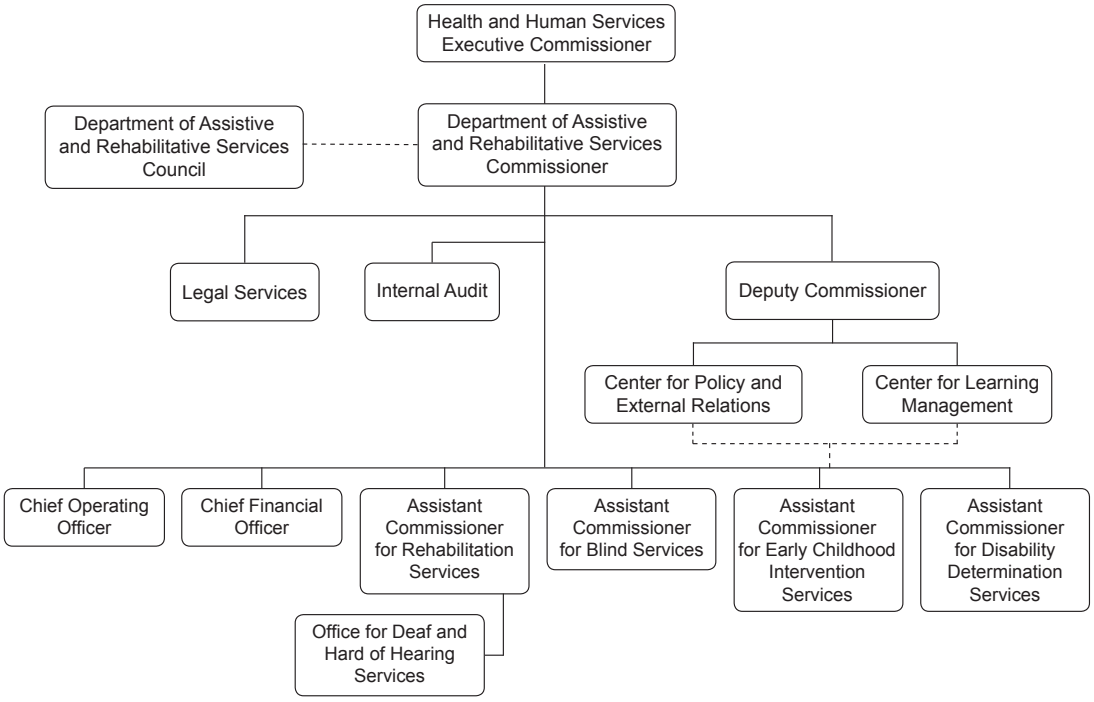
Expenditures by Function
FY 2013



The 83rd Legislature increased the agency's appropriations by 7 percent, mainly to maintain service levels and fund case load growth in the Early Childhood Intervention Program. Additional funds also helped to expand and improve services in the Autism, Deaf and Hard of Hearing, and Comprehensive Rehabilitation Services programs. Appendix A describes DARS' use of historically underutilized businesses in purchasing goods and services for fiscal years 2011 to 2013.

- **Staffing.** In fiscal year 2013, the agency employed 2,893 full- and part-time employees. The majority, nearly 60 percent, of the agency's employees are located throughout the state in 25 blind services offices and 119 general disability services offices. Another 25 percent work in the agency's disability determination services office in South Austin, and the remainder of the agency's staff are located at its headquarters and the Criss Cole Rehabilitation Center in Central Austin. The *Department of Assistive and Rehabilitative Services Organizational Chart* depicts the agency's structure. A comparison

Department of Assistive and Rehabilitative Services Organizational Chart



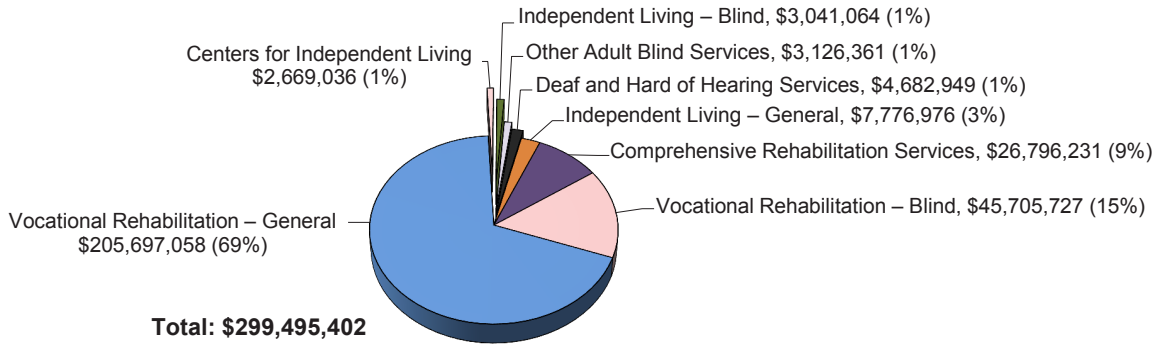
of the agency's workforce composition to the minority civilian labor force over the past three years is shown in Appendix B, *Equal Employment Opportunity Statistics*.

- **Vocational rehabilitation services.** DARS provides a wide range of services, using mainly federal funds, to help people with disabilities prepare for, find, and keep meaningful jobs that pay a competitive salary. Vocational rehabilitation counselors work with consumers to develop individualized plans for employment and provide services, either directly or through contracted providers, such as counseling, job placement assistance, training, medical restoration, and assistive devices. The Vocational Rehabilitation Program also works with businesses to adapt working conditions to meet the needs of employees and cultivate new employment opportunities for people with disabilities. In fiscal year 2013, the Vocational Rehabilitation Program for people who are blind or visually impaired served 10,066 consumers and found employment for 1,341 consumers. In that same year, the Vocational Rehabilitation Program for people with all other disabilities served 79,578 consumers and found employment for 12,102 consumers.

- **Independent living services.** As part of a federally funded network, DARS provides services to people with disabilities to help them live independently in their homes and communities and avoid institutionalization. DARS employs independent living case managers to serve consumers by providing assistive devices, hearing aids, training, and other goods and services. In fiscal year 2013, DARS' Independent Living Program for people who are blind or visually impaired served 3,314 consumers. In that same year, DARS' Independent Living Program for people with all other disabilities served 1,977 consumers. The other parts of this federal network are the State Independent Living Council, which is an independent body whose members are appointed by the Governor, and 27 centers for independent living located throughout the state and operated as nonprofits with their own boards. DARS provides funding to support the Council and 15 of the centers.

- **Other services for adults.** DARS provides various other services through smaller programs to help people improve their ability to live independently. In fiscal year 2013, DARS provided comprehensive rehabilitative services, including post-acute brain injury services, medical restoration, and assistive technology, to 908 people with traumatic brain or spinal cord injuries. DARS provided communication access services to 46,326 people who are deaf or hard of hearing and issued 1,731 certificates to sign language interpreters in the same year. DARS also provided support to 120 managers of food service and vending companies who are blind and provided screening to 4,334 individuals and treatment to 94 individuals who were at risk of losing their eyesight. The chart, *Expenditures for Services for Adults*, shows how much DARS spent on vocational rehabilitation, independent living, and other services in fiscal year 2013.

Expenditures for Services for Adults
FY 2013



- **Children's services.** DARS provides services to children who have disabilities or developmental delays and their families to help minimize the need for special education and institutionalization and increase independent living skills. Federally funded early childhood intervention services help children from birth to 36 months of age catch up or address specific developmental concerns through specialized skills training, speech language therapy, occupational and physical therapy, and other services. In fiscal year 2013, DARS provided comprehensive early childhood intervention services to 48,193 children.

  DARS' Blind Children's Vocational Discovery and Development Program helps children from birth to age 22 with severe vision loss learn skills required for personal independence and potential employment. The Blind Children's Program served 4,417 children in fiscal year 2013. DARS' Autism Program provides intensive applied behavior analysis services for children ages three to eight with autism spectrum disorder. The Autism Program served 199 children in fiscal year 2013. Both the Blind Children's and Autism programs are mainly funded by the State, but also receive some Medicaid funding.

- **Disability determination services.** DARS makes disability determinations for Texans with severe disabilities who apply for Social Security Disability Insurance and Supplemental Security Income benefits. This function is fully funded and directed by the Social Security Administration (SSA). Texans with physical or mental impairments apply for benefits at their local SSA field office, and their claims are forwarded to DARS, which determines whether the applicant is disabled, according to federal criteria using medical and non-medical evidence it gathers. SSA makes the final decision about whether a person is eligible to receive benefits. DARS processed disability claims for 336,908 Texans in fiscal year 2013.

Issues

Issue 1

The Separation Between DARS' Divisions for Blind Services and Rehabilitation Services Causes Unnecessary Duplication and Impedes Access to Services.

Background

The Department of Assistive and Rehabilitative Services (DARS) has organized its adult rehabilitation programs into the Division for Blind Services, which administers programs for people who are blind or visually impaired, and the Division for Rehabilitation Services, which administers programs for individuals with all other disabilities. Together, these divisions operate DARS' largest program, vocational rehabilitation, which has existed in some form since 1929 and provides training and assistance to people with disabilities to help them find and retain employment. DARS administers this program on behalf of the federal government and receives funding from the Rehabilitation Services Administration, within the U.S. Department of Education.

Although vocational rehabilitation is one function, each division within DARS has its own version of the program to serve its assigned population group. The table, *DARS' Vocational Rehabilitation Services,* provides basic information about the program in each division.

DARS' Vocational Rehabilitation Services
FY 2013

	Division for Rehabilitation Services	Division for Blind Services
Field Offices (as of April 2014)	119	25
Counselors	589	96
Number of Consumers Served	79,578	10,066
Budget	$204.5 million	$46.8 million
Average Cost per Consumer	$2,569	$4,650

Both divisions also administer smaller programs that use the same administrative structure and offices as the Vocational Rehabilitation programs. This includes separate Independent Living programs — one for people who are blind or visually impaired and one for people with all other disabilities — to provide training and assistance to help them reach their goals of living independently in the community. The Division for Blind Services has 21 independent living case workers and the Division for Rehabilitation Services has 11. The divisions also administer other direct services programs, such as the Comprehensive Rehabilitation Services Program and the Blind Children's Vocational Discovery and Development Program.

Findings

DARS has not integrated its services since the Legislature created the agency in 2003 as part of the consolidation of health and human services functions.

Maintaining separate divisions contradicts the intent of consolidating these services at DARS.

Maintaining separation between services for people who are blind or visually impaired and general rehabilitation services is an outdated structure held over from when these services were provided by two separate agencies. In 2003, the Legislature passed House Bill 2292 consolidating the entire health and human services system and merging four agencies to form DARS. All four agencies are still distinct units within DARS, including the Texas Rehabilitation Commission, which became the Division for Rehabilitation Services, and the Texas Commission for the Blind, which became the Division for Blind Services. Since that time, DARS has continued to maintain separation between general rehabilitation services and services for people who are blind, yet this contradicts the original intent of consolidating these services to save money and improve consumer access to services across the previously separate agencies.[1] In addition, H.B. 2292, despite merging the agencies, did not fully consolidate the statutes for DARS' predecessor agencies, resulting in an outdated law reflecting two separate vocational rehabilitation functions.

Federal law allows states to maintain separate programs for people who are blind or visually impaired, but 26 states have consolidated administration and management of vocational rehabilitation services for all consumers. Whether separate or not, all vocational rehabilitation programs operate under the same federal statute — the Workforce Investment Act — and have the same federal funding source. DARS receives one federal vocational rehabilitation grant and distributes 80 percent to the general program and 20 percent to the program for consumers who are blind or visually impaired.

DARS' divisions for blind services and rehabilitation services have duplicative administrative, management, and field office structures, creating inefficiencies and unnecessary overhead costs.

Although separate, the two divisions provide many of the same core services.

DARS' divisions for blind services and rehabilitation services, although separate, provide the same core vocational rehabilitation services as directed by federal law. The textbox on the following page, *Common Services Provided Across Divisions*, lists the case management services provided by counselors in both divisions. Both divisions also develop expertise in serving specific populations of individuals with disabilities. While the Division for Blind Services focuses on serving people who are blind or visually impaired, the Division for Rehabilitation Services also has program specialists who provide expertise in specific populations, such as veterans, individuals who are deaf or hard of hearing, individuals with intellectual and developmental disabilities, and individuals with physical disabilities.

Common Services Provided Across Divisions

Vocational rehabilitation counselors in both the Division for Rehabilitation Services and Division for Blind Services provide the following case management services:

- determining eligibility;
- performing a comprehensive assessment of the consumer's needs;
- developing an individualized plan for the services needed to achieve the consumer's employment goal;
- providing or purchasing employment assistance and services;
- monitoring consumer progress; and
- deciding when to close a case.

The table, *Vocational Rehabilitation Consumers Served*, shows that the agency serves several large populations of individuals with specific disabilities. Like people with visual impairments, each of these other populations has their own unique and complex needs.

DARS serves people with a wide range of disabilities, each with unique and complex needs.

Vocational Rehabilitation Consumers Served[2]
FY 2013

Type of Disability	Number of Consumers Served by Both Divisions	Percentage of All Consumers Served
Physical or neurological disability	22,056	24.6%
Intellectual impairment	20,716	23.1%
Mental or emotional impairment	14,428	16.1%
Deaf or hard of hearing	11,340	12.7%
Blind or visually impaired	10,066	11.2%
Other disability, including chronic disease, substance abuse, or traumatic brain or spinal cord injury	11,038	12.3%
Total	**89,644**	**100%**

Continuing to serve one population in a completely separate division from all others results in extensive inefficiencies, as highlighted below.

- **Duplicative management and field office structures.** The Division for Blind Services operates 25 field offices in 12 regions and the Division for Rehabilitation Services operates 119 field offices in five regions, as shown in Appendix C. Neither division's regional boundaries align with each other or with those of the Health and Human Services Commission. This arrangement inefficiently and unnecessarily maintains an entire field office system based on the old legacy agencies. Although both divisions have many

of the same functions, they maintain separate management structures. For example, the Division for Blind Services has 19 field directors and supervisors who perform functions parallel to the 50 area managers in the Division for Rehabilitation Services. Also, both divisions have many duplicative administrative support staff, such as the regional administrative assistants in the Division for Blind Services and the management support specialists in the Division for Rehabilitation Services who have very similar duties. While the agency has made an effort to colocate some offices, even the 13 offices that are colocated have retained separate staff for each division that operate largely autonomously. This administrative duplication unnecessarily wastes resources on overhead that could be better put toward services.

Vendors must meet separate requirements if contracting with both divisions.

- **Inefficient use of resources.** Both divisions submit separate vocational rehabilitation state plans to the federal government to demonstrate compliance with the same federal law and identify separate goals and priorities for the coming year. They also contract separately with the same 38 vendors and each division has its own standards manual with which contracted providers must comply. Each division has a separate database within the agency's consolidated case management system, ReHabWorks. Additionally, each division has staff that specialize in employer relations to help develop job opportunities for consumers, but the agency has not consolidated them, though they occasionally coordinate business outreach efforts. This duplication not only hinders DARS' ability to pool resources and maximize its employer outreach, but requires employers to build relationships with two entities instead of one, as discussed in Issue 4 in this report.

- **Unnecessary policy differences.** Despite having many of the same functions, each division has its own policy manuals with different approaches to similar topics, which is inefficient and hinders coordination between the divisions. For example, each division has policies and processes for reviewing consumer cases to ensure counselors are complying with federal law and agency policy. These policies differ significantly, as discussed in detail in Issue 2. Further, because they have separate policy manuals, each division has its own training session for new vocational rehabilitation counselors to provide an orientation to consumer services, even though these counselors provide the same core services.

Coordination alone cannot eliminate costly duplication.

- **Current coordination efforts.** DARS' executive management has recently recognized the need for better coordination between the two divisions. For example, the agency's new leadership plans to colocate more field offices and move both divisions' staff in the Austin headquarters into the same office building. The agency also plans to consolidate duplicative contracts and look for ways to consolidate the divisions' policies, when possible. These efforts will not, however, eliminate the costly duplication that exists in maintaining two parallel divisions to provide similar services to different populations.

Separately providing services unnecessarily limits access for consumers with multiple disabilities who need assistance from both divisions.

DARS has a significant population of consumers with multiple disabilities. Within the Vocational Rehabilitation Program for people who are blind or visually impaired, 4,532 individuals — nearly half of all consumers served — have a secondary disability. The general Vocational Rehabilitation Program also serves a large number of individuals with multiple disabilities, including 521 who also need services from DARS for a visual impairment. However, the divisions' vocational rehabilitation policies and case management databases prevent them from serving the same consumer at the same time.[3]

Nearly half of all consumers served by the Division for Blind Services have other disabilities.

Each division has a policy requiring it to close a case before the other division can provide services. For example, if a consumer comes to DARS with a visual impairment and a mental health issue, that consumer would have to complete services with the Division for Blind Services for the visual impairment before opening a new case with the Division for Rehabilitation Services to address the mental health issue. Also, the divisions' vocational rehabilitation case management system, ReHabWorks, does not allow one division to transfer its electronic case files to the other division, thereby preventing easier coordination of services for consumers with multiple disabilities.

Over the last five years, all three entities with oversight responsibility of DARS' Vocational Rehabilitation Program have requested that the agency remove this artificial wall for consumers with multiple disabilities.[4] Federal law allows both divisions to serve the same consumer at the same time as long as the two divisions are not duplicating services to the same person.

DARS' policies create an artificial wall, preventing consumers from getting services at the same time from both divisions.

As a result of these requests, both divisions have begun to make changes, but continue to serve consumers with multiple disabilities separately. The divisions, for example, have requested modifications to ReHabWorks to allow case transfers between divisions, but have experienced delays due to a backlog of change requests for the system. They have also drafted an agreement to provide for some instances when the divisions could serve a consumer with multiple disabilities at the same time, but this situation would require approval from the assistant commissioners of both divisions. The agreement also does nothing to solve the problem that these consumers would still, in many cases, have to visit different field offices depending on which division is serving them. Without eliminating these silos, the agency cannot fully pool resources or take advantage of cross-training and information sharing related to serving consumers with multiple disabilities.

The Legislature and general public cannot easily evaluate DARS' Vocational Rehabilitation Program overall, making accountability more difficult.

DARS has difficulty explaining the overall impact of its vocational rehabilitation services because it tracks and reports two sets of performance information. The two divisions each track their own federal and state performance measures, including one employment rate for consumers who are blind or visually impaired and another for consumers with all other disabilities. In addition, the two divisions both conduct different consumer satisfaction surveys to comply with federal requirements, preventing comparisons or an overall picture. Keeping this information segregated is unnecessary given that both Vocational Rehabilitation programs have the same goals, same budget source, and operate under the same federal law.

DARS does not track its performance in serving other large consumer populations.

Because the agency provides services to people who are blind or visually impaired separately, it provides specific information to the Legislature about these services, but not for other large populations of individuals with disabilities served by the agency. In 2013, for example, DARS served 22,056 consumers with physical or neurological disabilities and 20,716 consumers with intellectual or developmental disabilities through its general Vocational Rehabilitation Program, compared to 10,066 consumers in its program for people who are blind or visually impaired, as shown in the chart on page 13, *Vocational Rehabilitation Consumers Served*. However, DARS does not have specific performance measures to track its progress in serving these other, larger consumer populations. Consolidating performance information, and in some cases providing a finer level of detail for a broader range of key populations the agency serves, could improve DARS' ability to assess and communicate the success of its vocational rehabilitation efforts.

Recommendations

Change in Statute

1.1 Require DARS to integrate administration, management, and oversight of the divisions for blind services and rehabilitation services to eliminate duplication and better serve consumers.

Under this recommendation, DARS would organize services by functional need rather than by type of disability. This change would break down the division silos and fully integrate the administrative structures, policies, and field offices for the Division for Rehabilitation Services and Division for Blind Services, thus eliminating wasteful duplication. This newly integrated structure would include the following elements.

- **Fully integrate split programs.** The agency would combine the two Vocational Rehabilitation programs into one. The intent is to eliminate management and administrative support positions that are duplicative, but not any counselor positions, which serve critical roles and have high case loads. To ensure DARS maintains expertise from both divisions, it would have full discretion to decide from which division to eliminate staff. DARS would seek designation, for federal purposes, to become

a combined state unit for the Vocational Rehabilitation Program as well as for the Independent Living Program. In addition, DARS should integrate its employer relations functions to improve employer outreach and increase consumers' job opportunities, as discussed in Issue 4.

- **Align regions and consolidate field offices.** DARS would re-align its regional boundaries with those of the Health and Human Services Commission to ensure uniform service areas and improve coordination with other health and human services agencies. In addition, as leases expire, DARS would perform an evaluation of how to consolidate different offices, including factors such as cost-savings, strategic placement to serve the most consumers possible, and ensuring consumers with multiple disabilities can go to the same office for all services. Rather than specify that DARS close all of one division's offices, this recommendation would allow the agency to decide which offices to close and consolidate based on areas with the highest needs, such as those with more consumers or a higher concentration of individuals with more significant disabilities. Although the agency might not consolidate some offices until leases expire, it should immediately make every effort to consolidate staff and resources, including eliminating duplicative staff, so that it can serve all individuals with disabilities at any field office. This will ensure consumers have better access to services immediately, while giving the agency time to consolidate offices gradually.

- **Specialize in different disabilities.** DARS should continue to support specialization in different consumer populations amongst vocational rehabilitation counselors. DARS would specifically maintain its expertise in visual impairments under the new integrated structure and could use best practices learned in that area to further enhance specialization in other disabilities. DARS could ensure continuity of expertise and services by allowing its current vocational rehabilitation counselors from the Division for Blind Services to continue to serve consumers who are blind or visually impaired.

- **Consolidate planning, reporting, and policies.** DARS would no longer submit separate state plans, report on separate performance measures, or conduct separate consumer satisfaction surveys for each Vocational Rehabilitation Program. DARS should redesign performance measures to accurately reflect the new administrative restructuring. Also, DARS should consolidate vocational rehabilitation policies, including integrating the two divisions' quality assurance functions, while still allowing for policies specific to different disability types as needed.

- **Update agency rules.** Since many of DARS' rules assume the separation of the two divisions, rules would need to be revised to reflect the new administrative restructuring.

Under this recommendation, DARS would continue to provide the same services it currently provides through the Division for Blind Services and Division for Rehabilitation Services, but would do so within the new integrated administrative, management, and field office structure. Thus, consumers should not notice a difference in services since the counselors they work with now would not change, and in fact, consumers with multiple disabilities would receive improved services since the agency could address their disabilities all at one time. Changes to the programs would primarily occur at the administration level where consumers would not see them, by eliminating duplicative management staff and consolidating policies, planning, and reporting to make the programs more efficient and allow them to serve more people. Though consumers would notice the consolidation of some field offices, this would be done gradually as leases expire and would improve access to services, especially for consumers with multiple disabilities who would not have to go to multiple locations for services.

Also, the divisions' other direct services programs, the Comprehensive Rehabilitation Services and Blind Children's programs, would continue to provide the same services as they currently do, but their

administrative and field office structure would change to match the new integrated structure of the Vocational Rehabilitation Program. Other DARS programs, such as Business Enterprises of Texas, Criss Cole Rehabilitation Center, and Blindness, Education, Screening, and Treatment, would not be affected by this change. DARS would have the discretion to organize the programs of the agency as it sees fit, as long as it follows the parameters of the consolidated management and administrative structure.

This recommendation would require the merger of the vocational rehabilitation language in the Texas Commission for the Blind statute with similar language in the Texas Rehabilitation Commission statute into one, consolidated vocational rehabilitation subchapter within DARS' enabling statute. This approach complements the Texas Legislative Council's current efforts to update and revise statute for the health and human services agencies, including DARS' predecessor agencies, as directed by the Sunset Commission earlier this year.

Overall, the agency should complete all elements of this recommendation within two years, no later than October 1, 2017. One exception is field office consolidation, which would have an additional five years and a deadline of September 1, 2022. This recommendation would ensure that DARS eliminates duplication and the artificial separation of the Division for Rehabilitation Services and the Division for Blind Services, allowing for better coordination and pooling of resources, information sharing, and consumer access to services.

Management Action

1.2 DARS should develop a transition plan for the integration of the administration, management, and oversight of the divisions for blind services and rehabilitation services, no later than March 1, 2016.

DARS should begin transition planning as soon as legislation to integrate the divisions passes, including the following elements.

- A short-term timetable with specific steps and deadlines for the easier-to-integrate elements, such as consolidating policies, reporting, and staff, preserving expertise in serving consumers who are blind or visually impaired, and requesting designation as a combined state unit.
- A longer-term timetable with specific steps and deadlines for the harder-to-accomplish elements, such as consolidating field offices as leases expire.
- A method for consolidating the two divisions' management and staff.
- Steps to ensure against any unnecessary disruption of services to consumers.
- Other steps the agency determines as necessary to complete the full integration of administration, management, and oversight.

This transition plan should be structured to ensure the overall deadline of October 1, 2017 is met.

1.3 Direct DARS to take immediate steps to ensure access to services for people with multiple disabilities, no matter which division offers the services.

DARS should immediately make any changes to policies and its case management system to ensure that these consumers can get the services they need. This includes making the necessary modifications to its case management system, ReHabWorks, a top priority. The agency could still complete other

critical changes that are necessary to keep the system running for day-to-day activities, but should delay all other non-critical changes until the agency modifies the system to serve consumers with multiple disabilities in both divisions at the same time.

Fiscal Implication

Overall, these changes would result in estimated annual savings to state and federal funds of about $1.8 million in administrative costs, once phased in over two years to allow for administrative restructuring. This estimate assumes elimination of 21 administrative and management staff positions identified as duplicative by Sunset staff. Since most of the savings would be in federal funds, the Legislature should consider redirecting the money into services to avoid the loss of these funds. For example, with these savings the agency could hire an additional 31 vocational rehabilitation counselors and assistants, which would help relieve the high case loads of current counselors.

This estimate does not include the potential savings tied to consolidating field offices, as these savings would depend on DARS' implementation of the changes as leases expire over the next seven years. Until office leases expire, DARS could immediately consolidate staff from each division in existing offices to eliminate unnecessary management positions discussed above. DARS could also seek early termination of leases where appropriate. The other recommendations in this issue could be done within DARS' current budget and would not have a fiscal impact to the State.

Department of Assistive and Rehabilitative Services

Fiscal Year	Savings to General Revenue*	Savings to Federal Funds*	Change in FTEs From 2013
2016	$0	$0	0
2017	$191,000	$705,000	-10
2018	$382,000	$1,410,000	-21
2019	$382,000	$1,410,000	-21
2020	$382,000	$1,410,000	-21

* The Legislature could redirect these savings into services to avoid the loss of federal funds.

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1 Health and Human Services Transition Legislative Oversight Committee, *Biennial Report December 2004* (Austin: Transition Legislative Oversight Committee, December 2004), pp. 3 and 7–8.

2 Department of Assistive and Rehabilitative Services (DARS), *The Power of Us: 2013 Annual Report* (Austin: DARS, February 2014), pp. 13 and 25.

3 DARS, Division for Rehabilitation Services, *Rehabilitation Policy Manual*, Section 3.8.2, "Table of Required Assessments and Policy for Selected Conditions: Visual Disorders," accessed March 26, 2014, http://www.dars.state.tx.us/drs/rpm/ch3.htm#3.8.2; DARS, Division for Blind Services, *Vocational Rehabilitation Manual*, Section 3.13.3, "DBS/DRS Agreement for Serving Consumers," accessed March 26, 2014, http://www.dars.state.tx.us/dbs/vr/ch3.htm#3.13.

4 Rehabilitation Services Administration, *Fiscal Year 2009 Monitoring Report on the Vocational Rehabilitation and Independent Living Programs in the State of Texas* (Washington, DC: U.S. Department of Education, 2009), pp. 24–25 and 45; Rehabilitation Services Administration, *Technical Assistance Circular RSA-TAC-12-04* (Washington, DC: US Department of Education, 2012); Rehabilitation Council of Texas, *2013 Annual Report* (Austin: DARS, December 2013), p.17; Texas Client Assistance Program, *RSA-227 — Annual Client Assistance Program Report* (Austin: Disability Rights Texas, December 2013), Part III(i).

Issue 2

DARS Lacks Case Oversight to Control Spending and Ensure Effective Delivery of Services.

Background

The Department of Assistive and Rehabilitative Services (DARS) provides services directly to consumers through six programs — three for individuals who are blind or visually impaired in the Division for Blind Services and three for individuals with all other disabilities in the Division for Rehabilitation Services. Basic information about each division's direct services programs are shown in the chart, *DARS' Direct Services Programs.*

DARS' Direct Services Programs — FY 2013

Program	Number of Case Workers	Expenditures	Number of Consumers	Program's Purpose
Division for Rehabilitation Services				
Vocational Rehabilitation – General	595[1]	$204,461,581	79,578	Provides individuals with disabilities, except those who are blind or visually impaired, with resources they need to prepare for, find, or keep employment.
Independent Living – General		$7,924,334	1,977	Provides individuals with disabilities, except those who are blind or visually impaired, with assistive devices to help them live independently.
Comprehensive Rehabilitation Services		$28,115,573	908	Provides individuals with traumatic brain or spinal cord injuries access to rehabilitative services that focus on restoring the person's capacity to live independently.
Division for Blind Services				
Vocational Rehabilitation – Blind	96	$46,810,917	10,066	Provides individuals who are blind or visually impaired with resources they need to prepare for, find, or keep employment.
Independent Living – Blind	21	$3,070,357	3,314	Provides individuals who are blind or visually impaired with training and assistive devices to help them live independently.
Blind Children's Vocational Discovery and Development	44	$4,955,536	4,417	Provides children from birth to age 22 who are blind or visually impaired with services they do not receive from their school district or other organizations and exposure to various career paths.

The federal Rehabilitation Act governs both the Vocational Rehabilitation and Independent Living programs. The Rehabilitation Services Administration, under the U.S. Department of Education, provides funding, regulations, and oversight for the programs. In contrast, the Texas Legislature created both the Comprehensive Rehabilitation Services and Blind Children's programs, which are state-directed and state-funded.

DARS' direct services programs account for 60 percent of all agency staff with 1,757 case workers, supervisors, and support staff stationed in 131 field offices across the state. Eligibility for DARS' services is not income-based, however, if a consumer has resources above a certain amount, the agency requires them to contribute to the cost of purchases made by the agency. DARS' services are time-limited in that the agency only provides services until a consumer reaches their established goal.

- **Role of the case worker.** Case workers assist consumers in developing goals and then provide services necessary to reach those goals. The textbox, *Case Worker Responsibilities*, outlines the process case workers take each consumer through to help them reach their goals.

Case Worker Responsibilities

- Determine eligibility.
- Perform comprehensive assessments to understand a consumer's needs and goals for the program.
- With the consumer or consumer's family, create a plan of services to help the consumer reach their goals.
- Provide services either directly or through contractors.
- Monitor the consumer's progress and determine when to close the case.

Case workers make many decisions for and with consumers, many of which are subjective in nature. For example, one of the most important decisions a case worker must make is whether or not an applicant is eligible for services. The eligibility criteria for DARS' largest program is shown in the textbox, *Vocational Rehabilitation Eligibility Criteria*. Only the first criterion can be proven through medical documentation of a consumer's impairment. The other three criteria require a case worker to conduct assessments and apply judgment to the decision of eligibility.

Vocational Rehabilitation Eligibility Criteria[2]

Criterion 1: The individual has a physical or mental impairment.

Criterion 2: The individual's disability constitutes or results in a substantial impediment to employment.

Criterion 3: The individual requires services to prepare for, enter, engage in, or retain employment consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

Criterion 4: The case worker must presume that the individual is capable of achieving an employment outcome unless they can prove otherwise due to the severity of the individual's disability.

Once case workers determine eligibility they provide services to help consumers achieve their goals. These services can vary greatly in cost and length. Case workers may provide services as inexpensive as a magnifying glass to help a consumer read their mail and as brief as a few counseling sessions. Other services can be expensive and time consuming, such as surgeries to correct a physical impairment or financial assistance to obtain a college degree. The textbox, *Typical DARS Services*, lists some of the services case workers can provide directly or help to purchase for consumers.

Typical DARS Services

- Vocational counseling and guidance
- Vocational training
- Job search, placement, and retention services
- Mobility and orientation services
- Supported employment
- Licenses, tools, and equipment required for a specific job
- Personal assistive devices
- Physical and mental restoration services, including surgery and therapeutic treatments
- Medical devices, including wheel chairs and hospital beds
- Diagnostic services
- Interpreter and note-taking services
- Vehicle modifications
- Home modifications, such as ramps
- Diabetes education and training
- Camps and other social activities
- Training and other services for family members

Findings

DARS fails to provide safeguards to prevent the cost and length of cases from going unchecked.

DARS' direct services programs are not entitlement programs that ensure every eligible person is served, but instead are constrained by a fixed amount of state and federal funding that the agency must spend prudently. At the same time, federal law establishes the philosophies of informed choice and consumer-directed services. As such, case workers work in partnership with consumers to select services that DARS can provide directly, contract for, or purchase that allow them to pursue their chosen goals. However, the agency provides little guidance to its employees to help balance these sometimes conflicting goals of spending program funds wisely and providing services that consumers choose. Instead, the agency relies on case workers to use their own judgment for many of the decisions they make when providing services to consumers.

Case workers have broad discretion to spend money, with few meaningful limits.

- **Inadequate guidance on spending.** Case workers have broad discretion to spend money on services they believe will benefit the consumer, with few meaningful limits on how much they can spend. During the course of a case, a case worker may provide many services and spend thousands of dollars. Without guidelines on overall spending, some consumers may receive a disproportionate share of purchased services. While DARS has policies that require supervisors to review individual purchases over a certain amount, these limits are relatively high and provide no check on the total cost of a case as they are only tied to individual purchases.[3]

As shown in the chart, *Cost of Purchased Services*, the difference between the average and most expensive case costs is dramatic. For example, the average cost for a successful vocational rehabilitation case in the Division for Rehabilitation Services was $7,273, but the most expensive case cost $361,414. Of particular note is that this most expensive case unfortunately did not result in the consumer finding or keeping a job.

Cost of Purchased Services – FY 2013

Program	Approval Threshold per Individual Purchase	Average Total Case Cost – Successful Closure	Highest Individual Total Case Cost
Division for Rehabilitation Services			
Vocational Rehabilitation	>$2,000	$7,273	$361,414
Independent Living	>$2,000	$6,509	$103,672
Comprehensive Rehabilitation Services	>$2,000	$56,018	$282,434
Division for Blind Services			
Vocational Rehabilitation	>$7,500	$8,999	$141,719
Independent Living	none[4]	$708	$4,680
Blind Children's Program	>$5,000	$4,633	$77,827

- **Little guidance on time frames increases costs.** DARS cases can last many years, even though DARS' services are supposedly time-limited. In Sunset staff's limited review of case files, staff found a Blind Children's Program case that lasted 22 years without any documentation of services provided to the consumer.

  As shown in the table, *Length of Cases*, individual cases can last significantly longer than the average case length. For example, both divisions closed cases in fiscal year 2013 that had been open for more than 20 years.

Length of Cases – FY 2013[5]

Program	Average Case Length	Length of Longest Individual Case
Division for Rehabilitation Services		
Vocational Rehabilitation	1 year, 11 months	20 years, 7 months
Independent Living	1 year, 2 months	4 years, 8 months
Comprehensive Rehabilitation Services	1 year	5 years, 10 months
Division for Blind Services		
Vocational Rehabilitation	2 years, 5 months	21 years, 5 months
Independent Living	10 months	4 years, 8 months
Blind Children's Program	5 years, 10 months	22 years, 7 months

This problem stems partly from a lack of meaningful guidelines. While the Division for Blind Services directs its vocational rehabilitation case workers to review their own cases at certain times, this guideline fails to call for a supervisor's review or approval to continue providing services.[6] The Division for Rehabilitation Services has no benchmarks for the length of services. Allowing services to continue unchecked is an inefficient use of staff time and resources.

Allowing services to continue unchecked is an inefficient use of staff and resources.

- **No intermediate goals or assurance of progress.** With many cases lasting two years or more, case workers need check points to verify that consumers are following their plans and that the services provided are effectively moving consumers towards their goals. DARS does not consistently provide guidance to case workers on how to set these intermediate goals or evaluate whether objectives have been achieved. Each step along the way represents a new goal for the case worker to walk the consumer through. For example, a consumer who needs to find a new profession because their disability prevents them from continuing in their current field will have to make several small achievements before meeting the larger goal, such as exploring career options, obtaining training, and learning new technology. Without meaningful intermediate goals, case workers do not have tools to ensure funds are well-spent and focused on consumers' ultimate goals.

DARS provides very limited and inconsistent reviews of its cases.

While the federal Rehabilitation Services Administration expects states to monitor case workers' performance, it does not require states to implement any specific practices. In compliance with this requirement, DARS' divisions for rehabilitation services and blind services have each created their own case review processes, which require supervisors to perform case reviews for each case worker to monitor compliance with minimal federal regulations, such as whether consumers were determined eligible within the required amount of time. However, Sunset staff found many failures with the case review processes, as described below.

Consistency of case reviews varied by program and by region of the state.

- **Reviews are not performed consistently.** DARS' case review processes do not ensure that all programs receive the same level of scrutiny or that all regions of the state consistently conduct case reviews. For example, vocational rehabilitation case reviews performed by the Division for Blind Services varied greatly, with one region reviewing only about 2 percent of cases and another reviewing more than 39 percent. Case reviews in the Blind Children's Program ranged across the regions from less than 1 percent to nearly 48 percent. The charts on the following page, *Case Reviews by Region*, provide a complete picture of the percentage of case reviews each region conducted for each program.

Supervisors review few case files.

Case Reviews by Region
Division for Rehabilitation Services – FY 2013

Region	Vocational Rehabilitation	Independent Living	Comprehensive Rehabilitation Services
	Percent of Total Cases Reviewed		
Austin	10.4%	0%	4.5%
Houston	4.8%	1.3%	12.3%
Lubbock	10.2%	15.0%	1.6%
Metroplex	10.2%	3.7%	9.3%
San Antonio	2.4%	0.5%	0%

Case Reviews by Region
Division for Blind Services – FY 2013

Region	Vocational Rehabilitation	Independent Living	Blind Children's Program
	Percent of Total Cases Reviewed		
Austin	2.8%	0.6%	0.6%
Corpus Christi	3.6%	3.0%	6.9%
Dallas	7.1%	25.0%	8.2%
El Paso	10.6%	19.9%	14.4%
Fort Worth	1.9%	5.6%	4.5%
Harlingen	4.5%	24.4%	15.6%
Houston	14.7%	27.2%	10.9%
Lubbock	39.7%	37.5%	47.9%
San Antonio	2.7%	12.9%	22.3%
Southeast Texas	4.4%	6.0%	9.3%
Tyler	5.5%	14.1%	9.7%
Waco	12.7%	26.1%	28.7%

- **Only a small portion of a case load is reviewed.** Each division's policies require supervisors to select a limited number of cases to review for each case worker. The Division for Rehabilitation Services' supervisors must review between two and four cases, or more depending on certain risk factors, per case worker per year.[7] The Division for Blind Services' supervisors must review between four and eight cases per case worker per year.[8] These numbers represent only a fraction of each case worker's case load, considering that the average vocational rehabilitation case load is 82 in the Division for Rehabilitation Services and 59 in the Division for Blind Services.

- **Riskiest cases are not routinely reviewed.** Policies do not require supervisors to focus their reviews on cases that are the most expensive or that have been open the longest. These two factors pose a risk to the agency in terms of the potential waste of valuable program dollars and staff time that could be used for other consumers. Sunset staff's limited review of case files specifically focused on these two risk areas and found several problems. For example, Sunset staff found a Comprehensive Rehabilitation Services Program case that lasted almost six years in which the consumer received a series of costly home modifications for two separate homes, with the supervisor's approval, despite the fact that such expenditures are not allowed under that program's policies.

Sunset staff found a case in which a consumer inappropriately received costly home modifications for two homes.

- **Critical decision points are not routinely reviewed.** Supervisors can conduct case reviews at any stage in a case, from when an individual first applies for services to when a case is finally closed. Case review data shows that reviews occur primarily during the time that consumers are receiving services, but do not routinely occur as a check on case workers' critical decisions, such as finding a consumer ineligible for services or closing a case because a consumer did not meet their goals. The chart, *Case Reviews by Status*, shows the number of reviews conducted at different stages of a case, from application to closure.

Case Reviews by Status – FY 2013

Case Status at Time of Review	Vocational Rehabilitation (General)	Vocational Rehabilitation (Blind)	Independent Living Services (General)	Independent Living Services (Blind)	Comprehensive Rehabilitation Services	Blind Children's Program
Number of Consumers Served	79,578	10,066	1,977	3,314	908	4,417
Application filed	883	39	9	63	5	5
Determined ineligible or closed before a plan for services was developed	165	4	0	0	1	0
Actively providing services	2,644	860	83	305	31	368
Closed unsuccessfully (consumer did not reach goal)	580	63	0	0	2	1
Closed successfully (consumer did reach goal)	1,085	36	8	59	19	15

As the chart shows, many programs did few or no case reviews when applicants were determined ineligible or the case was closed before a plan for services was created. Without reviews of these cases, supervisors cannot gauge case workers' decision making process for denying services due to ineligibility or for preventing consumers from dropping out before developing a plan. The chart also shows that supervisors are not focusing case reviews on cases that are closed unsuccessfully despite agency resources being spent on services.

Without case reviews, supervisors cannot gauge case workers' most critical decisions.

- **Reviews are not consistently used as a management tool.** The Division for Rehabilitation Services' case review process requires supervisors to evaluate the quality of case workers' decision making throughout the life of a case. Supervisors use this information in the case worker's annual performance evaluations. The Division for Blind Services does not require supervisors to evaluate case worker's decision making through the case review process or use reviews during annual performance evaluations. Instead, the Division for Blind Services only uses its case review process to ensure compliance with federal regulations.

  Further, the Division for Rehabilitation Services recently developed an online tool to record and track case review data, which allows management at all levels to view the results of case reviews. However, the Division for Blind Services has not yet chosen to use this tool and continues to record case review data using basic Excel spreadsheets that do not allow the same level of evaluation.

Surprisingly, this lack of oversight of cases is not a new issue. Through the Sunset reviews of DARS' predecessor agencies in 1999, Sunset staff found that those agencies lacked adequate processes to monitor vocational rehabilitation case workers' decisions and directed the agencies to create such processes in rule.[9] Although these Sunset recommendations remain in law today more than 15 years later, DARS has still not adopted rules pertaining to monitoring and oversight of its vocational rehabilitation case workers.[10] Sunset staff found many of the same problems still exist today for all of the agency's direct services programs.

Many of the same problems identified by Sunset in 1999 still exist today.

DARS inadequately monitors the overall performance and outcomes of its direct services programs.

Both the Division for Rehabilitation Services and the Division for Blind Services collect a great deal of data on all direct services programs through their shared case management system, ReHabWorks. However, the agency has not designated any one person or group to evaluate this data in an objective and meaningful way to judge the quality or performance of each program. Rather, program managers monitor their own staff's performance, with few clear expectations or accountability measures set by the agency's executive management. By spreading the responsibility for performance monitoring

across program managers, the agency is missing an opportunity to delve deeper into data that could provide meaningful insights into what the programs are doing well and where they need improvement.

The sole outcome measure DARS reports to the Legislature is extremely limited. The agency's rehabilitation rate — a federally required performance measure — represents the consumers who got jobs and kept them for 90 days compared to those who did not get jobs despite receiving services. While a useful tool, the rehabilitation rate only measures cases once they are closed, and does not show the agency's progress in serving consumers who are actively receiving services, even though some are in the program for several years. Further, the rehabilitation rate does not account for those who were determined ineligible or those who were determined eligible but did not develop a plan for services.

While the Vocational Rehabilitation Program has this one objective outcome measure, the success of DARS' other direct services programs are not objectively measured. The Independent Living, Comprehensive Rehabilitation Services, and Blind Children's programs have much more subjective outcomes in that each consumer has individual goals for their participation in the program and case workers must determine how well consumers met those goals. The agency has modeled these programs after its Vocational Rehabilitation Program by categorizing closed cases as either successful or unsuccessful, but these outcomes are not always reliable. Sunset staff's limited review of case files found several cases in these programs that were closed as successful without any explanation of why the case worker had made that determination. In some instances, case workers categorized a case as successful even when they had not been in contact or provided services to the consumer for a long period of time. Without objective outcomes for these programs, DARS and the Legislature cannot effectively determine their success.

Sunset staff found several cases closed as successful with no explanation of why.

DARS also fails to perform a higher level of review to ensure consistency across its regions. The case review data discussed above points to a lack of effective performance monitoring, especially from a statewide perspective. Likewise, DARS' internal auditor recently found that some field offices within the Division for Blind Services were not conducting case reviews as required, including not using the required risk assessment tool to determine which cases to review and skipping required questions on the case review form.[11] Without a centralized monitoring function, DARS cannot ensure all of its field staff are spending program funds wisely and serving consumers well.

Recommendations

Change in Statute

2.1 Require DARS to create clear, validated guidelines for case workers to ensure better decision making for successful, cost-effective outcomes.

This recommendation intends to ensure DARS provides clearer direction for case workers' decisions in all direct services programs. DARS should base the guidelines on research and best practices so that they effectively lead toward successful case outcomes. The agency should provide guidelines in an accessible format that allows case workers to easily access the information. At a minimum, guidelines should cover the following.

- **Length and cost of a case.** The agency should categorize cases by the type of services provided, such as cases that are generally shorter because the consumer requires only medical restoration or assistive technology to keep their current job or cases that are longer because the consumer must acquire new skills to change careers. The agency should use past data and best practices to develop guidelines for how long a case in each category should last and how much a case in each category should cost. The agency may also establish other guidelines to direct case workers and their supervisors as necessary to achieve success. Case workers would be allowed to exceed these guidelines, but should document the need to continue a case and gain approval from their supervisor. In addition, the agency should re-evaluate its current thresholds for when supervisor approval is needed for individual purchases.

- **Intermediate goals.** DARS should provide guidelines for all direct services programs on the creation of intermediate goals and criteria to evaluate those goals. Intermediate goals should allow a case worker to monitor their consumer's progress while also allowing supervisors to quickly see how well a case is advancing. The agency should use these intermediate goals to establish more objective outcomes for the Independent Living, Comprehensive Rehabilitation Services, and Blind Children's programs.

These tools are not intended to limit any appropriate or needed services provided to consumers. Instead, they should serve as check points to help case workers and their supervisors ensure each program's resources are being spent prudently and consumers are on a path to success.

2.2 Require the agency to create a robust and consistent case review system for all direct services programs.

This recommendation would ensure the agency creates one case review system for all direct services programs with risk assessment tools that account for the different risks of each individual program. In this new system, the agency should include the following elements.

- Case reviews should consistently evaluate each program across all regions, with a goal of evaluating at least 10 percent of all cases in each program and region annually.

- Case reviews should focus on areas of highest risk, prioritizing the review of cases that exceed two years of service or that are significantly outside of the expenditure guidelines for that type of case. Since cases in the Blind Children's Program often span many years over the course of a consumer's childhood, the agency should prioritize the review of cases in that program that exceed five years of service, rather than two.

- Case reviews should evaluate case workers' eligibility determinations, and include a review of cases closed before a plan is developed and cases closed unsuccessfully.
- Case reviews should focus on the quality of case workers' decision making, as well as compliance with program requirements.
- Supervisors should use case reviews as part of each case worker's performance evaluation, as well as their informal coaching.

2.3 Require DARS to designate staff to monitor performance across programs and regions.

This recommendation would require DARS to create a monitoring function outside of the individual programs and regions to analyze and track performance from a statewide perspective. The agency could form a new group or use existing staff in the Program Reporting and Analysis Division to perform this function. These staff should collect and monitor data and report outcomes and trends to the agency's direct services program managers, and when warranted, to the commissioner. This group would be responsible for duties including the following.

- Monitoring performance data from all regions and all programs to identify trends.
- Working with program staff to develop objective outcome measures for the Independent Living, Blind Children's, and Comprehensive Rehabilitation Services programs, as well as more detailed outcome measures for the Vocational Rehabilitation Program that go beyond the rehabilitation rate.
- Monitoring case review data to ensure regional managers are consistently complying with the new case review system established under Recommendation 2.2.

To better monitor its regions, DARS could also consider conducting internal peer reviews of field offices throughout the state to assess compliance with federal regulations and agency policies. To conduct the peer reviews, the monitoring staff could facilitate the creation of peer review quality assurance teams, made up of one person from the monitoring staff, as well as a regional supervisor, a field office supervisor, and an experienced case worker from a different region than where the review is occurring. These teams would evaluate a region's compliance with federal regulations, division policy, and how well it compares with other regional offices throughout the state, as well as reviewing a random sample of high-risk case files. The agency should set the expectation of conducting a peer review in each region on a regular basis, such as at least once every two years.

Fiscal Implication

These recommendations would have no direct fiscal impact to the State. DARS can implement these recommendations using existing resources, such as the Division for Rehabilitation Services' online case review tool and staff in the Program Reporting and Analysis Division. Ultimately, these recommendations will allow the agency to use its resources more appropriately and efficiently. However, the fiscal impact of closer scrutiny of case expenditures cannot be estimated.

……..

[1] Most of the Division for Rehabilitation Services' case workers carry vocational rehabilitation case loads, but several also carry case loads for the Comprehensive Rehabilitation Services and Independent Living Services programs.

[2] 34 C.F.R. Section 361.42(a)(1).

[3] Department of Assistive and Rehabilitative Services (DARS), Division for Rehabilitation Services, *Rehabilitation Policy Manual,* Section 7.6.11, "Responsibilities for Purchasing Goods," accessed on March 30, 2014, http://www.dars.state.tx.us/drs/rpm/ch7.htm#7.6; DARS, Division for Blind Services, *Vocational Rehabilitation Manual*, Section 41.2, "General Guidelines for VR Purchasing Approval Levels," accessed on March 30, 2014, http://www.dars.state.tx.us/dbs/vr/ch41.htm#41.2; DARS, Division for Blind Services, *Independent Living Manual*, Section 5.2.10, "What are Vision Services?"; DARS, Division for Blind Services, *Blind Children's Discovery and Development Program Manual*, Section 1.2, "Actions Requiring Field Director's Approval."

[4] The Division for Blind Services' *Independent Living Manual* generally does not set thresholds for case workers to obtain supervisor approval of purchases. However, policy does require supervisor approval for purchases over $500 during a case worker's first year of employment.

[5] Some data in the chart represents the average length of time between application and closure, while other data represents the average length of time between when the plan is signed and the case is closed.

[6] DARS, Division for Blind Services, *Vocational Rehabilitation Manual,* Section 40.3.2, "Benchmark Time Frames," accessed on March 30, 2014, http://www.dars.state.tx.us/dbs/vr/ch40.htm.

[7] DARS, Division for Rehabilitation Services, "Case Review Risk Assessment Instructions."

[8] DARS, Division for Blind Services, *Vocational Rehabilitation Manual*, Section 40.8.2, "Case Review Selection Using the Risk Assessment Process," accessed on April 4, 2014, http://www.dars.state.tx.us/dbs/vr/ch40.htm#40.8.

[9] Sunset Advisory Commission, *Texas Rehabilitation Commission Sunset Staff Report* (Austin: Texas Sunset Advisory Commission, September 1998), pp. 23–24; Sunset Advisory Commission, *Texas Commission for the Blind Sunset Staff Report* (Austin: Texas Sunset Advisory Commission, October 1998), p.16.

[10] Sections 91.022 and 111.071, Texas Human Resources Code.

[11] DARS, *An Internal Audit of Budget Management and Monitoring of Consumer Purchases in the Division for Blind Services* (Austin: DARS, January 2014), p. 12.

Issue 3

DARS Offers Many Independent Living Services Consumers Could Easily Access Through Local Centers for Independent Living.

Background

In 1978, Congress amended the federal Rehabilitation Act to authorize and fund a network of independent living services in the states to better meet the needs of people with disabilities. This law reflected a shift away from isolating people with disabilities in institutional settings and toward supporting them to live as independently as possible in their communities.

Local centers for independent living (CILs) serve as the hub for these services. Operated primarily by persons with disabilities, the centers advise and help individuals learn skills to live as independently as possible. Services include information and referral; self-advocacy training; and skills training through individual and group instruction on topics such as cooking, housekeeping, money management, resume writing, and use of adaptive devices for the home and on the job. Centers also advocate for changes to remove barriers and promote the inclusion of people with disabilities into the mainstream of local community activities. Texas has 27 centers statewide, governed by 17 local community-based boards. The federal or state government must designate each CIL as meeting criteria in the federal Rehabilitation Act as shown in the textbox, *CILs Criteria*.[1]

CILs Criteria

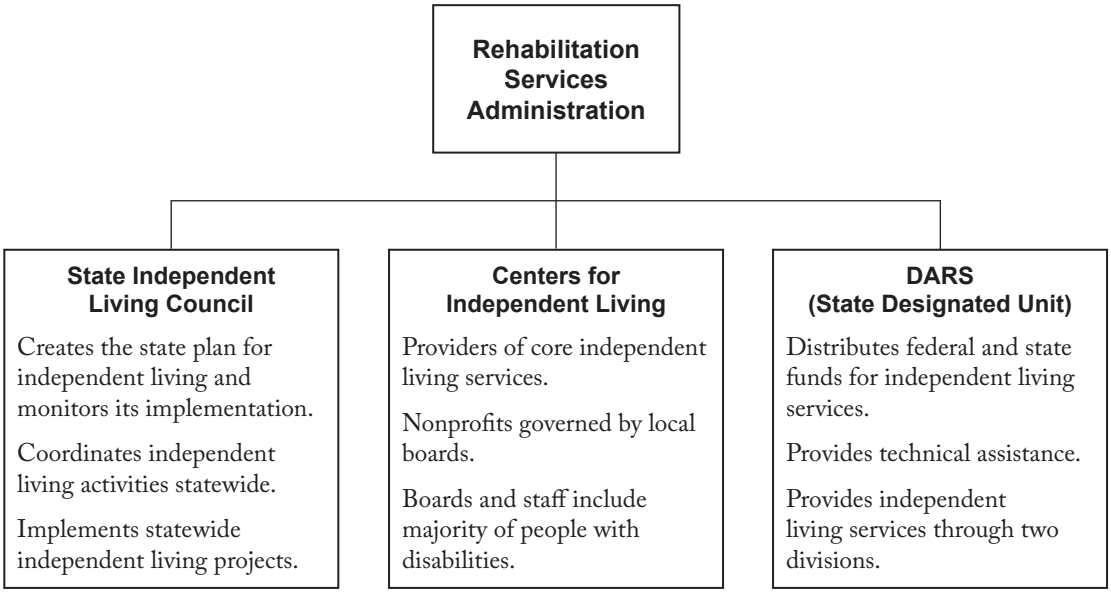
- Consumer-controlled
- Community-based
- Cross-disability
- Nonresidential
- Private nonprofit

To guide the network, federal law provides for an independent council to create and update a statewide plan for independent living every three years. In Texas, the State Independent Living Council is composed of 13 members appointed by the Governor, the majority of whom must be people with disabilities. The council also has three ex officio members — two employees from the Department of Assistive and Rehabilitative Services (DARS) and one from the Department for Aging and Disability Services. Operating as an independent nonprofit with a staff of eight, the council works with other stakeholders to create the state plan and monitor its implementation.

Federal law also calls for a state entity to disperse funds, keep records, and, *if it chooses*, provide independent living services. In Texas, DARS serves as the designated state unit and provides independent living services through both its Division for Rehabilitation Services and Division for Blind Services. DARS' independent living services help people with disabilities who cannot work to lead more self-directed lives and improve their abilities to perform daily living activities. Services focus on mobility, communications, personal adjustment to living with a disability, social skills, and self-direction to help an individual achieve the greatest level of independence possible. Services may include counseling and the purchase of various types of assistive technology aids, wheelchairs or braces, home or vehicle modifications, or other services needed to achieve independent living goals.

The chart on the following page, *Texas' Independent Living Services Network*, depicts how the network is organized.

Texas' Independent Living Services Network



In fiscal year 2013, DARS spent $13.6 million on independent living services — $10.6 million going to services delivered directly by DARS' staff, $2.7 million to support the operations of 15 centers for independent living, and $294,057 to support the State Independent Living Council. The majority of this funding is federal, with about 14 percent, or $1.9 million, coming from state general revenue. In fiscal year 2013, the federal Rehabilitation Services Administration also directly awarded grants totaling $5 million to 22 centers for independent living in Texas.

In fiscal year 2013, DARS' Division for Rehabilitation Services provided independent living services to 1,977 consumers and the Division for Blind Services provided services to 3,314 consumers — the majority of these consumers were age 60 or older. According to the State Independent Living Council, that same year the 27 centers for independent living served 10,129 people — with 50 percent between the ages of 25 and 59, and 30 percent age 60 or older.[2]

Findings

DARS struggles to provide independent living services statewide with its own case workers, when local centers for independent living provide most of the same services.

With the development of local centers to provide independent living services, Sunset staff examined if DARS had taken steps to ensure that its programs are not duplicating these services. An examination of Texas' State Plan for Independent Living for 2014–2016 indicates that the services provided by DARS staff perfectly mirror those provided by local centers.[3] As shown in the chart on the following page, *Comparison of Independent Living Services*, of the 19 independent living services provided by DARS staff directly, local centers provide all of the same services. Three other services — physical rehabilitation, therapeutic treatment, and prostheses and other appliances — are available through DARS contracts, but are not provided directly by either DARS or the centers.

Comparison of Independent Living Services[4]

Independent Living Services	Provided by		
	DARS Staff	DARS Contractors	CILs
Four core independent living services, as follows:			
1. information and referral;	x	x	x
2. independent living skills training;	x	x	x
3. peer counseling; and	x	x	x
4. individual and systems advocacy.	x	x	x
5. Counseling services.	x	x	x
6. Services related to securing housing or shelter.	x	x	x
7. Rehabilitation technology.	x	x	x
8. Mobility training.	x	x	x
9. Services and training for individuals with cognitive and sensory disabilities.	x	x	x
10. Activities to identify appropriate housing, recreation, accessible transportation, and other support services.	x	x	x
11. Consumer information on rehabilitation and independent living services, especially for minorities and other individuals who have traditionally been unserved or underserved.	x	x	x
12. Education and training necessary for living and participating in community activities.	x	x	x
13. Transportation, including referral and assistance for such transportation.	x	x	x
14. Training to develop skills specifically designed for youths with significant disabilities.	x	x	x
15. Services for children with significant disabilities.	x	x	x
16. Services under other federal, state, or local programs designed to provide resources, training, counseling, or other assistance of substantial benefit in enhancing the independence, productivity, and quality of life of individuals with significant disabilities.	x	x	x
17. Appropriate preventive services to decrease the need for similar services in the future.	x	x	x
18. Community awareness programs to enhance the understanding and integration into society of individuals with disabilities.	x	x	x
19. Other necessary services not inconsistent with the Rehabilitation Act.	x	x	x
20. Personal assistance services, including attendant care, and the training of personnel providing such services.		x	x
21. Individual and group social and recreational activities.		x	x
22. Physical rehabilitation.		x	
23. Therapeutic treatment.		x	
24. Provision of needed prostheses and other appliances and devices.		x	

DARS' 32 case workers carry heavy case loads as they struggle to provide services statewide.

With only 32 case workers divided across two programs, DARS struggles to provide independent living services to a growing number of consumers statewide. In fiscal year 2013, DARS' Division for Blind Services had 21 case workers providing independent living services statewide for individuals who are blind or visually impaired. Case loads for this program averaged 64 consumers, with one case worker carrying 113 cases. During that same time, the Division for Rehabilitation Services had 11 independent living case workers to provide services statewide for people with all other disabilities, many of whom also carried case loads for other programs. Case loads for this group averaged 76 consumers, with one worker carrying a case load of 191 consumers. The Division for Rehabilitation Services also has an ongoing waitlist for its independent living services of four to five months. At the end of fiscal year 2013, 711 people were on the waitlist.

Despite the heavy case loads, waitlists, and the availability of many of the same services through local centers for independent living, stakeholders reported that DARS does not consistently refer consumers to the centers for services. Some centers reported only rarely receiving a referral from DARS, but a true picture of referrals could not be determined as neither DARS nor the CILs track these referrals.

DARS staff provide services largely on a one-to-one basis and often in people's homes, resulting in many DARS case workers traveling extensively. For example, three Division for Rehabilitation Services' case workers cover 105 counties in West Texas and the Panhandle. Time spent traveling is expensive and cuts into time that case workers would otherwise spend providing services. In fiscal year 2013, DARS spent an estimated $170,000 on travel related to independent living services, primarily through its Division for Blind Services, which averaged $7,500 per case worker that year. Appendix D provides two maps, one for each division, showing the service areas each case worker must cover.

The centers' approach to providing services offers many advantages, including being more cost-effective.

In contrast, the centers are located in 27 areas statewide, employing a total of 242 staff. For comparison purposes, Appendix E depicts the location of each of the 27 centers and their service areas. The centers are located in local communities, so staff and consumers generally do not have as far to travel. Services are not divided between those for individuals who are blind or visually impaired and those with other disabilities, cultivating a greater sense of community and inclusion across disabilities, particularly for individuals with multiple disabilities. The centers provide many services in groups, taking advantage of the skills and first-hand knowledge of staff and volunteers with disabilities to help individuals and families learn needed independent living skills.

The centers' approach to service provision offers many advantages in reinforcing the philosophies of self-help and self-determination, but are also a cost-effective means of meeting the growing need for services, particularly as Texas' population ages. Sunset staff concluded that DARS could benefit from more consistently taking advantage of the local centers, and that attempting to provide the same, and often duplicative, services with state employees in areas already served by

local centers is both inefficient and unsustainable, especially as the population in need of independent living services continues to grow.

In response to a legislative directive, DARS is working to compile consistent outcome data on the centers, but this information was not available at the time of this report.

Last session, the Legislature directed DARS through a rider in the General Appropriations Act to focus on improving how outcomes data for the centers is measured, collected, and reported.[5] This stemmed from the Legislature's reticence to grant DARS' appropriations request for additional general revenue to fund three new CILs and increase funding for existing centers without adequate data showing the impact of the centers statewide. While DARS is working to establish common definitions for collecting outcome data from the centers, this information was not available at the time of this report.

DARS is improving how centers' outcome data is measured, collected, and reported.

DARS lacks any formal methodology for equitably dispersing its independent living funds to centers.

The centers for independent living rely on a variety of different funding sources for support. In fiscal year 2013, DARS dispersed about $1.4 million in federal funds to 10 of the 27 centers, based largely on historical precedence. Since 2009, DARS has dispersed $1.25 million annually in state general revenue to support five newer centers. In addition, the federal Rehabilitation Services Administration directly awarded grants totaling $5 million to 22 centers in Texas in 2013.

While DARS is only a part of the centers' funding stream, the agency has no established or transparent method for evaluating how much assistance each center needs or how to most equitably disperse funds among the centers. Without a defined approach, DARS has no way to ensure it is allocating this funding in the most effective way.

Recommendations

Change in Statute

3.1 Define DARS' role in the provision of independent living services as supporting and monitoring the network of centers for independent living.

This recommendation would clarify that all state independent living services should be provided by or through centers for independent living in all areas of the state, except where no center is willing or able to provide services, beginning in fiscal year 2017. DARS' role in the state's independent living network would be to fund and evaluate services provided by the local centers, and to provide any necessary training or technical assistance to help the centers expand their capacity to provide a full range of independent living services. For areas with no center or for services not currently provided by centers, DARS should first seek out CILs that are capable of subcontracting with nonprofits and other organizations to ensure all needed services are available. If no center is able or willing to subcontract for services, the agency may contract directly with other entities to provide independent living services. The agency should retain

ultimate responsibility for monitoring the centers' performance in providing independent living services, including how the centers monitor the performance of subcontractors. As part of these changes, rules should be adopted addressing the following.

- An equitable and transparent methodology for allocating funds to all centers.
- Requirements for contracting with CILs to provide independent living services.
- Requirements for CILs to follow when subcontracting for areas not served by centers or services not provided by centers.
- Requirements for contracting with nonprofits and other organizations to provide independent living services.
- DARS' monitoring process for independent living services contracts.
- DARS' role in providing technical assistance and training to centers as needed.
- Expectations for DARS' employees to refer consumers in DARS' direct services programs to CILs, with a method for tracking those referrals.

Management Action

3.2 DARS should evaluate independent living services available in communities throughout the state.

To prepare for the implementation of Recommendation 3.1, DARS should determine the capacity of CILs to provide a full range of independent living services in all areas of the state. Based on this analysis, the agency should develop a plan to contract with CILs and other independent living service providers, and reorganize its own staff to provide assistance to the CILs and manage these contracts. This analysis and plan should be completed in time to fully implement the changes outlined in Recommendation 3.1 in fiscal year 2017.

As part of its evaluation of independent living services statewide, DARS should perform the following tasks:

- survey CILs to determine what services they provide;
- survey CILs to determine what assistance, such as training and technical assistance, they need to expand services;
- create an inventory of community-based entities that provide independent living services in areas where services are not available through CILs;
- develop common definitions for independent living services and outcomes; and
- define outcomes and how they will be measured for inclusion in contracts with the CILs and other providers.

DARS should develop its approach to reorganizing services with the input of the State Independent Living Council and other stakeholders, including the Texas Association of Centers of Independent Living to ensure the most effective operation of the network overall.

Fiscal Implication

These recommendations would result in DARS redirecting an estimated $10 million annually to the centers for independent living and other providers of independent living services through contracts, beginning in fiscal year 2017 to allow DARS time to evaluate its independent living services and reallocate staff and funding. The transfer of funds would result from the elimination of 32 independent living case worker positions and the amount the agency spends on purchased goods and services in the program. This estimate assumes that most of the agency's current independent living services budget of $10.6 million would instead be redirected to the CILs. However, about $530,000 would remain with the agency to fund salaries and benefits for eight full-time equivalent positions to provide training to the CILs and perform contract management and oversight functions.

Department of Assistive and Rehabilitative Services

Fiscal Year	Change in FTEs From 2013
2016	0
2017	-24
2018	-24
2019	-24
2020	-24

1 34 C.F.R. Section 364.4(b).

2 This number only represents the number of consumers with a plan, and does not account for other individuals who used CILs' services without having a service plan in place.

3 State Independent Living Council, *Texas State Plan for Independent Living 2014–2016* (Austin: State Independent Living Council, 2013), pp. 32–33.

4 Ibid.

5 Rider 30, page II-32, Article II (S.B. 1), Acts of the 83rd Legislature, Regular Session, 2013 (the General Appropriations Act).

Issue 4

DARS' Unfocused Approach to Employer Relations and Transition Services Hinders Its Ability to Increase Consumers' Job Opportunities.

Background

Under the federal Workforce Investment Act of 1998, the Department of Assistive and Rehabilitative Services (DARS) is a partner in Texas' workforce system through its vocational rehabilitation services, which provide training and assistance to individuals with disabilities to help them find and retain employment. Individuals with disabilities have historically had lower rates of employment compared to those without disabilities. As of March 2014, only 19.5 percent of individuals with disabilities in the U.S. had a job or were actively seeking one compared to 68.7 percent for the general population.[1] In an effort to improve these outcomes, DARS helped 13,443 individuals with disabilities find employment in fiscal year 2013.

- **Employer services.** Since the passage of the Workforce Investment Act, states have begun placing greater emphasis on understanding and meeting the needs of businesses to increase employment through the workforce system. Mirroring these efforts, DARS has implemented a "dual customer" approach, which treats employers, as well as individuals with disabilities, as a consumer of vocational rehabilitation services. Employers receive services such as help filling job openings with qualified candidates or training to accommodate individuals with disabilities. DARS has seven staff in the Division for Rehabilitation Services and 13 in the Division for Blind Services designated to handle employer relations.

- **Transition services.** DARS' vocational rehabilitation services also include assisting middle and high school students with disabilities to help them prepare for the transition from school to work. Recent high school graduates with disabilities have low employment rates that are generally half the rate of the general population.[2] DARS' transition services are but one component of larger efforts by the Texas Education Agency, education service centers, and local school districts to help students with disabilities, 14 years and older, begin planning for life after high school. Mostly, DARS offers employment assistance while schools provide all other transition planning. The textbox, *Transition Services*, provides more detail about these activities.

Transition Services – FY 2013

Division for Rehabilitation Services	Division for Blind Services
• Serves ages 16–24	• Serves ages 10–24
• 95 transition counselors	• 24 transition counselors
• 24,056 transition consumers served	• 2,171 transition consumers served

Findings

DARS does not adequately build relationships with key partners in the Texas workforce system to improve consumers' employment opportunities.

Over the course of this review, Sunset staff noticed a consistent theme from stakeholders that DARS does not do enough to develop business relationships to help find job opportunities for consumers. Members of the public at town hall meetings in late 2013 hosted by the Rehabilitation Council of Texas, an advisory body to the Vocational Rehabilitation Program, suggested that DARS should be more involved with businesses that can employ consumers.[3] Also, in 2011, the agency conducted a self-assessment of vocational rehabilitation services in the Division for Rehabilitation Services and found that staff identified employer relations as the function needing the most improvement.[4,5]

DARS does not effectively track the performance of its employer relations efforts.

Apart from these external and internal complaints, Sunset staff had difficulty judging the success of DARS' employer relations efforts because the agency does not track sufficient performance information. The Division for Blind Services compiles monthly reports, and the Division for Rehabilitation Services uses quarterly reports, on the individual efforts of employer relations staff, but does not aggregate this information statewide in any meaningful way, such as to show the total number of employers contacted, the number of job fairs conducted, or the total number of consumers employed due to outreach efforts. Also, DARS does not monitor Texas labor market information for individuals with disabilities, such as unemployment rates, that would help the agency better understand the particular employment needs of the population it serves.

Sunset staff identified the following areas where DARS has problems coordinating with other organizations to increase consumer employment.

- **Business partnerships.** Since DARS divides its employer relations staff between two divisions, it cannot effectively maximize outreach to employers and increase consumer employment. Employer relations staff in both divisions attempt to coordinate outreach to employers, such as at job fairs, but neither division has guidelines for how this coordination should work and it mostly happens on an ad hoc basis. Also, DARS does not have a single point of contact for employers to call for information and assistance, which research shows is a best practice that improves employer access to vocational rehabilitation services.[6]

  Divided between two divisions, DARS cannot maximize its employer outreach.

  Employer relations staff have extra responsibilities that detract from their main mission of focusing on building business relationships. For instance, the job description for employer relations staff in the Division for Blind Services includes placing individual consumers in jobs and training consumers on how to select and use assistive technology, while employer relations staff in the Division for Rehabilitation Services do not perform these functions. Without a more focused approach, DARS cannot hope to target its efforts and expend the time and energy necessary to build the strong business relationships that will have a larger impact on consumer employment.

- **Workforce system coordination.** DARS does not coordinate closely with the Texas workforce system, even though federal and state law require it. Overseen by the Texas Workforce Commission, this system is made up of 28 local workforce boards with 280 local workforce centers and satellite offices providing direct employment services to all job seekers. According to federal law, vocational rehabilitation programs are a required partner in this workforce system and must enter into agreements with the other entities that are partners.[7] Also, state law requires DARS to establish a formal referral process with the Texas Workforce Commission, which resulted from a Sunset recommendation in 1999.[8,9] DARS, however, does not have an agreement with the Workforce Commission to make referrals, and could not tell Sunset staff how many referrals it makes to local workforce centers because it does not track the information. Overall, DARS fails to effectively meet these requirements.

  DARS' field offices do not consistently coordinate with local workforce boards because the agency lacks policies to guide this coordination. The Division for Rehabilitation Services has agreements to coordinate with only 22 of 28 local workforce boards, and the Division for Blind Services has none. According to the Workforce Commission, DARS' vocational rehabilitation counselors only regularly visit workforce centers in half of the workforce board areas in the state to provide services to the centers' customers, as shown in the table *Coordination with Local Workforce Centers*. Also, workforce centers made 1,772 referrals to the Division for Rehabilitation Services in fiscal year 2013, but only 56 to the Division for Blind Services.[10] These numbers reflect the general impression Sunset staff received during the review that the Division for Blind Services places a lower priority on coordinating with local workforce boards than the Division for Rehabilitation Services.

Coordination with Local Workforce Centers

Scheduled DARS Staff Visits	Local Workforce Board
Two days per week	Permian Basin
One day per week	Greater Dallas East Texas Heart of Texas Panhandle South Plains Southeast Texas Tarrant County Texoma Upper Rio Grande
Half day per week	Central Texas Capital Area
One day every other week	Coastal Bend
One day per month	Alamo
No scheduled visits	North Texas North Central Texas Northeast Texas West Central Texas Concho Valley Rural Capital Area Brazos Valley Deep East Texas Golden Crescent South Texas Lower Rio Grande Valley Cameron Middle Rio Grande Gulf Coast

DARS fails to effectively help high school students with disabilities transition from school to work.

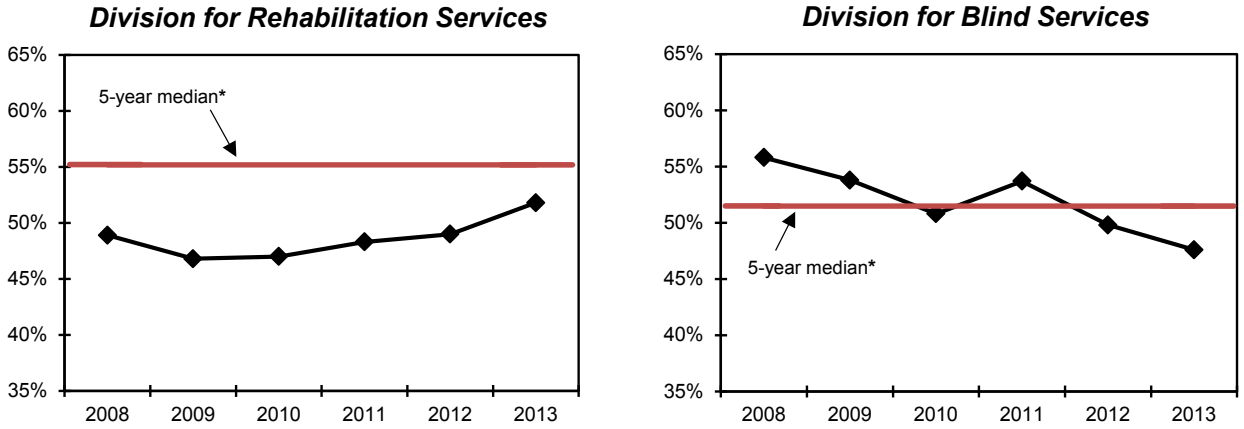
DARS has had a history of problems with providing transition services to students preparing for employment after high school. The previous Sunset review of the state's vocational rehabilitation services in 1999 found that policies

for transition services were vague, leading to inconsistency as counselors in different regions throughout the state provided services differently.[11] The report recommended improving transition services and the subsequent statutory language directs the agency to develop and implement a system that effectively emphasizes and provides transition planning services, including assessing the statewide need for services.[12] In 2009, the Rehabilitation Services Administration recommended that DARS' Division for Rehabilitation Services improve transition services by increasing the consistency of when counselors start services and what services they provide.[13]

Stakeholders routinely complain about DARS' student transition services.

Despite these recommendations, DARS still struggles to provide transition services effectively. At recent public meetings held by advisory councils to both DARS and the Health and Human Services Commission, consumers and parents expressed a need for DARS to coordinate better with schools and key community partners, to assign more transition counselors to schools, and to start serving students before their last year in high school.[14] Complaints about transition services were also a theme observed in the responses to a survey sent out by Sunset staff to DARS stakeholders requesting feedback about the agency's performance. Also, in fiscal year 2013, the percentage of students who were employed when they exited the Division for Rehabilitation Services' Vocational Rehabilitation Program was well below the national median for similar programs and the employment rate for students in the Division for Blind Services' program has been trending down over the last six years, as shown in the *DARS' Transition Employment Rates* charts below.

DARS' Transition Employment Rates [15,16]



* 5-year median for similar general vocational rehabilitation agencies in the U.S.

* 5-year median for similar vocational rehabilitation agencies for the blind in the U.S.

One reason these programs are not succeeding is that DARS does not provide its 119 transition counselors statewide with enough guidance to effectively serve students. For example, the Division for Rehabilitation Services' policies set the age range for transition services between 16 and 24 but do not require counselors to initiate contact with students at a minimum age. This results

in most students not receiving services until too late, during their last year of high school — the median age for students currently entering the program is 19 — which was a problem during the last Sunset review as well.[17] In addition, although statute directs the agency to develop strategies to assist counselors in identifying and reaching students in need of transition planning, the agency's policies lack detailed steps for establishing relationships with school personnel or other methods for locating students in need of services.[18] As long as counselors lack adequate guidance, DARS will not succeed at improving employment outcomes for graduating students. Also, each division has its own policies for providing transition services, creating unnecessary differences between the programs, as discussed in Issue 1.

The Division for Rehabilitation Services does not serve most transition students until they are 19, which may be too late.

With limited resources, DARS does not effectively target transition consumers with the greatest need. Texas has over 1,600 high schools with more than 87,000 students with disabilities ages 16 to 21.[19,20] DARS does not have the staff to effectively assign transition counselors to every school. However, the agency does not have a statewide strategy to maximize the impact of its current resources and instead allows field offices to decide how to assign transition counselors without effective guidance. The agency also does not have a strategic approach to coordinate services statewide with the Texas Education Agency and target resources where the state needs them most, such as on higher populations or concentrations of students with more significant disabilities. Also, although statute encourages collaboration with the 20 education service centers around the state, DARS has no agreements with them for identifying and coordinating transition services to meet students' needs.[21] Better coordination with the education system would allow DARS to understand schools' needs and resource constraints so it could effectively allocate its limited resources to have the most significant impact on students with disabilities.

DARS does not have a strategy to focus its limited resources on the students who need them most.

DARS has not evaluated its employer initiatives for possible expansion or taken advantage of other opportunities for increasing jobs statewide.

DARS has pursued certain local initiatives to partner with employers to increase job opportunities for its consumers, but does not effectively evaluate these efforts for possible expansion. Many of DARS' field office staff establish relationships on their own locally that could yield benefits for more consumers if the agency were to coordinate these efforts statewide. For example, Project Hire — a program initiated by DARS staff in McAllen for recent high school graduates with developmental disabilities — provides assistance and supports to help students earn a certificate from South Texas University while receiving work experience with participating businesses. The program will eventually serve up to 50 students with the goal of employment by the time they finish, and is a collaboration between DARS, the local workforce board, and the university. DARS has only recently started to designate central office staff to monitor and replicate initiatives like Project Hire.

In addition, DARS has not acted to assist employers subject to a new federal directive to employ more people with disabilities. This federal regulation took effect March 24, 2014 and sets a goal for federal contractors to employ individuals with disabilities for at least 7 percent of their workforce.[22] If DARS could leverage its resources to engage these contractors, the agency could greatly increase potential employment opportunities for its consumers statewide.

Recommendations

Change in Statute

4.1 Require DARS to build and maintain close coordination with the Texas workforce system and employers to increase job opportunities for people with disabilities.

This recommendation would ensure DARS places a high priority on serving employers and coordinating with the workforce system by imposing the following requirements.

- DARS should develop a focused, statewide employer relations strategy and align it with the workforce system's statutory goal to identify the needs of businesses and help job seekers develop the skills necessary to meet those needs.[23]
- DARS should collaborate with local workforce boards on outreach to employers and to gain valuable local labor market information, which would reduce duplication and allow DARS to take advantage of the workforce system's resources.

To serve as a blueprint for how this relationship would work at the local level, DARS should develop a new memorandum of understanding with the Texas Workforce Commission that provides a model for coordination needed between DARS' field offices and local workforce boards. DARS should also use this agreement to comply with existing law requiring the establishment of a formal referral process with the Workforce Commission.[24] The agency should implement the changes included in this recommendation by September 1, 2016.

4.2 Require DARS to partner with the Texas Education Agency to develop a mechanism to target schools with the highest need for transition services, and to develop policies to ensure it provides a consistent, minimum level of service.

Under this recommendation, DARS and the Texas Education Agency should collaborate to develop a mechanism to identify the areas of the state with the highest transition needs. This mechanism should account for DARS' limited resources and school district needs, such as the amount of resources a school has for special education, the number of students with disabilities, and any other important factors. These agencies should update the mechanism on a regular basis, such as every two years.

As part of this recommendation DARS should develop uniform, statewide policies on transition services, including the following elements.

- **Preferred age for first contact.** DARS would set a goal that transition counselors initiate contact with students approximately three years before graduation, around the age of 15, as recommended by research to allow ample time to have a significant impact on employment outcomes.[25] The policies would specify the minimum level of services to be provided at that time. For example, policies

could require a group presentation to transition consumers and their families about DARS' role in transition planning, eligibility, and the type of services provided. However, counselors would not be limited to these minimum actions only.

- **Standards for assigning transition counselors to schools.** These standards should use the mechanism above developed in conjunction with the Texas Education Agency, and should address consistency among regions without being overly restrictive.
- **Coordination between transition counselors and schools.** At a minimum, the policies should set expectations for counselors to develop relationships with school personnel. DARS should account for the new state requirement for each public school district to employ a disability transition coordinator.[26] The policies should also set expectations for regional staff to work with education service center representatives on a regular basis, such as quarterly, to identify areas of greatest need and discuss local strategies.

DARS should also update its memorandum of understanding with the Texas Education Agency to account for these policy changes and improve coordination. One priority should be to improve dissemination of information about DARS' services. Strategies should be developed to better inform transition consumers, their families and school personnel of the DARS services available and which DARS counselors to contact. This agreement should also specify the process DARS and the Texas Education Agency will use to develop and update the mechanism used to target students.

The new mechanism, policies, and agreement should be completed by September 1, 2016.

Management Action

4.3 Direct DARS to consolidate its employer relations staff and give them responsibility over workforce system coordination and employer initiatives.

This recommendation would require DARS to consolidate its employer relations staff into a single function and ensure they focus solely on building business relationships. The agency should designate staff within this group as the single point of contact for employers, to ensure consistent information and services. As the agency fills new employer relations positions in the future, it should ensure these staff have a background in business, marketing, or a related field. Assistance currently provided by these staff directly to individual consumers, such as job placement or assistive technology, should instead be the responsibility of counselors or other vocational rehabilitation staff.

Employer relations staff should train counselors on how to work with businesses, allowing counselors in field offices around the state to still play a part in developing and maintaining these relationships, but with a better understanding of how to approach and meet the needs of employers. Employer relations staff would also have responsibility for evaluating and replicating the agency's successful employer-based initiatives and identifying new opportunities.

Under this recommendation, employer relations staff should take the lead role in developing better internal policies and forming interagency agreements to increase coordination with the workforce system. This should include field office staff visiting at least one workforce center in every local workforce board region on a set schedule, no less than once a month. Also, DARS should track how often its vocational rehabilitation counselors refer consumers to local workforce centers.

To monitor the performance of its employer relations function, DARS should develop and track internal performance measures, such as the number of employers contacted, the number of job fairs conducted, and the number of consumers employed due to outreach efforts. DARS should implement all parts of this recommendation by September 1, 2015.

4.4 Direct DARS to develop a strategy for assisting federal contractors to hire individuals with disabilities, and to task its employer relations staff with researching and anticipating similar federal or state initiatives in the future.

DARS should quickly develop and implement a plan for targeting federal contractors and providing them with information and services, such as awareness events and job placement assistance. This plan should set performance goals for each year, such as the number of contractors contacted, the number of services provided to these contractors, and the number of DARS consumers employed. The plan should also require DARS' regions to coordinate efforts and use the same approach with contractors, which could include forming teams made up of staff across regions to engage these contractors. DARS should also develop instructions in its vocational rehabilitation policies for how to implement this plan, to ensure staff maintain consistency and are accountable. The agency should complete and begin implementing this plan for federal contractors by December 1, 2014 since the new goals have already gone into effect.

Fiscal Implication

These recommendations would have no fiscal impact to the State, as they can be accomplished within the agency's existing resources. Forming a consolidated employer relations function, as required by Recommendation 4.1, would not require any additional resources since DARS would be combining existing staff and giving them new responsibilities. Recommendation 4.2, which requires DARS to develop a new mechanism to allocate its limited resources to transition students, would rely on existing data and resources and would not require any additional staff or database systems.

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[1] "Table A-6. Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted," Bureau of Labor Statistics, U.S. Department of Labor, last modified April 4, 2014, http://www.bls.gov/news.release/empsit.t06.htm.

[2] "Youth Employment Rate," U.S. Department of Labor, Office of Disability Employment Policy, accessed April 2014, http://www.dol.gov/odep/categories/youth/youthemployment.htm.

[3] Rehabilitation Council of Texas, "Comprehensive Statewide Needs Assessment," Houston, October 24, 2013, public meeting.

[4] The study surveyed staff and asked them to rate the importance of certain vocational rehabilitation tasks, and then rate how well the Division for Rehabilitation Services was doing at performing those tasks. Those tasks that had the largest gap between importance and performance were the areas of highest need. Nine of the 10 tasks with the highest need dealt with business relations.

[5] Virginia Commonwealth University, *Self-assessment of the Texas DARS – Division for Rehabilitation Services* (Richmond, VA: Virginia Commonwealth University, 2011), p. 6.

[6] National Governor's Association, *A Better Bottom Line: Employing People with Disabilities* (Washington, DC: National Governor's Association, 2013), p.17.

[7] Rehabilitation Act Amendments of 1998 (29 U.S.C. Section 701(b)(1)(A)); 34 C.F.R. Section 361.23(a) and (b).

[8] This recommendation applied to the Texas Rehabilitation Commission, which became part of DARS.

[9] Section 111.0525(c), Texas Human Resources Code; Sunset Advisory Commission, *Health and Human Services Commission Sunset Staff Report* (Austin: Texas Sunset Advisory Commission, November 1998), pp. 202–203.

[10] The 1,772 Texas Workforce Commission referrals amounted to 2.2 percent of the Division for Rehabilitation Services' 79,578 consumers served in fiscal year 2013, and the 56 referrals amounted to 0.6 percent of the Division for Blind Services' 10,066 consumers served.

[11] Sunset Advisory Commission, *Texas Rehabilitation Commission Sunset Staff Report* (Austin: Texas Sunset Advisory Commission, November 1998), pp. 38–39.

[12] Section 111.052(7), Texas Human Resources Code; Sunset Advisory Commission, *Texas Rehabilitation Commission Sunset Staff Report*, p. 41.

[13] Rehabilitation Services Administration, *Fiscal Year 2009 Monitoring Report on the Vocational Rehabilitation and Independent Living Programs in the State of Texas* (Washington, DC: U.S. Department of Education, 2009), pp. 19–21.

[14] Rehabilitation Council of Texas, "Comprehensive Statewide Needs Assessment," Austin, October 30, 2013, public meeting; Promoting Independence Advisory Committee, Austin, January 16, 2014, public meeting.

[15] The national median for the general vocational rehabilitation programs and the programs for people who are blind or visually impaired was calculated using federal Rehabilitation Services Administration data. Fiscal year 2012 is the latest data available.

[16] "State Annual Review Reports," Rehabilitation Services Administration, accessed March 15, 2014, https://rsa.ed.gov/ad-hoc-query.cfm?tbl=vw_arr.

[17] Sunset Advisory Commission, *Texas Rehabilitation Commission Sunset Staff Report*, p. 39.

[18] Section 111.052(b)(7), Texas Human Resources Code.

[19] The number of high schools is for the 2013–2014 school year. The number of students with disabilities includes those ages 16 to 21 in the 2012-2013 school year and was provided by Texas Education Agency staff.

[20] " School Counts," Texas Education Directory, Texas Education Agency, accessed March 15, 2014, http://mansfield.tea.state.tx.us/TEA.AskTED.Web/Forms/Home.aspx.

[21] Section 111.052(b)(7), Texas Human Resources Code.

[22] 41 C.F.R. Part 60–741.45(a).

[23] Section 301.069, Texas Labor Code.

[24] Section 111.0525(c), Texas Human Resources Code.

[25] National Council on Disability, The Rehabilitation Act: Outcomes for Transition-Age Youth (Washington, DC: National Council on Disability, October 2008), p. 104.

[26] Section 29.011(b), Texas Education Code.

Issue 5

DARS Lacks Mechanisms for Effectively Integrating, Directing, and Overseeing Its Programs.

Background

The Legislature created the Department of Assistive and Rehabilitative Services (DARS) in 2003 by consolidating the functions of four agencies: the Texas Rehabilitation Commission, Texas Commission for the Blind, Interagency Council on Early Childhood Intervention, and Texas Commission for the Deaf and Hard of Hearing. As part of the health and human services system, the executive commissioner of the Health and Human Services Commission (HHSC) appoints a commissioner to oversee the day-to-day operations of DARS. The commissioner employs several positions to assist in managing the agency, including the deputy commissioner, chief financial officer, chief operating officer, internal auditor, general counsel, and four assistant commissioners. The commissioner and executive management team manage nearly 2,900 staff, 60 percent of whom are located throughout the state in 131 field offices. They also oversee a budget of about $571 million, three-quarters of which is funded by the federal government.

Findings

DARS has not integrated many of its legacy agency services, limiting access across divisions to needed assistance, especially for people with multiple disabilities.

Eleven years after the consolidation of functions to create DARS, the four legacy agencies still operate fairly distinctly within DARS. As discussed at length in Issue 1, the Division for Blind Services and Division for Rehabilitation Services continue to reflect the functions and operations of their predecessor agencies, the Texas Commission for the Blind and the Texas Rehabilitation Commission. This separation impedes access to comprehensive services for people who have a visual impairment in addition to other disabilities. DARS' Early Childhood Intervention Services Division is also a remnant of the Interagency Council on Early Childhood Intervention. However, the functions of this program are relatively distinct from DARS' other programs and do not lend themselves to greater integration.

The four legacy agencies that were consolidated 11 years ago still operate fairly distinctly within DARS.

The Office of Deaf and Hard of Hearing Services provides services in much the same way the Commission for the Deaf and Hard of Hearing did before that agency became part of DARS. In addition to administering a voluntary certification program for sign language interpreters, the office provides services through two other programs that DARS could incorporate into larger programs to improve services to all consumers, as described below.

- The office contracts with 28 resource specialists around the state to provide information and referral services and to help consumers access technology and other services and programs they need to more fully participate in their communities. The services provided by these resource specialists are very

similar to services provided by DARS' independent living case workers and through the centers for independent living.

- The office also administers the Specialized Telecommunications Assistance Program, which provides financial assistance for the purchase of equipment or services for Texans whose disability interferes with their ability to access the telephone network. Anyone with a disability, not just those who are deaf or hard of hearing, are eligible for this program. However, since it is within the Office of Deaf and Hard of Hearing Services, consumers with other disabilities may not know they qualify.

DARS has not properly planned for or managed programs and projects outside its more traditional federal responsibilities.

DARS has only recently begun to establish more structure for the 30-year-old Comprehensive Rehabilitation Services Program.

In recent years, certain DARS initiatives have suffered from poor planning, oversight, and financial controls. While DARS' largest programs — Vocational Rehabilitation, Independent Living, and Early Childhood Intervention — have significant federal oversight in the form of regulations, state plans, performance measures, and advisory committees, the agency's smaller state-funded programs and agency-initiated projects do not. The agency's recent management problems are highlighted below.

- **Comprehensive Rehabilitation Services.** The Legislature created this state-funded program in 1985 to provide intensive rehabilitative therapies to people with traumatic brain or spinal cord injuries to improve their ability to function independently. Although the program has been in operation for nearly 30 years, DARS has only recently begun to consider establishing the necessary structure for the program. Statute establishes a funding source, but does not describe what services should be provided with the funding.[1] DARS has developed very minimal rules for the program that address basic eligibility requirements, services provided, and limitations on services. This lack of structure and oversight has resulted in several problems, as described below.

  - In early 2013, a special review by HHSC's internal auditor found significant financial control problems with the program that led the agency to obligate 89 percent of the program's funds within the first quarter of fiscal year 2013.[2] As a result, the Legislature placed restrictions on DARS' access to additional appropriations, requiring the agency to submit plans to HHSC for how it would address these problems.[3] DARS has met the Legislative requirements and is working to implement the auditor's recommendations.

  - HHSC's study also found that DARS' provider rates differed significantly from one contract to another. The internal auditor recommended a more standardized rate-setting approach, with the goal of developing consistent rates for similar services across all providers.[4] To implement this recommendation, DARS plans to work with HHSC's Rate Analysis

Department to establish standardized rates, but DARS must first set clear goals and priorities for the program and establish a standard array of services.

– DARS also has difficulty projecting the number of consumers it will serve in the program. While the program has consistently carried a waiting list in recent years, the agency is now predicting that it will have fewer consumers and fall well short of its target for the number of consumers served, likely only meeting 80 percent of the goal in fiscal year 2014.

- **Autism Program.** In 2007, the Governor directed HHSC to transfer funds to DARS for services, such as applied behavior analysis, for children with autism between the ages of three and eight. This program has also suffered from a lack of clear direction, as described below.

  – The program has no statutory basis and DARS only recently created rules for it in 2013. The agency also did not develop a consistent way of evaluating the program's outcomes until September 2011 when it began requiring all of its providers to administer the same evaluations to children upon entering and leaving the program to show their progress.

  – The Legislature continues to fund this program, but has expressed frustration over the fact that, despite spending $3.3 million in General Revenue funds each year, the program only serves about 200 children and the number of children with autism spectrum disorder in Texas continues to grow rapidly. As a result, in 2013, the Legislature placed restrictions on DARS' access to additional appropriations for the program, requiring the agency to develop a plan to increase the number of children receiving services before receiving the funding from HHSC.[5]

  – DARS is now conducting a complete evaluation of the Autism Program to determine ways to serve more children, but this is the first time since the program was created that the agency has taken a close look at whether the program is serving children with autism in the best possible way.

DARS is now conducting a complete evaluation of the Autism Program for the first time since it was created in 2007.

- **ReHabWorks.** DARS undertook a large information technology project in 2005 to create a single, web-based case management system for all of its programs called ReHabWorks. The agency originally planned to complete the project within a little more than two years, but did not actually finish until early 2013.[6] The original budget for the program was $2.4 million, but in the end, it cost around $18 million.[7] The State Auditor's Office conducted an audit of the project in 2012 and found significant concerns with how the agency had managed the project and accounted for its costs. DARS has since complied with the auditor's recommendations and implemented a proper governance structure for its information technology projects and improvements.

While DARS is taking important steps to overcome past problems, the agency still lacks well-defined mechanisms to effectively communicate expectations with staff and hold them accountable.

Within the past year, the agency has seen significant turnover of its executive management team and now has a new commissioner, chief operating officer, chief financial officer, internal auditor, and assistant commissioner for rehabilitation services. This team has begun to make many changes within the agency to correct past problems. They are holding staff accountable for implementing recommendations from the internal auditor and other oversight groups, sending as many contracting processes as possible to HHSC and centralizing the agency's remaining contracting functions, developing tools to help agency staff better manage their budgets, and moving rate-making functions to HHSC.

DARS has developed several program improvement teams with staff from across the agency to address risk areas, including the Comprehensive Rehabilitation Services and Autism programs. Also, as part of HHSC's study of the Comprehensive Rehabilitation Services Program, the internal auditor recommended DARS develop a risk assessment tool for all of its programs to ensure funds are appropriately controlled and used as intended.[8] DARS' internal auditor has developed the tool and the executive management team plans to use it annually to evaluate the agency's risk associated with each program.

DARS has no clear way to track progress on its strategic priorities.

DARS' new management has identified strategic priorities for each program and is communicating expectations for employees, but has yet to develop any sort of formal mechanisms for holding staff accountable for these priorities and expectations. DARS' organizational structure, with many staff spread across the state in 131 field offices, creates an additional challenge for the agency to effectively communicate and ensure accountability among its staff, as described in detail in Issue 2.

DARS has a multitude of strategic priorities and no clear way to track the agency's progress on them or integrate them into the operations of the agency. These priorities include the following.

- As required by statute, DARS develops a three-year strategic plan, which is incorporated into the larger strategic plan for the entire health and human services system under the direction of HHSC.
- The executive commissioner of HHSC then requires DARS, and the other system agencies, to produce an annual operational plan that identifies strategies and clearly defined activities for how the agency will implement the broader goals of the strategic plan.
- DARS has many strategies and goals to implement through federally required state plans for both its blind and general Vocational Rehabilitation programs, its blind and general Independent Living programs, and for its Early Childhood Intervention Program.

- In addition, DARS participates in many task forces, committees, and advisory councils, many of which have their own plans with goals and objectives.

Since the agency's executive management must ensure that its staff are making adequate progress on meeting all of these requirements, it needs a way to centrally track them.

DARS needs continuity to ensure the progress being made today will continue in the future.

As demonstrated in the examples of the Comprehensive Rehabilitation Services and Autism programs above and other issues in this report, DARS needs to encourage its staff to think strategically about how they implement new programs or changes to existing programs, manage increases or decreases in funding, and meet the changing needs of consumers. DARS needs to implement ways to better integrate all of the agency's programs to improve efficiencies and service delivery. Lastly, DARS needs to provide continuity to ensure the progress being made today will continue in the future as agency management changes and large numbers of staff retire, considering that one-third of the agency's staff is projected to be eligible to retire within the next five years.

Recommendation

Management Action

5.1 Direct DARS to develop mechanisms to more effectively plan for, track, and evaluate the performance of its programs and staff.

- **Planning and priorities.** The commissioner and executive management team should set clear goals and priorities for the agency using DARS' three-year strategic plan and annual operational plan as a base. In doing so, DARS' management should:
  - take a broad look at the agency's services — particularly those for people who are blind or deaf — to ensure services are integrated to the greatest extent possible;
  - determine whether any of the agency's support functions could benefit from further consolidation with similar system-wide functions at HHSC;
  - build on efforts to improve financial controls and the tracking of revenues and costs; and
  - address how the agency will manage areas of high risk, as identified through the new risk assessment tool developed by the internal auditor.
- **Implementation.** DARS' management, in collaboration with program and support staff, should develop specific strategies for each division and program to implement goals and priorities, and assign clear responsibility for each strategy to a specific person or group. As part of these efforts, DARS management should:
  - ensure staff are knowledgeable of expectations through training and other methods for communicating with staff, including by posting them on the agency's internal website;
  - incorporate strategies, as appropriate, that are contained in other plans that are required by federal oversight agencies or state entities, such as the Texas Workforce Investment Council's strategic plan;

- ensure any new initiatives or projects are consistent with the agency's overall strategic direction; and
- revise strategies as responsibilities are added or removed, funding changes, priorities or demographics shift, or to respond to audit or monitoring recommendations.

- **Evaluation.** DARS' management should set clear performance expectations and measures for each of its divisions, programs, and regions around the state, with mechanisms for tracking performance throughout the year. The agency's management should hold division, program, and field managers accountable for all expectations through their annual performance evaluations. These changes should better position DARS to ensure its programs work together to create an efficient system of rehabilitative services for people with disabilities.

Fiscal Implication

While clearly requiring effort on the part of the agency, this recommendation would not have a cost to the State. DARS is already funded to perform the necessary functions to effectively manage its programs and should use existing resources to accomplish this recommendation. Ultimately, this recommendation should help the agency to use its resources more efficiently.

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[1] Section 111.060, Texas Human Resources Code.

[2] Health and Human Services Commission (HHSC), Internal Audit Division, *Review of Comprehensive Rehabilitation Services* (Austin: HHSC, April 26, 2013).

[3] Section 58, page II-138, Article II (S.B. 1), Acts of the 83rd Legislature, Regular Session, 2013 (the General Appropriations Act).

[4] HHSC, *Review of Comprehensive Rehabilitation Services*, p. 15.

[5] Section 57(a), pages II-137 - II-138, Article II (S.B. 1), Acts of the 83rd Legislature, Regular Session, 2013 (the General Appropriations Act).

[6] Quality Assurance Team, *Annual Report: Overview of Major Information Resources Projects Reported to the Quality Assurance Team – December 2012 to November 2013* (Austin: Legislative Budget Board, State Auditor's Office, and Department of Information Resources, December 2, 2013), p. 8.

[7] Ibid.

[8] HHSC, *Review of Comprehensive Rehabilitation Services*, p. 22.

Issue 6

Texas Has a Continuing Need for DARS' Services, but Decisions on Its Structure Await Sunset's Analysis of the Health and Human Services System Overall.

Background

The Legislature created the Department of Assistive and Rehabilitative Services (DARS) in 2003 as part of the larger consolidation of all health and human services functions. DARS works with Texans with disabilities and families with children who have developmental delays to improve the quality of their lives and to enable their full participation in society. To achieve its mission, DARS focuses on providing time-limited services through the following key activities.

- Providing Texans who have disabilities with assistance in preparing for, finding, and retaining employment.
- Helping Texans with disabilities gain functionality, avoid institutionalization, and live independently in their communities.
- Providing early intervention services to children who have disabilities or developmental delays to meet their educational and developmental goals.
- Making medical disability determinations for Texans who apply for Social Security Administration benefits.

Findings

Texas has a continuing need for the services DARS provides.

In fiscal year 2013, DARS provided services to more than 538,000 Texans. Without the services DARS provides, adults with disabilities would be more dependent on social services and institutional living situations, limiting their ability to participate in and contribute to their communities while also costing the State more money for support systems. Also, without these services, children with disabilities and developmental delays would be more likely to need intensive, and expensive, special education services through the public school system.

Without DARS' services, children and adults with disabilities would be more dependent on social services.

DARS' four largest programs receive federal funding totaling $431.3 million, or three-quarters of the agency's budget. Under the federal Workforce Investment Act, DARS is the designated state unit to provide vocational rehabilitation and independent living services to Texans with disabilities. Under the federal Individuals with Disabilities Education Act, DARS provides Early Childhood Intervention Services to children from birth to age three. DARS also makes medical disability determinations for Texans who apply for social security benefits under the authority of the Social

Security Administration. Without DARS or another agency to administer these programs, the State would forfeit this money and the needed services it provides.

DARS helped 13,443 people with disabilities gain employment in fiscal year 2013.

Considering that the national unemployment rate for people with disabilities is generally much higher than that for people without disabilities — 14.5 percent compared to 6.5 percent in March 2014 — DARS' vocational rehabilitation services are important to the state.[1] As a result of these services, 13,443 people with disabilities gained employment in fiscal year 2013. Also as a result of these services, DARS helped 1,244 consumers reduce or end their social security benefits, for which the Social Security Administration reimbursed DARS for its expenses totaling $25.8 million in fiscal year 2013.

DARS' Early Childhood Intervention Program has also shown positive outcomes. The National Early Intervention Longitudinal Study, conducted by the U.S. Department of Education from 1996 to 2007, of which Texas was part of the sample, showed that 46 percent of the children who received these services did not need special education by the time they entered kindergarten.[2] In fiscal year 2013, around three-quarters of children who received early childhood intervention services showed greater-then-expected developmental progress in three outcome areas, including positive social emotional skills, acquisition and use of knowledge and skills, and use of appropriate behaviors to meet needs.[3]

DARS' other smaller programs offer vital services to Texans — including blind children, people with traumatic brain or spinal cord injury, people who are deaf or hard of hearing, and children with autism spectrum disorder — that are not available elsewhere. These time-limited services help children and adults live more independent, productive lives.

The Sunset review of the health and human services system will be completed in fall 2014.

While the agency's services are needed, the appropriateness of its organizational structure must be evaluated in conjunction with the overall health and human services system.

DARS operates under the oversight of the Health and Human Services Commission (HHSC) and is part of the larger health and human services system. The placement of DARS' functions and overall structure are best evaluated as part of a broader analysis of all five health and human services agencies. The Sunset review of HHSC and the system is scheduled for completion in fall 2014. Sunset staff will study the overall organizational structure of this area of government and evaluate issues that cut across agency lines. As a result, this report does not include findings regarding the appropriateness of DARS' current structure within the health and human services system.

DARS' vocational rehabilitation functions are also part of the state's workforce system. DARS works with the Texas Workforce Commission, Texas Workforce Investment Council, and the network of local workforce development boards to coordinate their mutual duties, obligations, and responsibilities under the federal Workforce Investment Act. While both DARS and the Workforce Commission provide employment services to Texans, DARS provides specialized

services to people with disabilities. DARS often refers its consumers to the local workforce boards for generalized employment services once DARS has helped them with their particular needs and abilities. While DARS and its consumers would benefit from greater coordination with the Workforce Commission and local workforce boards, as discussed in Issue 4, Sunset staff identified no significant benefits from consolidating DARS' functions with the Workforce Commission.

Recommendation

6.1 While DARS' services remain needed, delay decisions on continuation of the agency's structure until completion of the Sunset review of the health and human services system overall.

The Sunset review of HHSC and the health and human services system is ongoing. As a result, Sunset staff recommends that the Sunset Commission delay its decision on continuation of DARS and the structure of services it provides until that review is completed in fall 2014. The overall system review will inform recommendations on how best to structure DARS' array of services.

Fiscal Implication

This recommendation would not have a fiscal impact to the State.

1 "Table A-6. Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted," Bureau of Labor Statistics, U.S. Department of Labor, last modified April 4, 2014, http://www.bls.gov/news.release/empsit.t06.htm.

2 "National Early Intervention Longitudinal Study," SRI International , accessed April 29, 2014, http://www.sri.com/work/projects/national-early-intervention-longitudinal-study-neils.

3 Department of Assistive and Rehabilitative Services, *The Power of Us: 2013 Annual Report* (Austin: Department of Assistive and Rehabilitative Services, February 2014), p. 39.

APPENDICES

Appendix A

Historically Underutilized Businesses Statistics 2011 to 2013

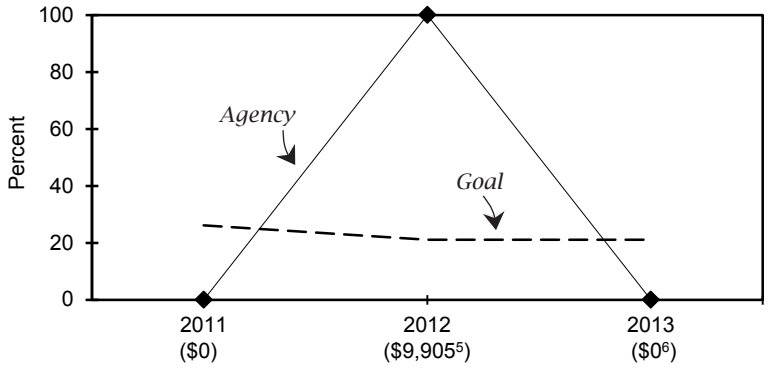
The Legislature has encouraged state agencies to increase their use of historically underutilized businesses (HUBs) to promote full and equal opportunities for all businesses in state procurement. The Legislature also requires the Sunset Commission to consider agencies' compliance with laws and rules regarding HUB use in its reviews.[1]

The following material shows trend information for the Department of Assistive and Rehabilitative Services' (DARS) use of HUBs in purchasing goods and services. The agency maintains and reports this information under guidelines in statute.[2] In the charts, the dashed lines represent the goal for HUB purchasing in each category, as established by the comptroller's office. The diamond lines represent the percentage of agency spending with HUBs in each purchasing category from 2011 to 2013. Finally, the number in parentheses under each year shows the total amount the agency spent in each purchasing category.

In some cases, DARS reported expenditures to the comptroller's office in the wrong HUB categories.[3] Instead of presenting the information as the agency officially reported it, the following charts represent the agency's spending in the appropriate categories. DARS' HUB data as it was officially reported is available on the comptroller's website.[4]

DARS complies with HUB program requirements and generally exceeds the statewide HUB purchasing goals, except in the professional services category.

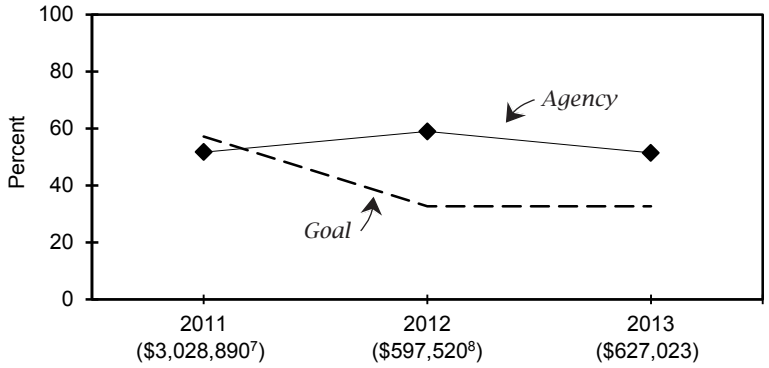
Building Construction



DARS does not typically have any spending in the building construction category, but in fiscal year 2012, the agency constructed a dog run at the Criss Cole Rehabilitation Center, which is a short-term residential training facility in Austin for DARS consumers who are blind or visually impaired. DARS used a HUB certified vendor for this work.

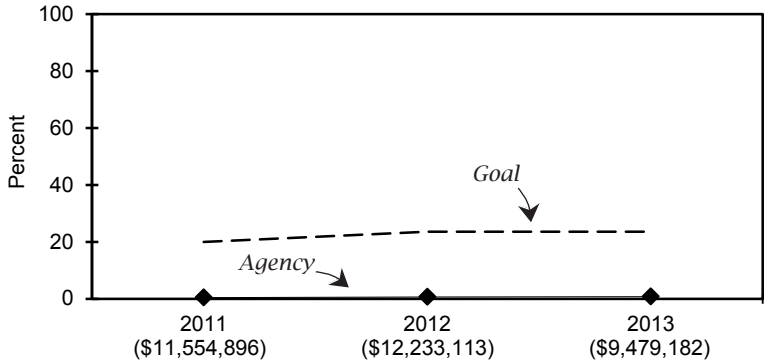
Appendix A

Special Trade



DARS has exceeded the statewide goal for HUB spending in the special trade category in the last two fiscal years.

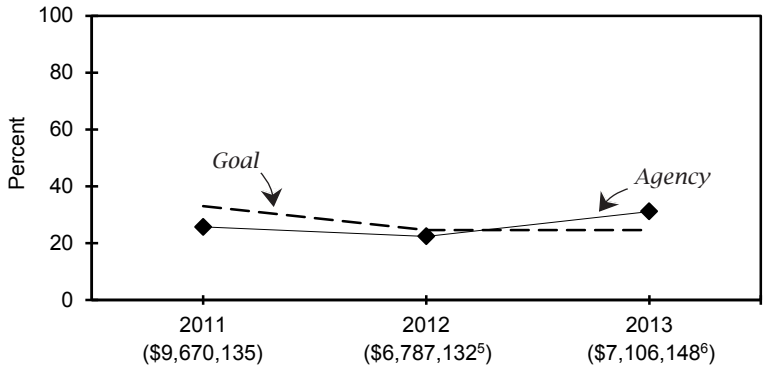
Professional Services



DARS has failed to meet the statewide goal for HUB spending in the professional services category. The agency contracts with many medical consultants, doctors, dentists, psychologists, and other professionals to review medical records for the Social Security Disability Determination Program and to provide medical and mental health assessments and services for the agency's consumers. These professionals are individual practitioners who are usually not willing to go through the comptroller's process to become certified as HUB vendors.

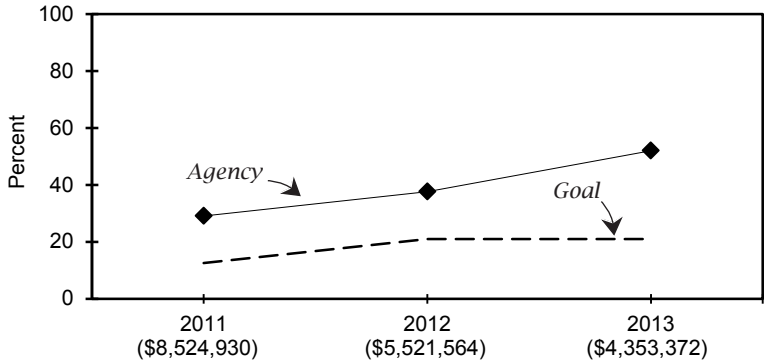
Appendix A

Other Services



DARS slightly exceeded the statewide goal for HUB spending in the other services category in fiscal year 2013, improving its performance over the previous two fiscal years.

Commodities



DARS consistently exceeded the statewide goal for HUB spending in the commodities category.

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[1] Section 325.011(9)(B), Texas Government Code.

[2] Chapter 2161, Texas Government Code.

[3] DARS assigned certain expenditures to the wrong categories at the time of payment, which were then reported to the comptroller's office. Once reported, the agency could not change the information. However, the agency maintains appropriate documentation of all expenditures.

[4] "Window on State Government: HUB Reporting," Texas Comptroller of Public Accounts, accessed April 10, 2014, http://www.window.state.tx.us/procurement/prog/hub/hub-reporting/.

[5] DARS originally reported $2,612,422 in total expenditures and $1,680,974 in HUB expenditures in the building construction category. However, these expenditures were for information technology staff services associated with the agency's development of its web-based case management system, which more accurately fall within the other services category. The percentage of agency spending with HUBs has been adjusted to reflect this change.

[6] DARS originally reported $501,542 in total expenditures and $310,760 in HUB expenditures in the building construction category. However, these expenditures were for information technology staff services associated with the agency's development of its web-based case management system, which more accurately fall within the other services category. The percentage of agency spending with HUBs has been adjusted to reflect this change.

[7] DARS originally reported $425 in total expenditures and $0 in HUB expenditures in the heavy construction category. According to the Health and Human Services Commission, the heavy construction category is not applicable to DARS' operations and this small amount of spending should have been reported in the special trade category. The percentage of agency spending with HUBs has been adjusted to reflect this change.

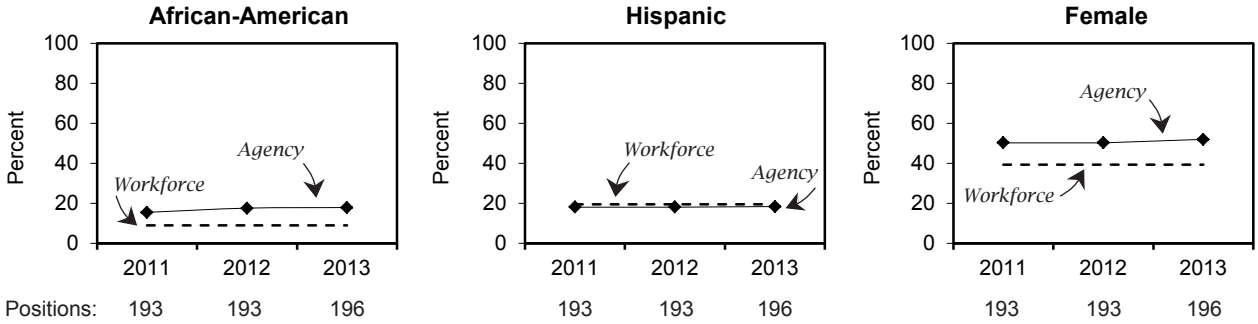
[8] DARS originally reported $1,200 in total expenditures and $0 in HUB expenditures in the heavy construction category. According to the Health and Human Services Commission, the heavy construction category is not applicable to DARS' operations and this small amount of spending should have been reported in the special trade category. The percentage of agency spending with HUBs has been adjusted to reflect this change.

Appendix B

Equal Employment Opportunity Statistics 2011 to 2013

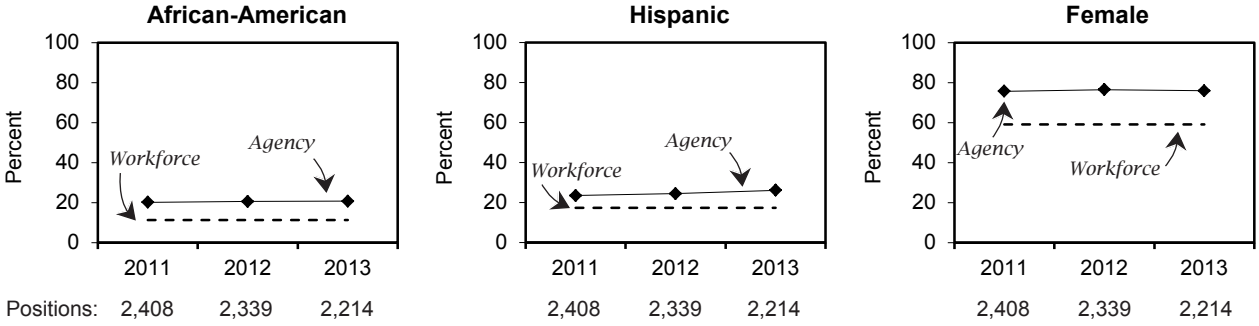
In accordance with the requirements of the Sunset Act, the following material shows trend information for the employment of minorities and females in all applicable categories by the Department of Assistive and Rehabilitative Services (DARS).[1] The agency maintains and reports this information under guidelines established by the Texas Workforce Commission.[2] In the charts, the dashed lines represent the percentages of the statewide civilian workforce for African-Americans, Hispanics, and females in each job category.[3] These percentages provide a yardstick for measuring agencies' performance in employing persons in each of these groups. The diamond lines represent the agency's actual employment percentages in each job category from 2011 to 2013. DARS met or exceeded many statewide civilian workforce percentages for fiscal years 2011 to 2013, but fell short on its employment of African-Americans in technical positions, Hispanics in service and maintenance positions, and African-Americans and women in skilled craft positions.

Administration



DARS exceeded the statewide civilian workforce percentage for African-American and women administrators, but fell a few points short of the percentage for Hispanics.

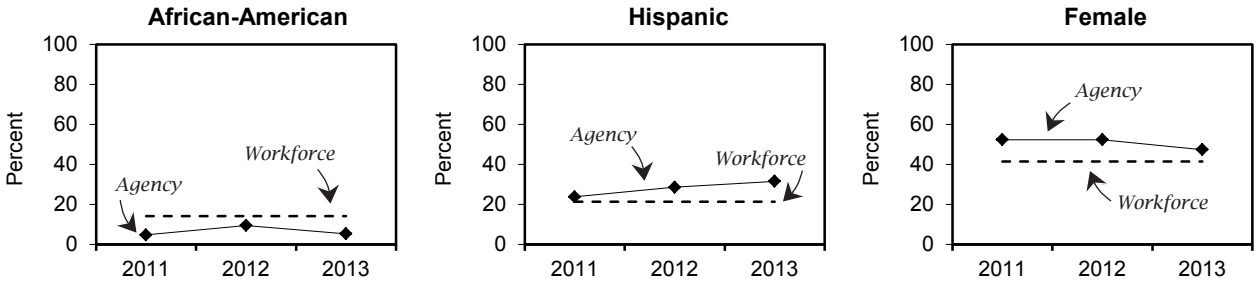
Professional



DARS consistently exceeded the statewide civilian workforce percentage in all categories for professional positions.

Appendix B

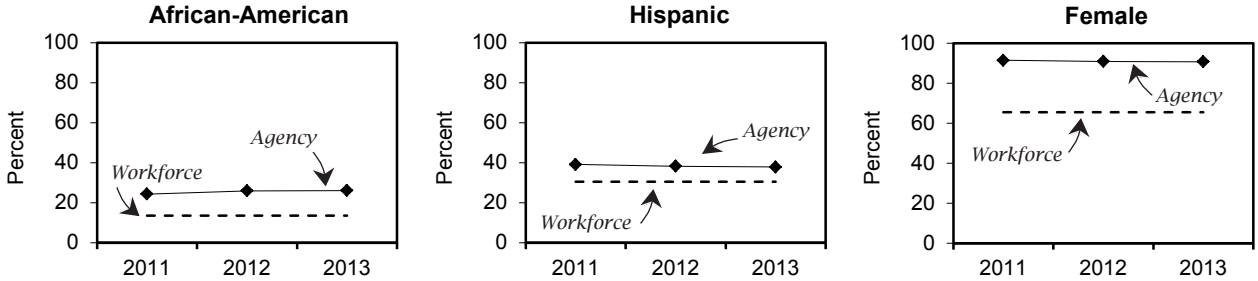
Technical



	2011	2012	2013
Positions: African-American	21	21	19
Positions: Hispanic	21	21	19
Positions: Female	21	21	19

DARS fell short of the statewide civilian workforce percentage for African-Americans in technical positions, but exceeded the percentage for Hispanics and women in these positions.

Administrative Support

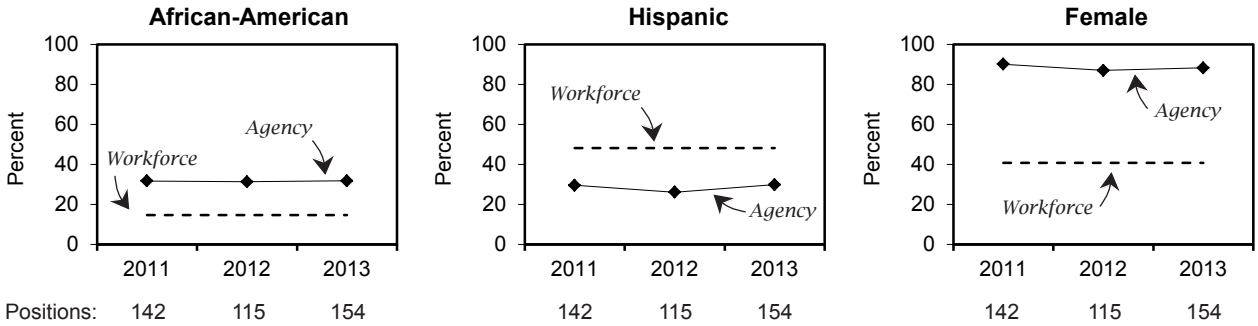


	2011	2012	2013
Positions: African-American	365	339	306
Positions: Hispanic	365	339	306
Positions: Female	365	339	306

DARS consistently exceeded the statewide civilian workforce percentage in all categories for administrative support positions.

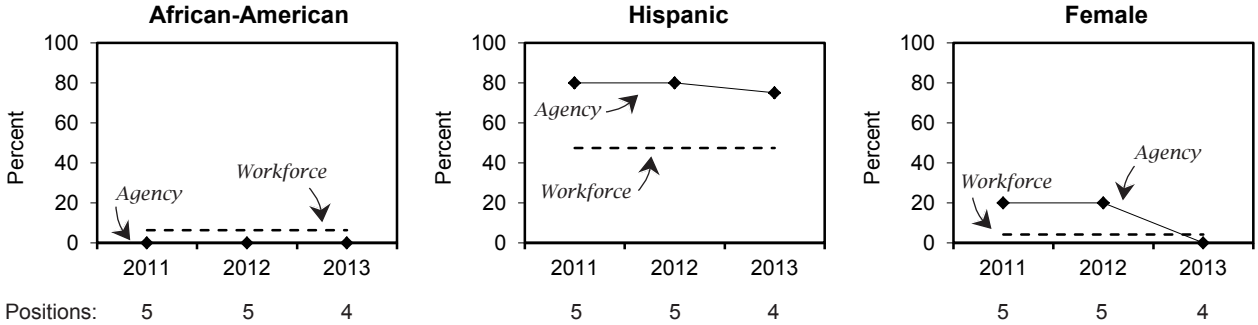
Appendix B

Service/Maintenance[4]



DARS exceeded the statewide civilian workforce percentage for African-Americans and women in service and maintenance positions, but the percentage of Hispanics in these positions has remained significantly lower than the statewide civilian workforce.

Skilled Craft



While DARS exceeded the statewide civilian workforce percentage for Hispanics in skilled craft positions, the agency had no African-Americans or women in these positions in fiscal year 2013. However, DARS only has four employees in this category, limiting the agency's ability to ensure diversity.

1 Section 325.011(9)(A), Texas Government Code.

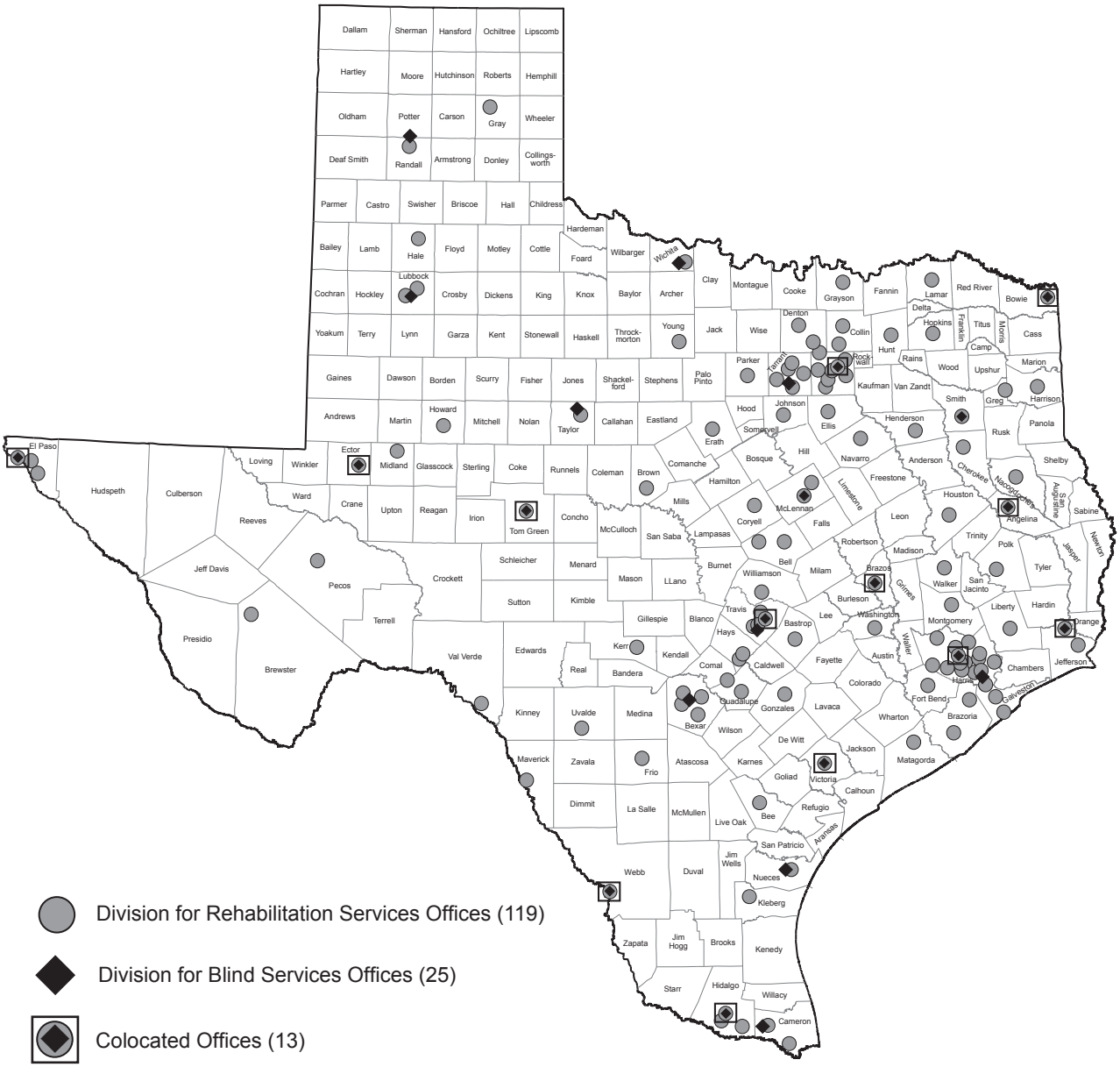
2 Section 21.501, Texas Labor Code.

3 Because the Texas Workforce Commission has not released statewide civilian workforce percentages for fiscal years 2012 and 2013, this analysis uses fiscal year 2011 percentages for those two years.

4 The service/maintenance category includes three distinct occupational categories: service/maintenance, para-professionals, and protective services. Protective service workers and para-professionals used to be reported as separate groups.

Appendix C

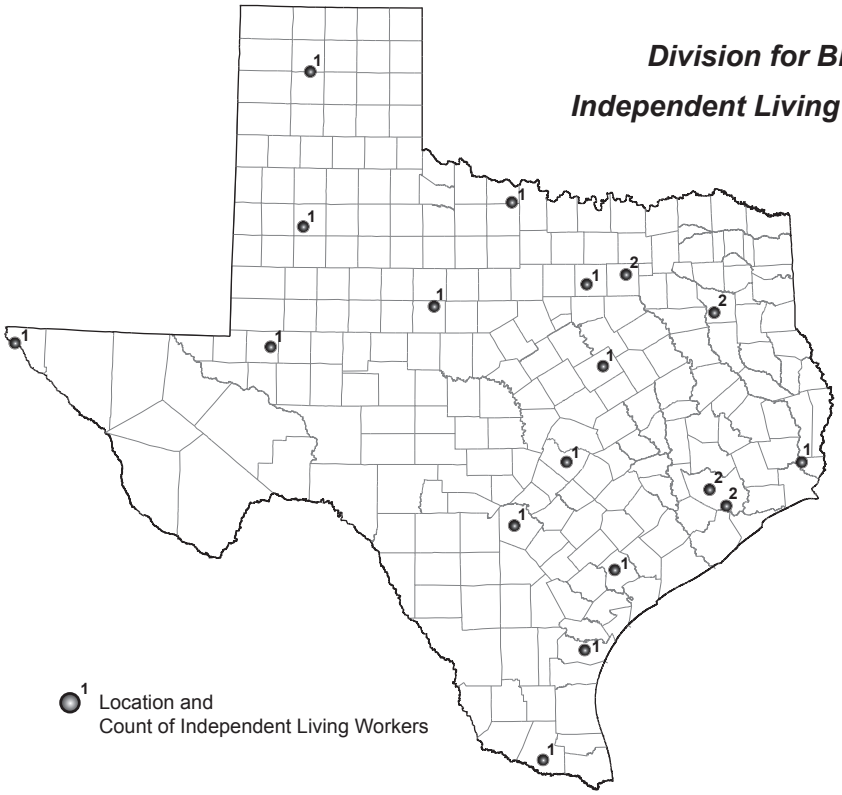
DARS Field Offices



Appendix D

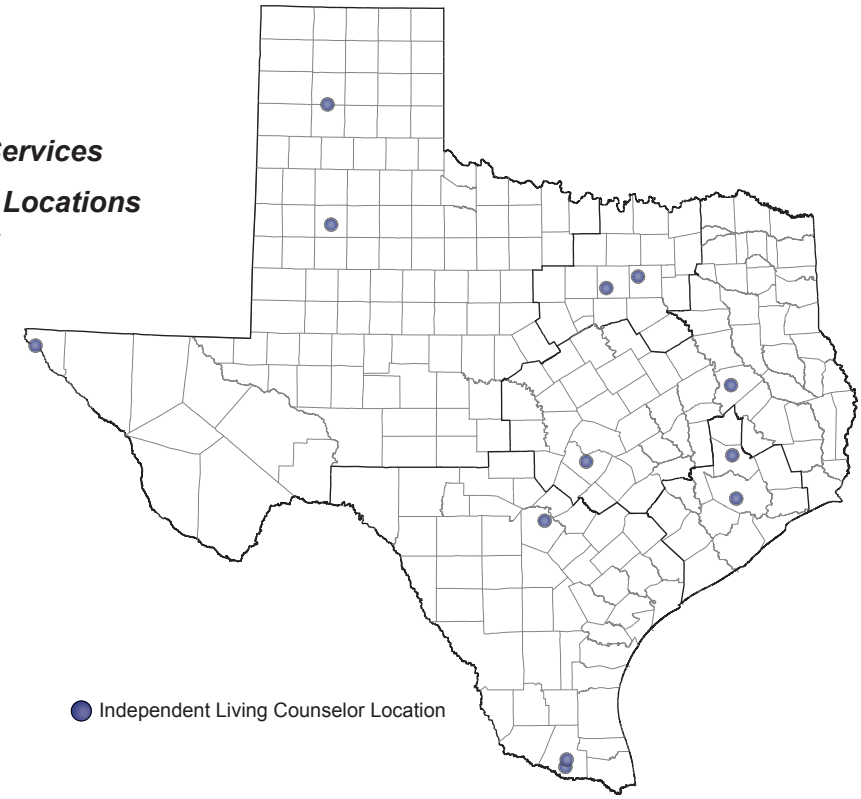
Division for Blind Services

Independent Living Worker Locations



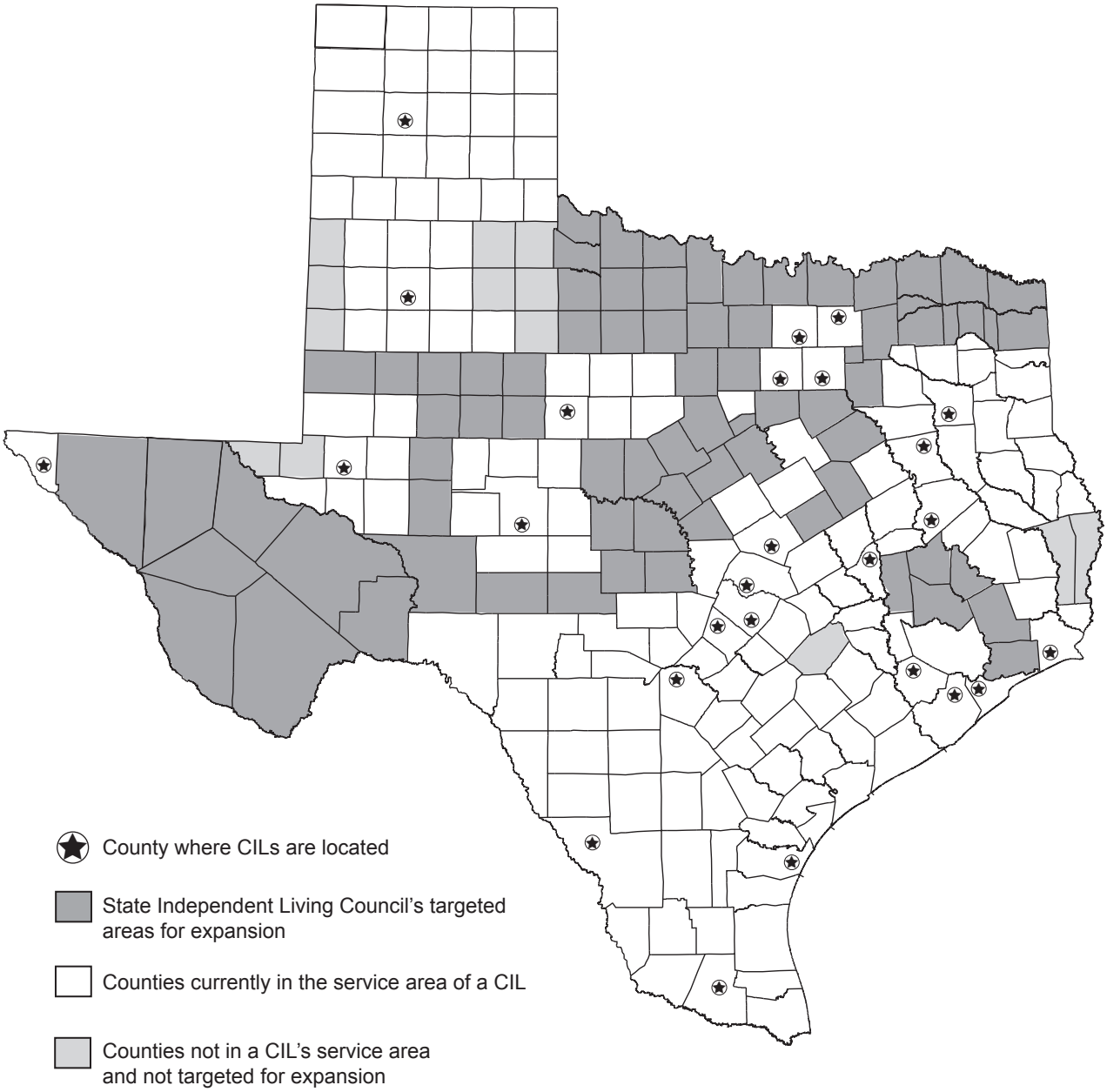
Division for Rehabilitation Services

Independent Living Counselor Locations and Service Regions



Appendix E

Centers for Independent Living Areas of Coverage and Targeted Expansion



Source: State Independent Living Council, *Texas State Plan for Independent Living 2014–2016* (Austin: State Independent Living Council, 2013), p. 70.

Appendix F

Staff Review Activities

During the review of the Department of Assistive and Rehabilitative Services (DARS), Sunset staff engaged in the following activities that are standard to all Sunset reviews. Sunset staff worked extensively with agency personnel; spoke with staff from key legislative offices; conducted interviews and solicited written comments from various interest groups and the public; reviewed agency documents and reports, state and federal statutes, legislative reports, previous legislation, and literature; researched the organization and functions of similar state agencies in other states; and performed background and comparative research.

In addition, Sunset staff also performed the following activities unique to this agency.

- Attended meetings and spoke with members of the DARS Council, Rehabilitation Council of Texas, Texas State Independent Living Council, Texas Council on Autism and Pervasive Developmental Disorders, and Early Childhood Intervention Advisory Committee.
- Attended meetings of the Business Enterprises of Texas Elected Committee of Managers, Advisory Committee on Qualifications for Health Care Translators and Interpreters, Promoting Independence Advisory Committee, and Texas Workforce Investment Council.
- Conducted a survey of agency stakeholders.
- Toured and met with staff at DARS' field offices in Houston, Waco, Weslaco, and McAllen.
- Toured and met with staff at the Criss Cole Rehabilitation Center and participated in immersion training for people who are blind or visually impaired.
- Toured and met with staff at three centers for independent living.
- Toured and met with staff at two local workforce development boards.
- Met with students and parents participating in and staff working on Project Hire in McAllen and toured student facilities at South Texas University.
- Observed training for new DARS case workers.
- Met with staff of the Client Assistance Program at Disability Rights Texas.
- Met with representatives and toured facilities of contracted service providers.
- Interviewed staff from the Health and Human Services Commission, Texas Workforce Commission, Governor's Committee on People with Disabilities, Department of Aging and Disability Services, Texas Education Agency, Comptroller of Public Accounts, and the federal Rehabilitation Services Administration.
- Reviewed a selection of consumer case files in DARS' web-based case management system, ReHabWorks.

Appendix F

- Attended two town hall meetings held by the Rehabilitation Council of Texas to gather public input on their Comprehensive Statewide Needs Assessment.
- Worked with staff from the Legislative Budget Board and the State Auditor's Office.

Sunset Staff Review of the
Department of Assistive and Rehabilitative Services

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