

# South Carolina Vocational Rehabilitation Department



## Agency Budget Request 2013-2014

### *Mission:*

*To enable South Carolinians with disabilities to prepare for, achieve  
and maintain competitive employment.*

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## South Carolina Vocational Rehabilitation Department

*Enabling eligible South Carolinians with disabilities to prepare for,  
achieve and maintain competitive employment.*

Barbara G. Hollis, Commissioner

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January 16, 2013

The Honorable G. Murrell Smith Jr., Chairman  
The Honorable Tracy R. Edge  
The Honorable William G. Herbkersman  
The Honorable Harry L. Ott Jr.

Ways and Means Healthcare Subcommittee  
South Carolina House of Representatives

Dear Representatives:

The Vocational Rehabilitation Department's budget request is hereby submitted for your consideration.

The department is requesting \$1 million in recurring funding for SFY2013-2014. This would represent an annualization of the same amount of non-recurring funds that the agency is receiving this year as a result of a proviso in the appropriations act. It would bring SCVRD back to the level of state matching funds required to access the allotment of federal funds that has been set aside for our state specifically for vocational rehabilitation services for people with disabilities. Without this funding the agency would face a match penalty of \$3.7 million.

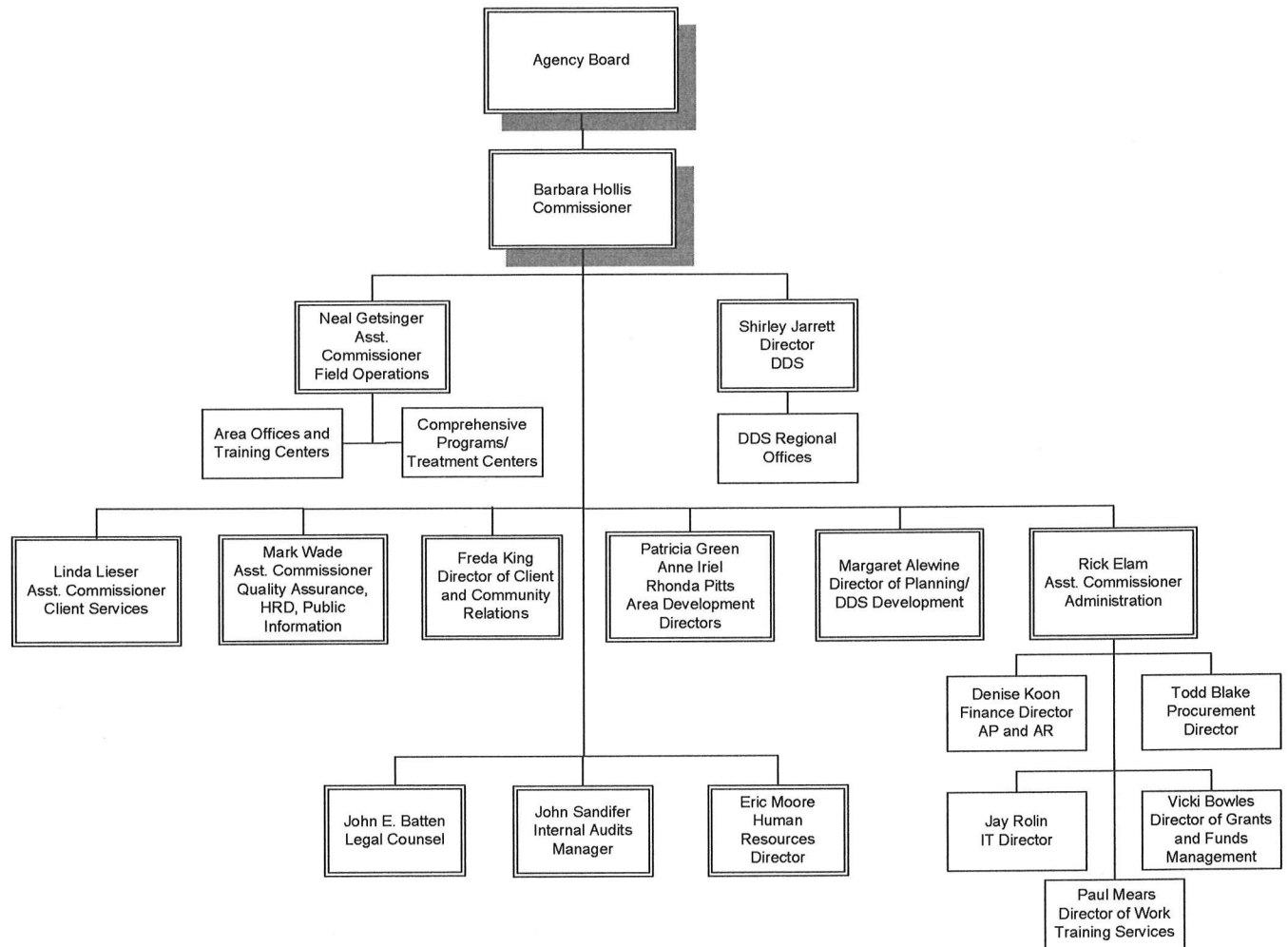
Vocational Rehabilitation services continue to generate an excellent return on investment for our state. If you consider just the state portion of the department's funding, only \$282 is spent on the average client served, and the state's cost for each successful employment outcome is only about \$1,657. Those SCVRD clients will pay back that investment many times over as taxpaying members of the state's workforce, and employers will benefit from the skills and talents of people with disabilities, whose unemployment rate far exceeds that of the general population.

Thank you for your service to our state and for your support of our program. Please let me know if you have any questions about our request or our services.

Sincerely,

Barbara G. Hollis  
Commissioner

## South Carolina Vocational Rehabilitation Department 2013





## **“Where We Are Now”**

### **Funding:**

- Nearly 4 dollars in federal allotment for each state dollar.
- State base funding is still 26% below 2001 level.

#### **2012-2013 Summary:**

	<b>State Funding</b>	<b>Federal Impact</b>
Total Match Requirement	\$ 13,456,913	\$ 49,776,562* allotted for SC
2012-2013 Recurring	\$ 12,701,016	access to \$ 46,928,167 of allotment
2012-2013 Non-Recurring	\$1,000,000	access to remainder of allotment

*\* before maintenance of effort (MOE) penalty of \$1.19 million*

#### **2013-2014 Outlook:**

	<b>State Funding</b>	<b>Federal Awards</b>
Total Match Requirement	\$ 13,631,290	\$ 50,365,377 allotted for SC
Current State Base Level	\$ 12,701,016	access to \$ 46,928,167 of allotment
Requested Recurring	\$ 1,000,000	access to remainder of allotment

### **Services:**

- 6,625 people with disabilities became successfully employed in 2012.
- Decline of approximately 22 percent in successful employment outcomes since 2008 and 29 percent fewer entered the program.
- A major factor in the decline has been inability to maintain staffing levels for counselors and field support during recent years of cuts; SCVRD is now beginning to fill some of those vacancies. Levels of staff experience have been reduced due to retirements and attrition—38% have less than 5 yrs. experience. High unemployment rates have also made job placements of clients more difficult.
- Services in critical area of school-to-work transition are a focus. Gains are being made in referrals from schools; access to full federal allotment is critical in building momentum.

### **Return on investment:**

- Successfully employed clients will repay cost of VR services in 6 years by becoming taxpayers and will pay back more than 3 dollars for every VR dollar spent on their rehabilitation.
- SCVRD cost effectiveness ranks high nationally. The agency has the third lowest total cost per rehabilitation in the U.S. and the third highest number of successful employment outcomes in proportion to population.
- The state's cost is minimal. Only \$282 in state funding is spent per person served; the state's cost per successful employment outcome is only \$1,657.

### **SCVRD Budget Request for 2013-2014:**

#### **\$1,000,000 restored appropriation as recurring funding**

**This would replace \$1,000,000 that is non-recurring for current year. *Total state appropriation for SCVRD would be unchanged from current year.***

#### ***How will the requested \$1,000,000 restoration be spent?***

**The increased funding will be devoted to client services (including agency provided services and purchased services).** The department utilizes more than 95 percent of its total state funding for direct client service provision. Services include:

- counseling and guidance
- vocational assessment
- physical, occupational, aquatic therapies
- school-to-work transition services
- job readiness training
- post secondary training
- assistive technology devices and services
- job retention services
- supported employment
- job placement

#### ***With no restoration*** beyond current base state levels (and the matching federal funds):

- SCVRD would serve about 2,400 fewer people with disabilities based on current total cost per client served.
- Estimated \$5.5 million in lost annual earnings for those potential clients who would have become successfully employed and for our state's economy.
- Match penalty of \$3.7 million of South Carolina's federal allotment for 2013. (Agency relinquished \$6 million of 2011 allotment.) Relinquished funds are re-allotted to VR programs in other states.

#### ***Additional concerns:***

- The agency was assessed a \$1.19 million MOE penalty in 2012 due to a decrease in state funding from two years prior. In the past 5 years MOE penalties have totaled \$3,542,760.
- SCVRD has been assessed \$1.04 million for its share of statewide SCEIS costs, which will continue to be an annual expense. The agency previously paid SCEIS startup costs that exceeded \$1.7 million.
- A significant number of deferred maintenance needs remain unaddressed.



## SCVRD Deferred Maintenance Needs

Location	Cost Estimate
Sumter Client ADA Accessible Restrooms	\$ 125,000
Greenville Client ADA Accessible Restrooms	\$ 125,000
Sumter Parking Lot Repair	\$ 400,000
Florence Parking Lot Repair	\$ 400,000
Gaffney Roof	\$ 300,000
Marlboro Roof	\$ 300,000
Oconee Parking Lot Repair	\$ 400,000
Marlboro Parking Lot Repair	\$ 400,000
Anderson Parking Lot Repair	\$ 425,000
	<b>Total Cost Estimate</b>
	<b>\$ 2,875,000</b>

Palmetto Center (Florence) Building Cost Estimates*			
Existing Building	Sq Ft	Cost Estimate per Sq Ft	Cost to Replace
Women's Dormitory and Administration	12,000	250	\$3,000,000
Men's Dormitory	11,000	250	\$2,750,000
Recreation Building	3,000	250	\$750,000
Classroom Building	2,500	250	\$625,000
Kitchen and Dining Room	6,000	300	\$1,800,000
<b>Total Cost Estimate</b>	<b>29,597</b>		<b>\$8,925,000</b>
* Construction would be done in phases while attempting to keep the facility open.			

## **Federal Funds Overview (for State Fiscal Year 2013)**

*Title:*       **Rehabilitation Services—Vocational Rehabilitation Grants to States**

*Source:*     U.S. Department of Education, Rehabilitation Services Administration

*Amount:*    **\$ 48,379,174**

*Summary:* This grant funds the core program of the agency, which enables eligible people with disabilities to prepare for, achieve and maintain competitive employment. A 21.3% state match is required. The agency's current base state funding is \$4,613,787 below the required state match to draw down the allotted amount shown above, which is the basis for SCVRD's requested amount in additional funding. The agency had never been below state match level until SFY2010-11.

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*Title:*       **Social Security Disability Determination Services**

*Source:*     Social Security Administration

*Amount:*    **\$ 42,425,129**

*Summary:* SCVRD's Disability Determination Services unit evaluates claims for disability benefits (SSI/SSDI) filed under the provisions of the Social Security Act. This program is fully funded by the Social Security Administration.

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*Title:*       **Independent Living State Grant**

*Source:*     U.S. Department of Education, Rehabilitation Services Administration

*Amount:*    **\$ 271,751**

*Summary:* These funds support activities related to provision of Independent Living services to individuals with significant disabilities. Funds are passed through to the SC. Independent Living Council, Disability Action Center, Walton Options for Independent Living, and Disability Resource Center, all 501(c) 3 organizations, based on a budget and resource plan outlined in the State Plan for Independent Living. At 10% state match is required to support this grant.

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**Title: Rehabilitation Training—State V.R. Unit In-Service Training**

**Source:** U.S. Department of Education, Rehabilitation Services Administration

**Amount:** \$ 126,235 for FY2013 (\$ 703,044 over 5 years)

**Summary:** This five-year grant funds training and staff development for the basic vocational rehabilitation services program. A 10% state match is required to support this grant, which equips staff to provide services leading to quality employment outcomes for people with disabilities. Recruitment and retention of qualified staff, and leadership development are other key areas of focus.

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**Title: Supported Employment Services for Individuals with Severe Disabilities**

**Source:** U.S. Department of Education, Rehabilitation Services Administration

**Amount:** \$ 317,281

**Summary:** This grant funds specialized services for people with the most significant disabilities who need assistance in learning job skills and in making the transition to the workplace. Job coaches employed by SCVRD work, for a limited period, side-by-side with these clients in an on-the-job setting at agency expense, giving the employer an incentive to hire the client and giving the client the support needed to succeed.

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**Title: South Carolina Pathways Toward Employment**

**Source:** Social Security Administration, Work Incentives Planning & Assistance Program

**Amount:** \$267,769 in FY2013 (\$ 1,551,076 total for 5-year award)

**Summary:** In cooperation with the Social Security Administration, this project helps educate South Carolinians with disabilities who choose to work in making the transition from receiving SSI/SSDI benefits to employment and self support. A 5% state cost sharing is required.

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**Title: Youth Employment Services Program**

**Source:** U.S. Department of Education, Rehabilitation Services Administration

**Amount:** \$142,281 for FY2013 (\$ 2,417,532 total over entire grant period)

**Summary:** Enhancing school-to-work transition services is a primary focus. Without early intervention, 16- to 21-year olds with disabilities are in a position of great vulnerability to a cycle of poverty and reliance on government benefits. This grant assists the agency in providing services to this population.

## **Other Funds Overview (for State Fiscal Year 2013)**

**Title: I. Administration**

**Sources:** County revenues, program income from training centers

**Amount: \$ 446,488**

**Summary:** These funds are used to help fund administrative functions in managing the vocational rehabilitation program and supporting activities such as training and staff development, human resources, financial management, budgeting, procurement and information systems.

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**Title: II.A Basic Services**

**Sources:** Program income from training centers, residential center revenue, basic support match from the Department of Mental Health

**Amount: \$ 3,242,011**

**Summary:** These funds support the basic client service delivery program, including counseling and guidance, vocational assessment, job readiness training, purchased services, and job placement services.

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**Title: II.B Special Projects**

**Sources:** Program income from training centers, SSA reimbursements for successfully employed SSI/SSDI recipients

**Amount: \$ 2,415,347**

**Summary:** These funds are utilized for special projects to augment the basic services program.

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**Title: II.C Work Training Center Production**

**Sources:** Business and industry partners

**Amount: \$ 21,000,000**

**Summary:** SCVRD has outsource agreements with more than 450 businesses and industries statewide. People with disabilities in 24 work training centers receive job readiness training that includes performance of contract work for business and industry. They learn job skills and work habits that prepare them for employment. These funds from private/public partnerships are used to offset the costs of running the facilities.

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*Title:*        **III. Disability Determination Services**

*Sources:*    S.C. Department of Health and Human Services, S.C. Retirement Systems,  
Homestead Exemption Act

*Amount:*    **\$ 3,351,216**

*Summary:*   In addition to its core function of adjudicating disability claims for the Social Security Administration, the Disability Determination Services (DDS) also processes Medicaid disability claims for HHS, retirement disability claims for the state retirement systems, and disability claims filed under the Homestead Exemption Act. The earmarked funds from those three entities account for only 6 percent of DDS funding, the remainder of which is federal funding from the Social Security Administration.

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# Base Budget Expenditures and Appropriations

(from Agency Accountability Report SFY2012)

Major Budget Categories	FY 10-11 Actual Expenditures		FY 11-12 Actual Expenditures		FY 12-13 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$ 53,246,073	\$ 6,825,316	\$ 50,296,425	\$ 6,455,245	\$ 63,654,361	\$ 8,827,934
Other Operating	\$ 29,448,354	\$ 47,457	\$ 29,392,755	\$ 37,227	\$ 38,774,360	\$ 66,557
Special Items			\$ 46,164			
Permanent Improvements	\$ 770,652		\$ 110,499			
Case Services	\$ 22,152,490		\$ 19,609,545		\$ 24,489,138	
Distributions to Subdivisions						
Fringe Benefits	\$ 16,305,242	\$ 2,151,176	\$ 15,787,690	\$ 2,091,533	\$ 19,856,098	\$ 3,289,514
Non-recurring						
<b>Total</b>	<b>\$ 121,922,811</b>	<b>\$ 9,023,949</b>	<b>\$ 115,243,078</b>	<b>\$ 8,584,005</b>	<b>\$ 146,773,957</b>	<b>\$ 12,184,005</b>
<b>Other Expenditures</b>						
		<b>Sources of Funds</b>	<b>FY 10-11 Actual Expenditures</b>	<b>FY 11-12 Actual Expenditures</b>		
		Supplemental Bills				
		Capital Reserve Funds	\$ -	\$ 2,500,000		
		Bonds				



## Major Program Areas

(from Agency Accountability Report SFY2012)

Program Number and Title	Major Program Area Purpose (Brief)	FY 10-11 Budget Expenditures		FY 11-12 Budget Expenditures		Key Cross References for Financial Results*
01000000 Administration	General operation and support of all agency programs.	State: 741,472.00		State: 658,321.00		7.3-1 thru 7.3-9
		Federal: 5,064,698.00		Federal: 5,336,447.00		7.4-2
		Other: 127,437.00		Other: 136,315.00		7.4-5 thru 7.4-6
		Total: 5,933,607.00		Total: 6,131,083.00		7.6-3
		% of Total Budget: 4.87%		% of Total Budget: 5.19%		
05100000 Basic Services	Delivery of services to people with disabilities enabling them to prepare for, achieve and maintain competitive employment.	State: 6,083,844.00		State: 5,786,443.00		7.1-1 thru 7.1-9
		Federal: 31,605,280.00		Federal: 29,691,037.00		7.5-4
		Other: 1,841,262.00		Other: 1,822,416.00		
		Total: 39,530,386.00		Total: 37,299,896.00		
		% of Total Budget: 32.42%		% of Total Budget: 31.68%		
05250000 Special Projects	Grant programs, extended rehabilitation services, in-service training, Independent Living.	State: 47,457.00		State: 47,708.00		7.2-3
		Federal: 5,142,506.00		Federal: 1,269,840.00		7.3-9
		Other: 1,194,780.00		Other: 1,220,006.00		7.5-2
		Total: 6,384,743.00		Total: 2,537,554.00		
		% of Total Budget: 5.24%		% of Total Budget: 2.16%		
05300000 Workshop Production	Program income from work training centers.	State:		State:		
		Federal:		Federal:		7.3-7
		Other: 16,135,061.00		Other: 16,961,735.00		
		Total: 16,135,061.00		Total: 16,961,735.00		
		% of Total Budget: 13.23%		% of Total Budget: 14.41%		
25000000 Disability Determination Services	Adjudicate SS/SSDI claims for the Social Security Administration.	State:		State:		
		Federal: 34,233,927.00		Federal: 34,803,173.00		7.1-10
		Other: 2,629,192.00		Other: 1,611,447.00		
		Total: 36,863,119.00		Total: 36,414,620.00		
		% of Total Budget: 30.23%		% of Total Budget: 30.93%		

Below: List any programs not included above and show the remainder of expenditures by source of funds.

95000000 Employer Contributions, 98130000 Capital Reserve Funds, and 99000000 Capital Projects

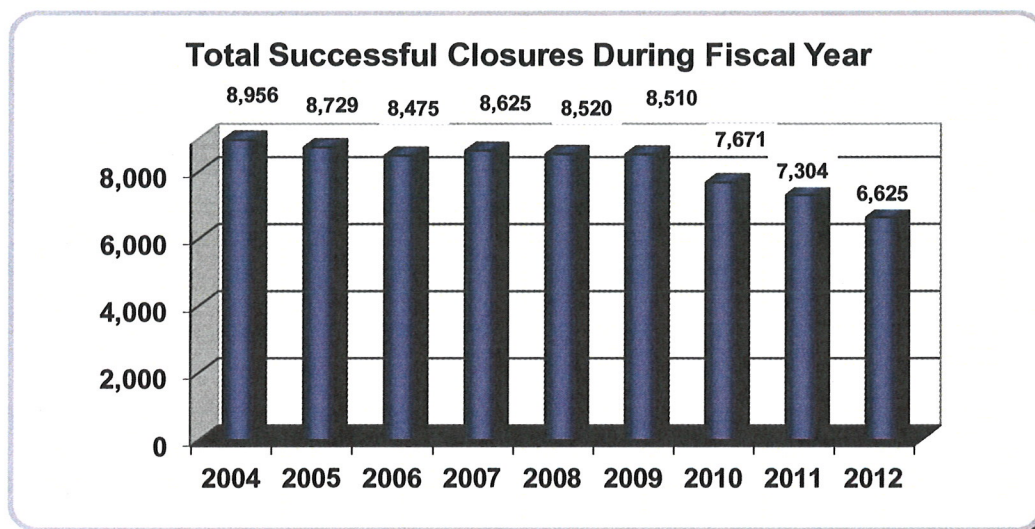
Remainder of Expenditures:	State: 2,151,176.00	State: 2,091,533.00
	Federal: 13,543,294.00	Federal: 12,631,412.00
	Other: 1,381,425.00	Other: 3,675,245.00
	Total: 17,075,895.00	Total: 18,398,190.00
	% of Total Budget: 14.01%	% of Total Budget: 15.63%

\* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

## Key Results

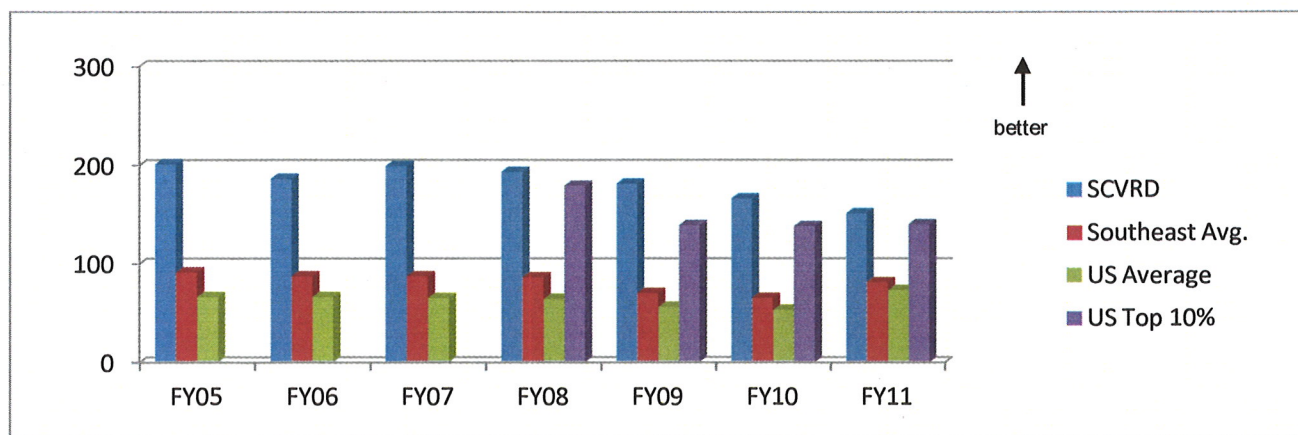
### SUCCESSFUL OUTCOMES

A key performance effectiveness result is the number of people with disabilities that have successful employment outcomes after receiving SCVRD services. In FY2012 the number of successful rehabilitations decreased as high unemployment rates impacted job placement efforts and the agency extended budget-reducing measures. This especially impeded outreach to itinerant and rural areas.



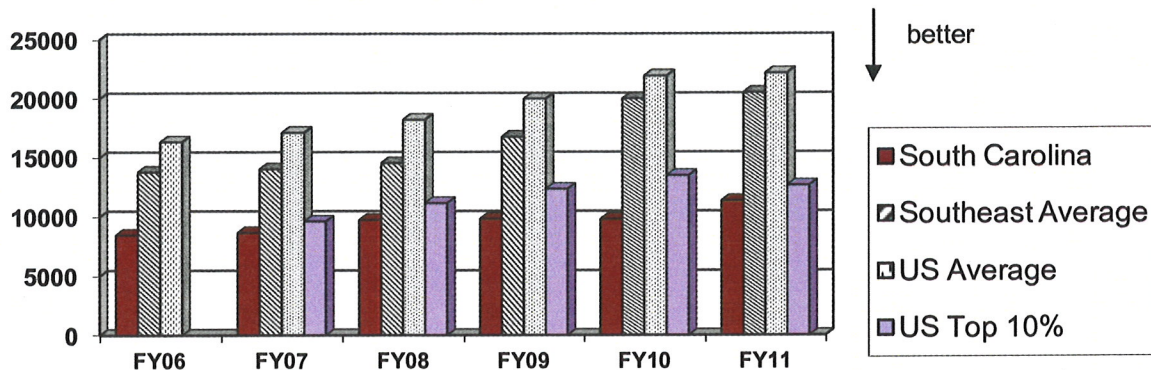
### REHABILITATIONS PER 100,000 POPULATION

For many years SCVRD has consistently ranked at or near the top among the nation's public vocational rehabilitation programs in the number of people rehabilitated per 100,000 population. The latest national figures from federal FY2011 show SCVRD at **151** people rehabilitated per 100,000, the **third highest in the nation**, trailing only Vermont, which had 246, and Mississippi (153). SCVRD was second in the Southeast region. The Southeast average was **81**, the national average was **73**, and the states comprising the top 10% in performance averaged **140**.



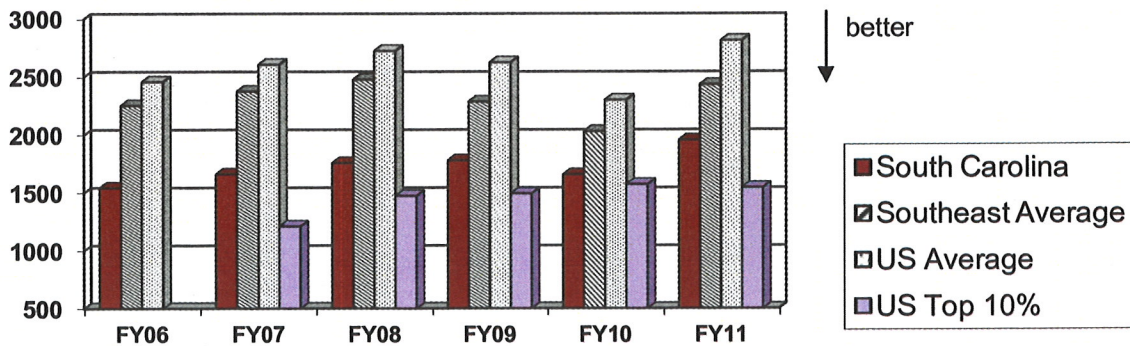
### AVERAGE COST PER CLIENT REHABILITATED

The department's efficiency and effectiveness is reflected in its national prominence among VR agencies in cost per rehabilitation based on agencies' total expenditures. For each successfully employed client in federal FY2011, the department's average cost was **\$11,343, the third lowest in the entire nation** and lowest in the Southeast. Idaho was the lowest at \$7,948. Mississippi had the second lowest cost in the Southeast region at \$14,801. The states comprising the nation's top 10% in performance averaged \$12,636. **Only \$1,657 in state funds** were spent per SCVRD client rehabilitated in state FY2012.



### AVERAGE COST PER CLIENT SERVED

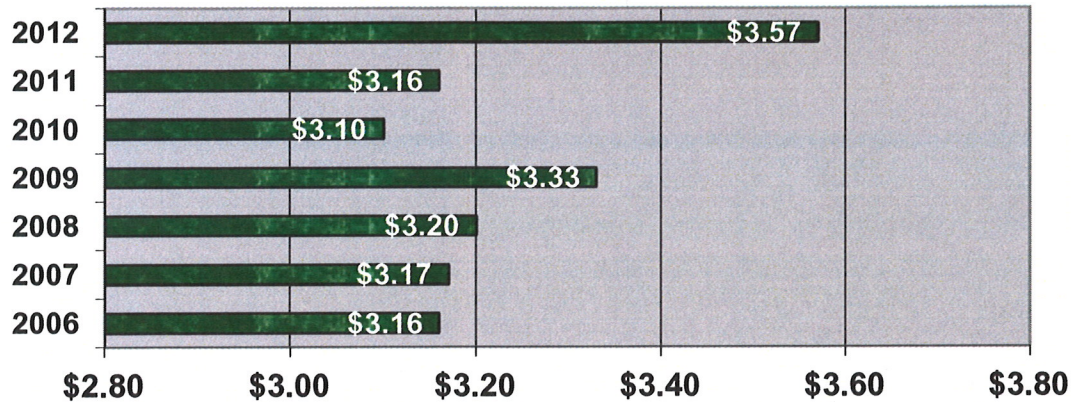
SCVRD has consistently ranked among the nation's best programs in the average cost per client served based on the agencies' total expenditures. In federal FY2011 (most recent comparative data available), the department had the **12<sup>th</sup> lowest** cost per client served (**\$1,957**) among state VR programs in the U.S. SCVRD also had the third-lowest average cost among the eight Southeastern regional states (Kentucky led at \$1,471). The states comprising the nation's top 10% in performance had an average cost of \$1,546. **Only \$282 in state funds** were spent per SCVRD client served in state FY2012.





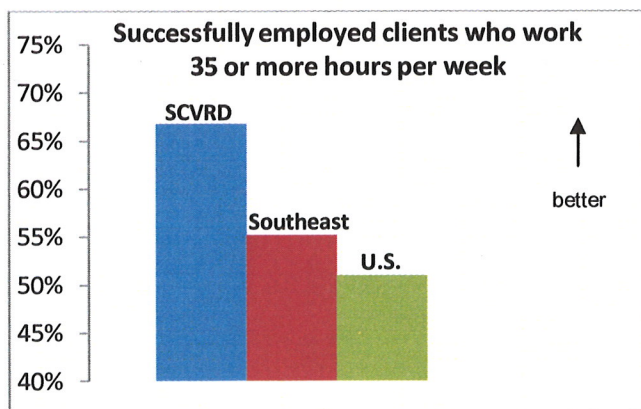
## Taxpayer Payback Cost/Benefit Ratio

(How much each rehabilitated client will pay back in taxes for each dollar spent on his/her VR services)



## FULL-TIME EMPLOYMENT OF CLIENTS

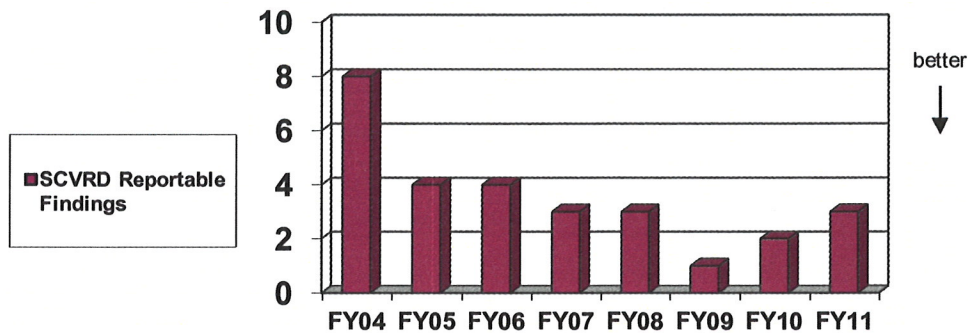
While the extent of work schedules vary for people with disabilities based on their own circumstances, working longer hours enhances the independence and employment success for many, and increases the state's return on investment. A higher percentage of rehabilitated SCVRD clients work 35 or more hours per week than clients in most other states. SCVRD's rate of 66.8% was **third highest** in the nation for FFY2011.



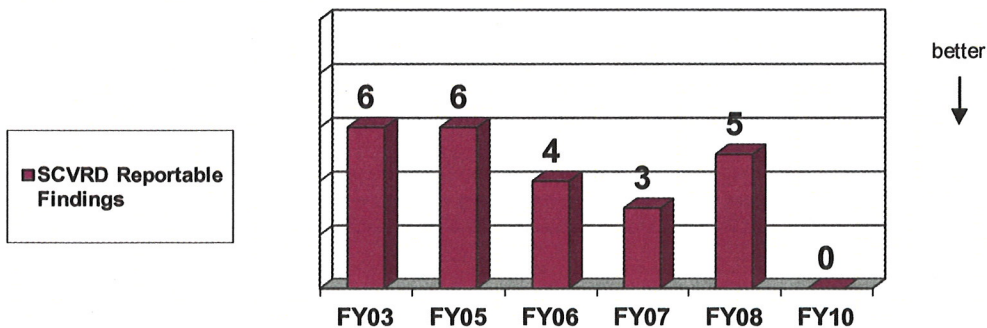
## FISCAL ACCOUNTABILITY

The department must adhere to budgeting and procurement codes, building codes, and various other state and federal regulations that any government agency would be subject to. Fiscal accountability is established through internal and external audits. Financial audits are conducted annually by the State Auditor's office and any findings are addressed through corrective actions. The most recent procurement audit and benefits audit were both very favorable. In the most recent single audit SCVRD showed only three reportable findings. The most recent State Agreed-Upon Procedure Audit (FY2010) contained *no* findings.

State of South Carolina Single Audit Results



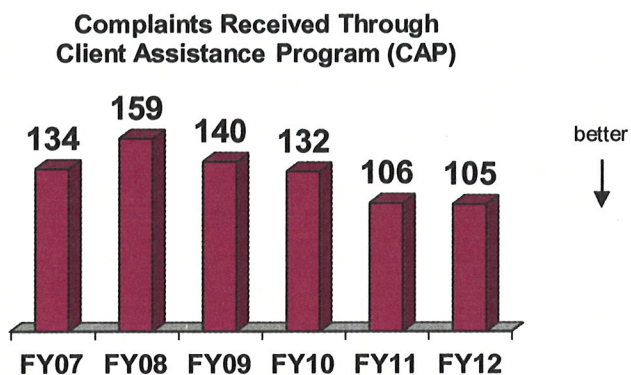
State of South Carolina Agreed Upon Procedures Audit



## CLIENT COMPLAINTS

In its “Annual Report on Appeals Process” to the RSA, U.S. Department of Education, the department reported no new requests for mediation with SCVRD clients during the year and no disputes needing resolution in an impartial hearing process (formal administrative review). The client relations specialist, staff attorney, human resources department, commissioner’s office and the Client Assistance Program (CAP) in the Governor’s office work closely together to ensure ethical and fair treatment of agency clients before extreme measures would become necessary.

Despite the large number of clients served (about 39,000) the number of complaints registered through CAP remains relatively small—totaling 105 during FY2012.



## **Duplicative Activities with Other State Agencies**

- SCVRD does not have duplicative services. It does partner with several other agencies to provide complementary services focused on employment for citizens with disabilities who are served by those agencies.

## **Cost Saving Initiatives**

- SCVRD has shown a 21 percent cut in staff travel costs from 2011 to 2012.
- Deferred maintenance on numerous agency facilities.
- Decreased costs over three year period in overall operating expenditures.
- Strong focus on safety has had significant cost savings. Injury rates for staff and for clients in the work training centers have continued to improve and are well below national industry levels. This helps the agency keep workers' compensation premiums low.

## **Counter Measures for Fraud and Abuse**

- The agency has been proactive for a number of years in implementation of computer security measures. To help protect agency clients' Personally Identifiable Information (PII) their Social Security numbers have been removed from multiple forms and applications and logs created when information is accessed by agency staff. The agency is also establishing a Computer Incident Response Team to respond to and help prevent network security issues. We are evaluating solutions and working with vendors to implement multi-factor authentication, automated software security patch management, and transaction log analysis tools to enhance agency network security.
- SCVRD's Disability Determination Services partnered with U.S. Office of Inspector General, Social Security field offices and SLED to form Cooperative Disability Investigations to identify people who fraudulently accessed Social Security and Medicaid disability benefits. In federal fiscal year 2012 more than \$38 million was saved through these investigations in the Columbia CDI unit.
- A portal for anyone wishing to "Report Suspected Fraud" is located on the main menu of the agency's website.
- The agency has an internal audits department, which operates independently of other units and reports directly to the Commissioner.
- An e-mail tool for clients, families or other customers of the department to contact the agency, or to report problems, complaints or wrongdoing, is prominently displayed on the agency website.
- The agency provides all clients with information on how to contact the Office of the Governor's Client Assistance Program to report issues with the department's staff.



## Audit Information

- There have been no recent Legislative Audit Council reports focused on SCVRD.
- Recent state financial audits have been positive. The most recent state audit of Agreed-Upon Procedures resulted in NO exceptions for SCVRD.
- The most recent Single Audit had three findings. The findings and agency's response are shown on page 21.
- The Rehabilitation Services Administration (RSA) of the U.S. Department of Education performs monitoring reviews of state vocational rehabilitation grantees on a rotating basis. SCVRD was the subject of an RSA monitoring report in 2010.
- RSA required corrective actions for two findings in the monitoring report:
  - SCVRD was not in compliance with maintenance of effort (MOE) requirements for FY2008 because its non-federal expenditures for that year failed to equal or exceed its non-federal expenditures for FY2006. SCVRD expected this action as state funds declined during that two year period and the agency's expenditures consequently declined. *Response:* A maintenance of effort penalty of \$874,575 was paid to RSA. SCVRD asked for technical assistance in identifying approved sources of matching funds.
  - SCVRD was not in compliance in its assignment of personnel costs for staff working on multiple programs. *Response:* The agency corrected this problem by implementing a personnel activity reporting process that required staff working on multiple programs to submit personnel activity reports reflecting actual time spent on each program rather than estimated time spent.
- Among the 12 states whose general or combined state vocational rehabilitation programs were reviewed by RSA in 2010, the South Carolina Vocational Rehabilitation Department had fewer corrective actions than all but one state.





## South Carolina Vocational Rehabilitation Department

*Enabling eligible South Carolinians with disabilities to prepare for,  
achieve and maintain competitive employment.*

Barbara G. Hollis, Commissioner

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October 11, 2012

Mr. Todd Dufford  
U. S. Department of Education  
Rehabilitation Services Administration  
400 Maryland Avenue, SW  
PCP Room 5090  
Washington, DC 20202-2800

RE: Audit Control No. 0411210911  
Fiscal Year Ended June 30, 2011

Dear Mr. Dufford,

Please find additional information enclosed regarding findings 11H73-1, 11H73-2 and 11H73-3 of the Single Audit for year ended June 30, 2011. We have amended our responses to those findings reflecting changes that have been implemented since original submission.

Please contact Vicki Bowles at (803) 896-6517 or [vbowles@scvrd.state.sc.us](mailto:vbowles@scvrd.state.sc.us) if you have any questions.

Sincerely,

Barbara G. Hollis  
Commissioner

cc: Vicki Bowles  
Rick Elam

## **South Carolina Vocational Rehabilitation Department (H730)**

**July 1, 2010 – June 30, 2011**

### **Single Audit – Response**

#### **11H73-1. Maintenance of Effort**

We recommend that the Department ensure that resources are available to meet the maintenance of effort requirement

**Response:** We concur with the finding, and are seeking additional matching funds through the legislative process.

#### **11H73-2. Reporting**

We recommend the Department follow guidelines set forth in RSA directives to ensure proper reporting to the US Department of Education. The Department should also ensure that reported amounts are independently reviewed by someone familiar with the contents of the report and ensure the amounts are properly classified, accurate and agree to supporting documentation.

**Response:** We concur with the finding. The information reported in the reviewed RSA-2 was split between the legacy system and SAP. All data had to be obtained with new reports. We are through the initial phase of SAP and now have a better understanding of what we need to do to ensure that reports are being pulled from Business Warehouse and SAP accurately. Although the report documentation was independently reviewed, not all backup documentation was footed. We have put in place a better reviewing process to ensure that all information is correct and that there is supporting documentation.

#### **11H73-3. Shift Pay**

We recommend the Department strengthen its procedures to ensure inputted shift differential pay rates are entered correctly into SCEIS. We also recommend that personnel responsible for reviewing data entry verify data for accuracy.

**Response:** We accept the finding regarding this matter and will work to strengthen our internal controls to try and prevent future occurrences of these problems.

## **Fiscal Impact of ACA**

- At this time the potential impact of the Affordable Care Act on the agency is still unknown.

## **Significant Bills in House and/or Senate**

- At this time there are no bills that would have significant impact specifically for SCVRD.

## **Proviso Requests 2013-2014**

- *The agency requests no new provisos or changes to existing provisos.* Base provisos from the 2012-2013 Appropriations Act are shown below for reference:

### **SECTION 20 - H73-DEPARTMENT OF VOCATIONAL REHABILITATION**

**20.1.** (VR: Production Contracts Revenue) All revenues derived from production contracts earned by people with disabilities receiving job readiness training at the agency's Work Training Centers may be retained by the State Agency of Vocational Rehabilitation and used in the facilities for Client Wages and any other production costs; and further, any excess funds derived from these production contracts may be used for other operating expenses and/or permanent improvements of these facilities.

**20.2.** (VR: Reallotment Funds) To maximize utilization of federal funding and prevent the loss of such funding to other states in the Basic Service Program, the State Agency of Vocational Rehabilitation be allowed to budget reallotment and other funds received in excess of original projections in following State fiscal years.

**20.3.** DELETED

**20.4.** (VR: User/Service Fees) Any revenues generated from user fees or service fees charged to the general public or other parties ineligible for the department's services may be retained to offset costs associated with the related activities so as to not affect the level of service for regular agency clients.

**20.5.** (VR: Meal Ticket Revenue) All revenues generated from sale of meal tickets may be retained by the agency and expended for supplies to operate the agency's food service programs or cafeteria.

**20.6.** (VR: Basic Services Program - Educational Scholarships) For those persons with disabilities who are eligible for and are receiving services under an approved plan of the South Carolina Vocational Rehabilitation Department (consistent with the 1973 Rehabilitation Act, as amended) tuition costs at state supported institutions (four year, technical, or trade schools) will not increase beyond the 1998 tuition rate, will be provided, or will be waived by the respective institution after the utilization of any other federal or state student aid for which the student is eligible. Persons eligible for this tuition reduction or sponsorship must meet all academic requirements of the particular institution and be eligible for State need-based scholarships as defined in Chapter 142, Title 59, Code of Laws of South Carolina, 1976.

## **Fees and Fines**

- SCVRD collected no fees or fines in FY2012.