

South Carolina General Assembly



Legislative Audit Council



**The State of South Carolina
General Assembly
Legislative Audit Council
A Management and Performance
Review of the South Carolina
Commission for the Blind
May 12, 1988**

THE STATE OF SOUTH CAROLINA

GENERAL ASSEMBLY

LEGISLATIVE AUDIT COUNCIL

A MANAGEMENT AND PERFORMANCE REVIEW OF THE

SOUTH CAROLINA COMMISSION FOR THE BLIND

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REPORT SUMMARY

At the request of members of the General Assembly, the Legislative Audit Council conducted a management and performance audit of the South Carolina Commission for the Blind (SCCB). The Council was specifically asked to examine several issues, including the Commission's relationship with an outside interest group, the Commission's hiring practices and possible abuse of state telephone credit cards (see p. 6).

The Council found strong outside influences on the Commission by consumers and interest groups. The communication between an outside interest group and the Commission has interfered with the conduct of Commission activities, reducing the time spent by staff in providing client services and administering agency programs. However, Board actions taken to minimize interest group interference have not been effective.

Although the outside interest group has made numerous allegations against the Commission, the Council found no evidence of a pattern of significant mismanagement by Commission staff. Areas of administration in which no material problems were found included the hiring of Commission staff and the use of telephone credit cards. In addition, the Commission is commended for having the highest accuracy rate for disability determination in the country for federal FY 86-87. However, the Council found the following administrative problems:

- The Commission's organizational structure causes an unnecessary centralization of the Commission's decision making process. The lines of authority require all programs providing client services to report through one director (see p. 10).
- The Commission's mobile outreach program lacks coordination. Responsibility for the program is divided among three supervisors and has resulted in inconsistencies in services provided to program clients (see p. 11).
- The Commission has not effectively used its computer system. Three years after spending \$334,000 for computer hardware and software to implement an integrated information system, the system has not yet been implemented (see p. 13).

In providing client services, the Commission has placed high priority on the interstate highway vending facility program which now employs more blind vendors than in any other southeastern state. However, improvements can be made in client services in the following areas:

- The Commission is closing cases as successfully rehabilitated in which the services provided consist primarily of paying for a medical procedure. While allowable under federal regulations, closing a case as successfully rehabilitated when there is little or no contribution on the agency's part toward a client's employment overstates the agency's accomplishments (see p. 23).
- The Commission's method of reporting successfully rehabilitated clients' wage categories inflates the success of the vocational rehabilitation program. The agency's minimum wage criteria allows individuals working 20 hours a week at \$3.35 per hour to be considered an at or above minimum wage closure (see p. 24).
- The economic benefits received by clients from participation in Blindcraft, the Commission's home-based industries program, are small relative to program costs. From FY 83-84 through FY 86-87, the Commission spent an average of more than seven dollars for every dollar of client earnings (see p. 32).
- The Commission has not encouraged the development of sheltered workshops for the blind. As a result, a segment of the blind population is not adequately served by the Commission (see p. 33).
- Although 19 of 95 vending facilities had net proceeds greater than \$30,000 in 1986, state law does not allow the Commission to collect set aside funds from vendors in the Business Enterprise Program. If the law permitted the collection of a set aside equal to 10% of net proceeds, the Commission would have received an average of more than \$160,000 annually from FY 83-84 through FY 85-86 to cover the program's operational costs (see p. 35).

During the Council's review, the Division of General Services completed an audit of the Commission's purchasing practices and procedures. Its report is expected for release in mid-1988. Further, the Division of Human Resource Management completed and released a classification and compensation study of

Commission personnel. In order to avoid duplication, the Council did not review the activities and issues examined by these agencies.

The following chapters discuss, in detail, areas in which improvements can be made by the Commission. The terms Commission for the Blind, Commission, and SCCB are used interchangeably throughout the report. The Council appreciates the cooperation and assistance of Commission staff during the course of the audit.

CHAPTER I

BACKGROUND

The South Carolina Commission for the Blind was created by the General Assembly in 1966 and began functioning as a separate agency in January 1967. Prior to the establishment of the Commission, state services for the blind were provided by the State Department of Public Welfare's Division for the Blind. As of November 1987, Commission records indicate that over 9,300 blind and visually impaired individuals may be eligible for Commission services.

The Commission is governed by a seven-member board appointed by the Governor with the advice and consent of the Senate. The members serve four-year terms. In addition, three of the members are required to be legally blind. The Board establishes agency policies with input from its Consumer, Medical, and Business Enterprise Advisory Committees.

In addition to an Administrative Division, the Commission operates three service divisions: Rehabilitative Services, Prevention of Blindness, and Special Services. The Rehabilitative Services Division provides specialized services for clients including evaluation, counseling, physical and mental restoration, and job placement. These services are provided through a network of nine field offices located throughout the state. Rehabilitative services are also provided through the Ellen Beach Mack Rehabilitation Center, Blindcraft, and the Business Enterprise Program. The Business Enterprise Program licenses and supervises blind vending stand operators under the federal Randolph-Sheppard Act, as amended.

The Prevention of Blindness Division provides services to clients who are not eligible for rehabilitative services. These services include eye exams and other medical services, transportation to eye specialists, counseling, and public education. The division operates low vision clinics in Columbia and Spartanburg. In addition, SCCB trains operators for a mobile

eye screening unit sponsored by the Lion's Sight Conservation Association.

The Special Services Division consists of four components: Children Services, the Educational Radio Service, the Media Center, and Volunteer Services. Children Services provides counseling, testing, low vision aids, medical and eye exams, and educational assessment to blind children from birth to age 14. The Educational Radio Service, in cooperation with the South Carolina Educational Radio Network, serves more than 2,100 visually impaired persons with radio service for the blind. The programs are aired over an FM subchannel and are picked up on specially designed receivers provided by the Commission.

CHAPTER II
ADMINISTRATION AND ORGANIZATION

Outside Involvement in Commission Activities

The communication between an outside interest group and the Commission for the Blind (SCCB) has interfered with the conduct of Commission activities. This communication impairs services to the blind by reducing the time spent by agency officials on providing services and administering agency programs. While the SCCB Board and the Commissioner have taken actions in an attempt to minimize interest group interference, these actions have not been effective in dealing with this interest group.

According to SCCB records, from June 1985 through December 1987, the interest group (hereafter called Group X) made approximately 100 requests for information, including some considered "frivolous" by the Attorney General's Office and many not subject to the Freedom of Information Act (FOIA). For example, Group X requested the name of the person who prepared a draft letter for the Commissioner. To minimize interference resulting from these requests, the Board adopted a policy of charging for FOIA requests in May 1986. Further, the Commissioner instituted a procedure in January 1987 specifically for handling correspondence and information requests from Group X.

Group X sent two memos to the SCCB staff in 1986 which questioned the previous employment history of the Commissioner and accused the Commissioner of "misrepresenting the truth" and "knowingly approving payments of questionable" items. The memos also criticized the SCCB Board for not involving Group X in the Commissioner's selection in 1984. In addition, the interest group devoted all or parts of 94 pages in 5 newsletters, from November 1986 through November 1987, to criticisms of Commission actions or the publication of correspondence regarding Commission activities. Also, in 1985, Group X passed a resolution calling

for the Commissioner's resignation and accusing him of improprieties in office.

The Audit Council's review of many concerns expressed about Commission actions by Group X found no evidence of mismanagement or impropriety. Some examples follow:

- The Commissioner was accused of showing favoritism toward a blind vending stand operator with whom he has had frequent telephone contact. The vendor, an officer of a different interest group, was promoted to a more profitable vending stand location. The Audit Council found that appropriate promotion procedures were followed by the Commission, and no evidence of favoritism was found.
- The Commissioner was accused of "bungled mismanagement" by designating \$50,000 in federal rehabilitation funds for repairs to the roofs of Commission buildings. The Audit Council's review indicated that the use of these funds was in compliance with federal guidelines, and Budget and Control Board officials regarded the expenditure as appropriate.
- The Commissioner was accused of "knowingly misrepresent[ing] the truth" and providing a "cover up" for not sending a copy of a federal management report to Group X after indicating he would send a copy as soon as he received it. The Audit Council found that, although the Commissioner did not send a draft copy of the report to Group X, a final copy of the report was furnished to the interest group less than one week after SCCB received it. There was no evidence that the Commissioner's reluctance to release an unofficial copy of a report was a "cover-up."
- The Commissioner was accused of "bizarre behavior" and "flagrant misrepresentations" in a published account of the handling of a group's donation to the Commission. Two SCCB Board members misunderstood facts regarding the receipt and use of the funds. Although SCCB Board minutes indicate that a plan for the funds' use was tentative, the Board members represented the decision to others as final. When the tentative plans were changed because receipt of the funds was delayed, the Commissioner was accused of misrepresenting the funds' use. The Audit Council could find no evidence that the Commissioner had either misrepresented the use of the funds or intentionally misled the Board regarding the funds' receipt.

Other state agencies have also reviewed issues raised by Group X regarding activities of the Commissioner and members of the SCCB Board and have been unable to substantiate the

accusations made. For example, in May 1986, the Governor's Office reported that an investigation did not reveal any intentional or significant wrongdoing by SCCB.

The Audit Council administered a survey of SCCB employees in October 1987 (see p. 48). Twenty of eighty respondents mentioned activities by interest groups as having a negative influence on their jobs. The following are examples of survey responses regarding Group X's influence on Commission activities and client services:

- "He [the Commissioner] has been harassed from the day he arrived by [Group X] who did not like his selection What we do for the blind population is too important to be sidetracked by this constant in-fighting."
- "Outside interference from [Group X] has caused me to lose a great deal of time as far as my job productivity is concerned."
- "The attack which is being waged through the [Group X publication] is a disgrace to all in the agency who are trying to do a good job. Because of this type of harassment, I am currently looking for another position."
- "The [publishing of the internal workings of the agency, including firings and letters to clients, by Group X] are stress factors . . . and affect self-concept, morale and ultimately performance. Our agency is forced to consider so many ramifications of even the most minor decisions. Decisions are often based on 'defendability.'"
- "Field counselors and supervisors avoid some of the tough decisions in order to avoid personal attack in the widely circulated [Group X publication]."

In addition to affecting services to clients, the continuing criticism of Commission management decisions has a chilling effect on the actions of agency personnel and, therefore, reduces the likelihood of innovation in Commission programs. For example, the Commission has not encouraged the development of sheltered workshops for the blind, despite a need for sheltered employment, because of opposition by interest groups, including Group X (see p. 33).

Group X has also expressed concern over the leadership of the Commission. In a document provided to the Audit Council, Group X stated:

. . . five of the seven members of the Commission Board initially welcomed and utilized the influence and good reputation of [Group X] in acquiring their appointments to the board of commissioners While welcoming and receiving the endorsement and help of [Group X], only one of the five members, [Member Y], seemingly remembers or cares about the role [Group X] played in there [sic] appointments to the commission board (see p. 45).

However, Group X has not provided input to the SCCB Board through the agency's Consumer Advisory Committee. In accordance with federal law requiring consumer input into agency policy development, the Commission established a Consumer Advisory Committee in 1976. From 1984 through 1987, the Advisory Committee, which has a Group X representative as a member, has made no proposals to SCCB regarding agency services. Further, the SCCB Board has not solicited input from the Consumer Advisory Committee on policy which could reduce Group X interference in agency operations and client services. More active participation from the Commission's advisory committee could provide greater diversity of opinions and perspectives on all agency policy decisions.

RECOMMENDATION

- (1) THE COMMISSION FOR THE BLIND BOARD SHOULD REVIEW ITS POLICIES ADDRESSING INTEREST GROUP INPUT AND TAKE ACTION TO ENSURE INTEREST GROUPS DO NOT NEGATIVELY INTERFERE WITH AGENCY OPERATIONS, CLIENT SERVICES, OR POLICY DECISIONS. THE BOARD SHOULD ENSURE THAT INPUT FROM INTEREST GROUPS IS SOLICITED ON ALL POLICY DECISIONS THROUGH THE CONSUMER ADVISORY COMMITTEE.

Agency Organization Needs Review

The Commission's organizational structure designates lines of authority which require all programs providing direct client services to report through the Director of Client Services. As a result, 86 (78%) agency employees, including all of SCCB's service providers, are accountable to one supervisor who reports directly to the Commissioner (see Chart 1). This structure causes an unnecessary centralization of the Commission's decision making process and may affect agency efficiency and effectiveness.

The span of control over agency services should not be so broad that it exceeds the supervisor's capacity to attend to many items that may require supervision at the same time. The Audit Council reviewed the organizational structure of 22 agencies or programs in other states that are considered separate service entities for the blind. Sixteen of the twenty-two states have organizational structures which do not require all client services programs to report to a single supervisor other than the agency director.

An Audit Council survey of SCCB employees showed a lack of satisfaction with the agency's organizational structure. More than half of the survey respondents did not believe that the structure promoted effective and efficient service delivery (see p. 48).

The organizational structure can also affect the decision making process. Survey responses indicated a centralized decision making structure. For example:

- "[Management] wants to know the details of much that is done and give approval to almost everything."
- "[D]ecisions cannot be made unless . . . discussed and rehashed by every high management official in the agency."

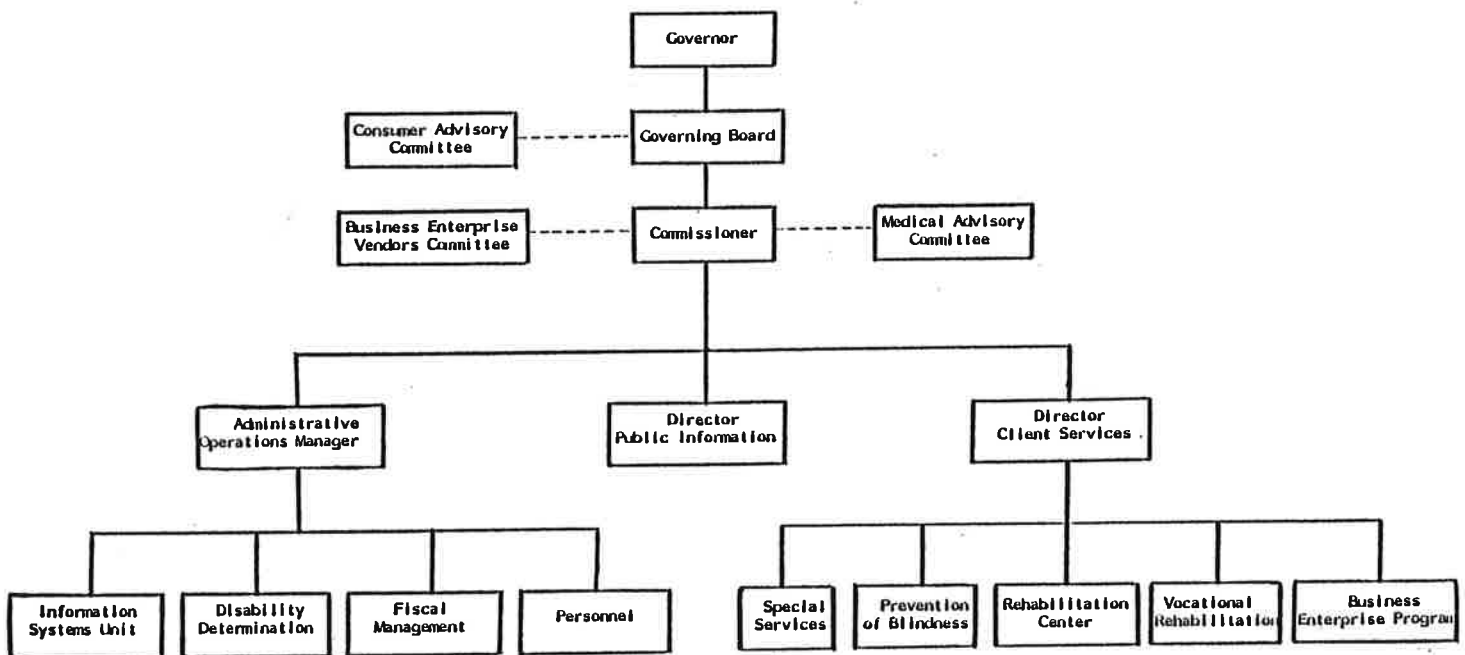
An overly broad span of control, in conjunction with a lack of discretion provided to program managers, can unnecessarily delay service delivery. Further, this organizational structure may not

easily accommodate the expansion of client services for the Commission.

RECOMMENDATION

- (2) THE COMMISSION FOR THE BLIND'S MANAGEMENT SHOULD REVIEW THE AGENCY'S ORGANIZATIONAL STRUCTURE AND ENSURE THAT IT RESULTS IN EFFICIENT AND EFFECTIVE SERVICE DELIVERY.

CHART 1
COMMISSION FOR THE BLIND ORGANIZATION



Source: Commission for the Blind.

Mobile Outreach

The Commission for the Blind's mobile outreach program lacks coordination. Responsibility for administering the program is divided among three supervisors and has resulted in

inconsistencies in the provision of services to program clients.

The mobile outreach program teaches basic skills, including cooking and sewing, to elderly blind persons to enable them to live independently in their homes. Mobile outreach teams from Charleston, Columbia, and Greenville travel to locations across the state to provide this service.

The administration of the program is divided among three SCCB supervisors who report to the Director of Client Services (see p. 10). The vocational rehabilitation (VR) supervisor for the upstate supervises the Greenville mobile outreach team, while the VR supervisor for the low country supervises the Columbia and Charleston teams. In addition, the Prevention of Blindness (POB) supervisor works with both VR supervisors in selecting clients and locations for the outreach programs and pays the costs of the Charleston program. The Director of Client Services, to whom these supervisors report, has responsibility for all client service programs.

In a 1987 federal grant application, SCCB officials requested funding for a position to coordinate the mobile outreach program. Officials stated, "it is easy to observe that the approach currently in operation is somewhat fragmented." Further, "[a]ll of these components need to be better coordinated in order to have a more unified occurrence of services." Adequate program coordination is necessary to ensure that similar services are provided to all clients.

As a result of a lack of coordination, the Audit Council found the following inconsistencies in the outreach programs:

- Mobile outreach programs differ in length. During FY 86-87, one VR supervisor's programs lasted an average of 15 days, while another supervisor's programs lasted an average of 32 days.
- Home visits to clients have not been done consistently. One VR supervisor's outreach team has performed home visits for the last four years to assess the client prior to his attending the program. The other VR supervisor did not begin home visits until January 1988. However, these visits take place after the client completes the program. In the absence of these home visits, POB staff conducted

home visits for POB clients, while VR clients went without home visits.

In addition, a lack of program coordination and team work has been cited as a problem in the agency. An Audit Council survey of SCCB employees found that 79% of the respondents felt there was a need for improving teamwork among the staff, and 69% felt that a lack of coordination and communication between units, supervisors, and field offices hurt the efficiency and effectiveness of the agency (see p. 50). Without proper coordination of the mobile outreach program, SCCB cannot ensure that clients in each region of the state are receiving similar services.

RECOMMENDATION

- (3) THE COMMISSION FOR THE BLIND'S MANAGEMENT SHOULD DESIGNATE ONE INDIVIDUAL TO ADMINISTER THE MOBILE OUTREACH PROGRAM AND ENSURE SERVICES ARE PROVIDED CONSISTENTLY BY EACH MOBILE OUTREACH TEAM.

Information Resources Management

The Commission for the Blind has not effectively used its computer system. The Commission has not implemented an approved information technology plan and is operating three separate computer systems when only one should be in use.

In 1984, SCCB purchased a Hewlett Packard computer and an accounting software package for \$334,000 to implement an integrated information system. However, three years after the purchase, the system has not been implemented. The computer is used only for limited word processing and simple client-related applications. The Commission continues to use two older computers that the Hewlett Packard was purchased to replace. The accounting software package has never been used or completely installed. Also, since its purchase, the accounting software has been found to be incompatible with the Controller General's Statewide Accounting and Reporting System (STARS).

The Commission's approved 1984 Federal Advance Planning Document for information technology described the proposed system and outlined its implementation. The system design included a client information system, an accounting system, and an administrative support system and was designed to integrate client, financial and accounting information. According to the plan, implementation of the system would be completed in July 1986. Further, the federal Rehabilitation Services Administration recommended in 1985 that the agency place high priority on full implementation of the new computer system to improve the timeliness and accuracy of casework management and agency administrative information.

As a result of the integrated system's not being implemented, the agency has not had the benefits of more comprehensive, timely, and accurate information. The Commission has been unable to comply with a new federal client information reporting format. However, federal officials expect the Commission to submit FY 87-88 information in the new format by October 1988. Further, the agency has spent approximately \$30,000 a year unnecessarily on the older computers and contracted data processing services that could have been eliminated had implementation of the system occurred. The Commission has also spent \$28,700, including \$13,000 on modifications, on the unused accounting software package.

According to Commission officials, the system has not been implemented due to a lack of staff expertise. A 1987 information resources management study conducted by the University of South Carolina (USC) also concluded that SCCB technical staff gave little guidance to management in implementing the system, and management did not provide adequate direction to the staff. The study recommended that the Commission adapt another state's client information system, cancel its contract for the accounting software package and purchase an automated accounting system. The study also recommended eliminating all computer hardware, except the Hewlett Packard, and creating three new positions,

including a Director of Management Services to oversee the new information system.

RECOMMENDATION

- (4) THE COMMISSION FOR THE BLIND SHOULD IMPLEMENT AN INTEGRATED INFORMATION SYSTEM AS QUICKLY AS POSSIBLE.

Contract for Management Study

The Commission for the Blind's contract for a management study was an unauthorized procurement of services. SCCB contracted with the University of South Carolina in August 1986 to conduct a study of the agency's computer system. The \$47,000 procurement, made without competition, was unauthorized because it exceeded the Commission's certification limit of \$2,500.

Sections 11-35-1210 and 11-35-1230 of the South Carolina Code of Laws give the Division of General Services the authority to set certification limits below which the agency can make all procurements. Above the limit, General Services must make procurements. For the management study, the Commission contracted directly with the University without General Services' authority. By making an unauthorized procurement, the Commission did not ensure that its contract complied with the provisions of the Consolidated Procurement Code.

RECOMMENDATION

- (5) THE COMMISSION FOR THE BLIND SHOULD COMPLY WITH ALL PROVISIONS OF THE CONSOLIDATED PROCUREMENT CODE WHEN PROCURING GOODS AND SERVICES.

Management of State Funds

In FY 86-87, the Commission for the Blind improperly transferred \$25,000 in state funds to the South Carolina Educational Television Network (ETV). The Commission transferred the funds to ETV to match a grant for radio receivers which ETV applied for but was not awarded. As a result, the

\$25,000 did not lapse to the General Fund, but instead is being held in an ETV account.

Section 175 of the FY 86-87 Appropriation Act states that, unless specifically authorized, the appropriations provided in the Act as ordinary expenses of state government shall lapse on July 31, 1987. Also, Comptroller General's Office and Budget and Control Board officials stated that the funds should not have been transferred until the grant was approved.

When funds are not lapsed to the General Fund at the fiscal year's end, the appropriations process is circumvented. Also, when funds are transferred to another agency and not returned, they can lose their identity as specific appropriations.

According to an agency official, the funds were transferred to ETV prior to grant approval to avoid lapsing the money to the General Fund. This occurred after the Commission was aware that an FY 87-88 budget request for funds to match the ETV grant would not be awarded. SCCB did not request permission from the Budget and Control Board to carry over funds into FY 87-88, if the grant was not approved.

RECOMMENDATION

- (6) THE COMMISSION FOR THE BLIND SHOULD RECOVER FUNDS TRANSFERRED TO ETV AND RETURN THEM TO THE STATE'S GENERAL FUND.

Federal Grant Expenditures

The Commission for the Blind has made expenditures from federal grant accounts contrary to federal law and regulation. The Commission obligated grant funds totaling \$55,000 in federal FY 85-86 but charged the expenditures to previous grant periods. When grant funds are not properly spent, the expenditures may be disallowed and have to be repaid.

The Council sampled 126 grant expenditures from FY 85-86 totaling \$513,994. Of these, \$55,165 (10.7%) were obligated in federal FY 85-86 but were charged to either FY 83-84 or FY 84-85

grants. The expenditures included the purchase of land and the construction of a Business Enterprise Program vending stand.

Section 508 of the federal FY 85-86 Appropriation Act states that no part of any appropriation shall remain available for obligation beyond the current fiscal year unless so provided. The grant funds from which the expenditures were made have no provision for carry over of funds from one fiscal year to the next. Therefore, agencies receiving these funds must have all funds obligated by the end of the federal fiscal year. Federal regulation (34 CFR 74.71) defines obligations as " . . . the amounts of orders placed, . . . services received and similar transactions during a given period, which will require payment during the same or a future period."

The Commission has been able to charge expenditures to previous years' grants because grant accounts are not closed out promptly as required by federal regulation. For example, one FY 83-84 grant account from which these expenditures were made had not been closed as of August 1987. A State Auditor's report for FY 82-83 and FY 83-84 recommended to SCCB that all federal grants be closed out at the end of the federal fiscal year.

RECOMMENDATIONS

- (7) THE COMMISSION FOR THE BLIND SHOULD CLOSE OUT ALL FEDERAL GRANT ACCOUNTS PROMPTLY AFTER TERMINATION OF THE GRANT.
- (8) THE COMMISSION SHOULD DISCONTINUE CHARGING FEDERAL GRANT EXPENDITURES TO PREVIOUS YEARS' GRANTS.

Equipment Inventory

The Commission for the Blind maintains a large inventory of client equipment and low vision aids for which there has been little demand. In addition, SCCB has not maintained proper inventory controls over the client equipment.

In FY 85-86, the Commission purchased 80 brailers and tape recorders, worth more than \$21,000, for client use. However, as of November 1987, only one piece of the equipment had been loaned to clients, although three pieces are used by SCCB employees. Reasons cited by Commission officials for the large inventory include the Technical Unit's ability to repair equipment, overestimation of the need for equipment in new programs and the inability to exchange equipment between programs.

In addition, the Commission's low vision clinic in Columbia stocked over \$29,000 of low vision aids in FY 85-86 and issued aids valued at only \$6,000. Nearly half of the 141 items on the clinic's FY 85-86 inventory are rarely prescribed by the low vision physician. These items are valued at more than \$20,000. The Commission's low vision clinic in Spartanburg, which is operated separately, orders low vision aids only as needed.

While SCCB maintains an inventory list of equipment purchased for agency use, none of the brailers or tape recorders appears on the inventory list, and SCCB does not maintain an inventory of client equipment. A 1986 financial audit recommended that SCCB assign an individual to set up proper inventory records for client equipment.

Because the Commission has invested funds in equipment and aids for which there is little demand, these funds are not available to meet other Commission needs. In addition, without proper inventory controls, SCCB cannot account for the amount of equipment on hand for client use or ensure that the equipment is disbursed to clients as intended.

RECOMMENDATIONS

- (9) THE COMMISSION FOR THE BLIND SHOULD NOT PURCHASE ADDITIONAL BRAILLERS, TAPE RECORDERS, OR LOW VISION AIDS ALREADY IN STOCK UNTIL IT DEPLETES ITS INVENTORY OF THIS EQUIPMENT. THE COMMISSION SHOULD SHARE ITS LOW VISION AIDS INVENTORY IN COLUMBIA WITH THE SPARTANBURG CLINIC.

- (10) THE COMMISSION SHOULD ESTABLISH PROPER INVENTORY CONTROLS OVER CLIENT EQUIPMENT.

BEP Equipment Purchasing Practices

The Commission for the Blind could save money, in some instances, by purchasing reconditioned vending and food service equipment for the Business Enterprise Program (BEP). The Commission has purchased only new equipment for vending stands when federal regulations allow the use of grant funds to purchase reconditioned equipment. This equipment could meet the needs of the program.

An SCCB official stated that the agency was not aware that reconditioned equipment purchases were allowed by federal regulations. However, according to BEP officials and equipment suppliers, reconditioned equipment is frequently available for purchase. One supplier stated that reconditioned equipment often costs 50% less than new machines.

An SCCB official stated that the lack of equipment warranties for reconditioned equipment could make its purchase undesirable. However, equipment suppliers contacted by the Audit Council stated that warranties are often available for reconditioned equipment.

When only new equipment is purchased, limited resources available for buying new and replacement equipment are not used in the most efficient manner. The Commission's ability to replace worn out machines is, therefore, limited. For example, funds expended for purchasing replacement equipment in federal FY 86-87 were \$59,032, but one new ice machine cost \$3,033. Because replacement equipment needs for approximately 100 vending locations must be considered, many requests for new or replacement equipment cannot be met.

RECOMMENDATION

- (11) THE COMMISSION FOR THE BLIND SHOULD STUDY ALL ALTERNATIVES FOR PURCHASING EQUIPMENT FOR THE BUSINESS

ENTERPRISE PROGRAM, INCLUDING RECONDITIONED EQUIPMENT
WHEN EQUIPMENT WARRANTIES ARE AVAILABLE.

Frequency of Board Meetings

The monthly meeting schedule of the Commission for the Blind Board, as required by law, is unnecessary. In 45 Board meetings held from January 1984 through September 1987, the SCCB Board voted on 20 policy matters, an average of 5.3 per year. Seven of the twenty votes consisted of updating Board policies already in existence. Further, during the same period, SCCB Board meetings averaged less than two hours in duration. A monthly schedule of Board meetings represents an unnecessary cost to the state when Board members can be kept informed of agency activities by other methods.

Section 43-25-10 of the South Carolina Code of Laws requires the SCCB Board to meet at least once each month. Boards of agencies with clienteles similar to SCCB, including the School for the Deaf and Blind and the Commission on Aging, meet only quarterly. The Vocational Rehabilitation Department is required to meet only quarterly, although it occasionally meets more frequently.

When all seven members attend Board meetings, the cost of mileage, per diem, and subsistence is approximately \$580 per month. An additional \$100 monthly is spent by the agency to transcribe the Board's minutes. As a result, quarterly meetings of the SCCB Board could save the state approximately \$5,400 annually. In addition, staff time used in preparing for unnecessary meetings could be reduced.

RECOMMENDATION

(12) THE GENERAL ASSEMBLY MAY WISH TO CONSIDER AMENDING
§43-25-10 OF THE SOUTH CAROLINA CODE OF LAWS TO REQUIRE
QUARTERLY, RATHER THAN MONTHLY, MEETINGS OF THE
COMMISSION FOR THE BLIND BOARD.

Minority Business Enterprise Utilization Goals

The Commission for the Blind is not accomplishing the Minority Business Enterprise (MBE) utilization goals set up by the agency. From FY 84-85 through FY 86-87, the agency attained an average of only \$7,300 (19.4%) of its annual average MBE goal of \$37,578.

Section 11-35-5240 of the South Carolina Code of Laws requires agencies to develop a Minority Business Enterprise Utilization Plan. The plan must contain "goals that include a reasonable percentage of each governmental body's total procurement directed toward minority vendors." However, the MBE program is not a priority with the agency, and little effort has been made to increase agency procurement from minority businesses.

When SCCB does not strive to meet its goals, the agency is not ensuring that businesses owned and operated by minorities are afforded the opportunity to fully participate in the state's procurement process. As a result, the goals of enhancing minority capital ownership and overall state economic development are impaired.

RECOMMENDATION

(13) THE COMMISSION FOR THE BLIND SHOULD PLACE GREATER EMPHASIS ON SOLICITING MINORITY BUSINESSES WHEN MAKING PURCHASES FOR THE AGENCY.

Disability Determination

The Commission for the Blind's Disability Determination unit had the highest accuracy rate for disability determination in the United States for federal FY 86-87. According to a United States Department of Health and Human Services report, the unit achieved an accuracy rating of 98.7% that year. Further, a federal official has commended this unit for "excellent performance."

Disability determination is performed under the supervision of the United States Social Security Administration. South

Carolina is the only state with a separate disability determination section for the blind. By making separate determinations for visually impaired persons, the unit has developed the necessary level of expertise to provide accurate assessments.

Accurate disability assessments are necessary for proper services to be provided to eligible clients. When such assessments are made, the disability determination process becomes a reliable source for referrals to other SCCB programs.

CHAPTER III
CLIENT SERVICES

Vocational Rehabilitation

The Commission for the Blind (SCCB) provides vocational rehabilitation services to eligible blind individuals. For a client to be considered successfully rehabilitated, SCCB must have provided "substantial services" to the client. The federal Rehabilitation Services Manual (RSM) defines a substantial service as one which has a "discernible impact on the client's condition." This allows individuals who are provided substantial services but not placed in competitive employment to be considered successfully rehabilitated. For example, individuals who are employed but in need of services to retain employment or who are taught homemaking skills which allow them to function independently at home may be considered successfully rehabilitated. The Audit Council reviewed 120 (26.2%) of 458 successfully closed cases for federal FY 84-85 and FY 85-86 and found the following areas in which improvements can be made.

Closures

SCCB is closing cases as successfully rehabilitated in which the services provided consist primarily of paying for a medical procedure. This occurred in 35 (29.2%) of the 120 successfully closed cases reviewed. While allowable under federal regulations, this practice has been criticized by federal authorities. Further, five other cases (4.2%) were closed as successfully rehabilitated, even though the services provided, both medical and nonmedical, did not improve the client's condition.

The federal Rehabilitation Services Administration (RSA) allows states to count as successful closures cases in which the primary service rendered was physical restoration. However, a 1982 General Accounting Office report states that closing a case as successfully rehabilitated when there is little or no

contribution on the part of the agency toward a client's employment "overstates" an agency's accomplishments. Further, a 1979 advisory letter from the Chief Medical Officer of the RSA states:

. . . when a surgical procedure is the only significant job-related vocational rehabilitation service provided and the patient returns to the previously held job, the vocational rehabilitation program becomes an unnecessarily elaborate and cumbersome health insurance program.

The South Carolina Vocational Rehabilitation Department's (SCVRD) policy statement on substantial services states:

Services provided by this agency and its agents must be above and beyond those already available to all persons and not otherwise obtainable from other sources.

In the 35 cases examined, \$70,906 (94.7%) of the \$74,857 in case services expenditures was for medical services. An additional \$3,911 (5.2%) was spent for optical aids or prostheses. In 16 of the 35 cases, the client returned to his previously held job. In 12 cases, SCCB records indicated that the client had obtained a job without the direct placement assistance of the counselor. The remaining seven cases were closed as homemakers or volunteer workers.

In the other five cases cited, clients' files were closed as successfully rehabilitated, even though the agency had not provided medical or nonmedical services which had a "discernible impact" on the client's condition as required by the RSA. In one case, an individual attended only three of eleven independent living skills classes offered her. The class instructor's report stated, "the client has not completed this class and this instructor cannot recommend her as a homemaker." However, the client's case was closed as successfully rehabilitated.

Reporting of Closures

Each year SCCB sets goals specifying the number of clients to be successfully rehabilitated. The goals since federal FY 85-86 have been that 60% of the closures be earning at or

above minimum wage, 15% earning some wage and 25% earning no wage. However, SCCB's method of reporting client wage categories overstates the agency's accomplishments.

SCCB's minimum wage criteria allows individuals working 20 hours per week at \$3.35 per hour (\$67 per week) to be considered as an at or above minimum wage closure. However, in the Audit Council sample, 20 (25.6%) of the 78 above minimum wage closures were clients making less than \$100 per week.

The South Carolina Vocational Rehabilitation Department reports the wages of its closures using 12 categories ranging from no income to \$200 or more per week. Four southeastern states and SCVRD report information on the client's income before and after rehabilitation. In Kentucky and Florida, information is reported on clients who, after closure, earn income sufficient to eliminate their social security benefits. By not providing complete information on the earnings of clients, the Commission may be providing the Legislature and the public with information which inflates the success of the vocational rehabilitation program.

Closure Standards for Counselors

Each vocational rehabilitation counselor is required to obtain a specified number of successful closures each year. This number is divided into requirements for at or above minimum wage closures, below minimum wage closures, and no wage closures. These requirements are used as a measure to evaluate the counselor's performance. However, this system does not allow for differences in the types of cases handled or services provided by the counselor to be considered. For example, a counselor does not receive additional credit for rehabilitating a hard to place client who is totally blind or multi-handicapped.

The Audit Council found differences among the types of closures by counselor. For one counselor, all of his clients were placed in new jobs. For another counselor, 9 (43%) of the 21 wage earning closures were job retentions. In addition, the

percentage of successful closures with multiple handicaps varied from 78% for the counselor in one district to 22% for the counselor in another district from federal FY 84-85 through FY 85-86.

In Florida and Kentucky, point values are assigned to closed cases. Greater value is given for cases where a client is earning a wage or is severely disabled. For example, in Florida, the counselor is given .5 points for a homemaker closure, one point for a regular wage earning closure, and 1.5 points for a wage earning closure of a severely disabled client. In Kentucky, a counselor is given more points for a closed case which results in the client's earning income sufficient to eliminate his social security or other assistance benefits. These weighting systems reward counselors who successfully rehabilitate hard to place clients.

Conclusion

The federal Rehabilitation Act of 1973 was passed in order to provide the severely handicapped priority in receiving vocational rehabilitation services. By allowing cases to be counted as successful closures when the primary service to the client is the payment of medical bills, SCCB overstates its accomplishments. Further, by reporting closed cases which are misleading in terms of wages earned, the economic impact of services on client income is exaggerated. Also, by evaluating counselors on the number rather than the type of cases closed, SCCB may be providing a disincentive for counselors to rehabilitate hard to place clients.

RECOMMENDATIONS

- (14) THE COMMISSION FOR THE BLIND SHOULD EXPAND GUIDELINES DEFINING A "SUBSTANTIAL SERVICE" TO A CLIENT BEFORE COUNTING THE CLIENT AS SUCCESSFULLY REHABILITATED.

- (15) THE COMMISSION SHOULD CHANGE ITS REPORTING PROCEDURES FOR CLOSURES TO PROVIDE INFORMATION WHICH MORE ACCURATELY REFLECTS THE WAGES EARNED BY CLIENTS AND THE IMPACT OF SERVICES ON A CLIENT'S ECONOMIC CONDITION.
- (16) THE COMMISSION SHOULD IMPLEMENT A WEIGHTING SYSTEM FOR CLOSURES WHICH PROVIDES AN INCENTIVE FOR COUNSELORS TO SUCCESSFULLY REHABILITATE HARD TO PLACE CLIENTS.

Financial Needs Test

SCCB policy requires that clients with income in excess of specified limits contribute to the cost of certain vocational rehabilitation services provided them by the Commission. Vocational rehabilitation counselors are responsible for administering a financial needs test (FNT) to determine if clients can contribute financially to the cost of services. The FNT is designed to allow certain exemptions, including rent, car payments, and utilities, when determining if a client has income to contribute. SCCB has set dollar limits on these exemptions. The following problems with the FNT were found.

Test Not Properly Administered

The vocational rehabilitation counselors are not administering the FNT according to SCCB policy. In a sample of 153 of 572 cases closed in federal FY 84-85 and FY 85-86, the Audit Council found that in 32 cases (20.9%), the FNTs had been administered incorrectly. Problems included exceeding the dollar limits on exemptions and allowing deductions for expenses that should not have been allowed. In addition, vocational rehabilitation counselors are not updating the FNT yearly as required. Case reviews conducted by SCCB showed that 110 of 338 (32.5%) financial tests sampled between 1985 and 1987 had not been updated.

Board policy requires a FNT to be administered on all clients applying for vocational rehabilitation services and sets

forth guidelines for administering the test. The Commission's State Plan for Vocational Rehabilitation requires that the FNT be reasonable and applied uniformly to assure equitable treatment. One of the counselors' job duties requires that they update the FNT annually. By not properly administering the FNT, clients may be receiving free services for which they could contribute part of the cost.

Services Exempted From the FNT

SCCB exempts more services from the FNT than required by federal law. The Commission exempts attendance at the agency's rehabilitation center, training (including college and specialized vocational training), and reader services from the FNT.

The Federal Rehabilitation Services Manual requires exempting diagnostic and evaluation services, counseling and guidance services, and placement services from a FNT, while allowing states to administer a FNT for other services. The state Vocational Rehabilitation Department (SCVRD) exempts from the FNT only those services required by federal law to be exempt. The following example illustrates what can occur when SCCB exempts services other than those required. In FY 83-84, a client who could contribute over \$1,700 per month to his rehabilitation program had college tuition and expenses totaling more than \$1,800 paid for by the Commission.

Income and Exemption Limits

SCCB's income and exemption limits for the FNT were not developed using objective criteria. According to agency officials, the FNT was revised in 1985 by raising the dollar limits for certain exemptions, and the income basis was changed from gross income to net income. A three-member committee of SCCB employees established the new limits with little or no research to determine if the exemptions or income basis were reasonable.

Other states use objective criteria when establishing income and exemption limits. In Florida, the state's Medicaid requirements are used to determine whether or not a client is financially eligible for services. In Kentucky, the gross median income of the state is used in determining a client's financial need. Also, SCVRD uses statistics from the United States Department of Labor when calculating financial eligibility.

A FNT is designed to separate those clients who can contribute to their rehabilitation program from those who cannot. Without an objectively based financial needs test, SCCB cannot ensure that the clients being served free of charge are financially needy.

Verification of Income

SCCB does not verify the financial information on the FNT for vocational rehabilitation services. However, the Commission's Prevention of Blindness Department verifies the income of applicants for its services by requesting copies of clients paychecks, contacting the Social Security Administration, or having a third party verify income. By not verifying the information on the FNT, SCCB may not be aware of the true financial status of vocational rehabilitation clients, and clients could be receiving services for which they could contribute part of the cost.

RECOMMENDATION

- (17) THE COMMISSION FOR THE BLIND SHOULD TAKE THE FOLLOWING ACTIONS REGARDING THE FINANCIAL NEEDS TEST:
- (A) ADMINISTER THE TEST PROPERLY AND UPDATE IT ANNUALLY.
 - (B) ADMINISTER A TEST FOR ALL SERVICES, EXCEPT THOSE EXEMPTED BY FEDERAL LAW.
 - (C) REVISE THE TEST, USING OBJECTIVE CRITERIA, TO BETTER DETERMINE THOSE CLIENTS IN NEED OF FINANCIAL ASSISTANCE.

- (D) DEVELOP A POLICY TO VERIFY INFORMATION ON THE TEST.

Client Contact

The Commission for the Blind does not contact clients receiving vocational rehabilitation services on a regular basis. A sample of 153 of 572 cases closed in federal FY 84-85 and FY 85-86 revealed that in 47 cases (30.7%), clients had gone more than 90 days between contacts at least once during their rehabilitation program. In 16 of the 47 cases, contact every 90 days had not occurred two or more times. Further, case reviews conducted by SCCB in 1987 showed that the percentage of clients not contacted every 90 days varied from 95.8% in one district to 0% in another district.

The Employee Performance Management System form for each vocational rehabilitation counselor requires contact with each client at least every 90 days. The case review form used by vocational rehabilitation supervisors also requires a "comprehensive contact" every 90 days.

The federal Rehabilitation Services Manual requires periodic review and evaluation of the goals and objectives established for the client. Further, clients are required to receive counseling and guidance services from rehabilitation counselors. When regular contact with clients is not maintained, the counselor's ability to provide these services is questionable. Also, regular contact can ensure that counselors are aware of any changes in the client's situation.

RECOMMENDATION

- (18) THE COMMISSION FOR THE BLIND SHOULD ENSURE VOCATIONAL REHABILITATION COUNSELORS ALLOW NO MORE THAN 90 DAYS BETWEEN CLIENT CONTACTS.

Placement Specialists

The Commission for the Blind does not use placement specialists to assist clients in finding employment. A placement specialist performs job development functions, including studying and interpreting employment trends, working with employment agencies, making employer contacts, and assisting with job interviews. Vocational rehabilitation counselors are responsible for providing placement services at SCCB. However, the agency requires counselors to make only one employer contact per month.

Four southeastern states (Alabama, Georgia, Florida, and North Carolina) use placement specialists to assist blind clients in obtaining employment. Benefits cited by these states include improved placement services for hard to place clients and better contact with large employers. Also, the South Carolina Employment Security Commission uses placement interviewers to assist their clients in obtaining employment. SCCB has stated that it has limited ability to match jobs with clients because neither job-ready clients nor jobs developed by a counselor are known to other counselors statewide.

The use of a placement specialist could enhance SCCB's ability to place clients in competitive employment by coordinating the placement activities of the agency. It could also reduce each counselor's workload.

To enhance employment efforts of blind clients, SCCB began a two-year test project in 1985 to determine if there was a need for a full-time technical unit. The unit was designed to assist counselors in modifying jobs so that blind clients could perform the work. The project was determined to be a success, and the unit became a permanent part of SCCB in 1987. The Commission has not undertaken a similar project to evaluate the need and usefulness of placement specialists.

According to agency officials, the use of placement specialists has been considered. However, agency officials expressed concern that a placement specialist's position would not be a full-time job and state that their vocational

rehabilitation supervisors are capable of handling job placement.

RECOMMENDATION

(19) THE COMMISSION FOR THE BLIND SHOULD DEVELOP A TEST PROJECT TO DETERMINE THE NEED FOR PLACEMENT SPECIALISTS TO ASSIST VOCATIONAL REHABILITATION COUNSELORS IN PLACING CLIENTS IN JOBS.

Effectiveness of Blindcraft

The economic benefits received by clients from participation in Blindcraft, the Commission for the Blind's home-based industries program, are small relative to program costs. If the program were discontinued or restructured to recover costs, the funds now used to subsidize its operation could be better spent in other service areas.

The Blindcraft program provides work activity for participants to supplement income and keep them productively occupied. Through Blindcraft, clients produce stuffed dolls, aprons, and other crafts for sale by contractors, shops, and the Commission's retail store. The Blindcraft program is highly subsidized with state and federal funds. Program expenditures averaged approximately \$98,800 a year from FY 83-84 through FY 86-87. During this same period, the income generated by Blindcraft averaged approximately \$13,200, or \$514 per worker, each year. Thus, the Commission has spent more than seven dollars for every dollar of client earnings.

The efficiency of home-based industries has been a concern of other states. Five of eight states surveyed have discontinued or modified their home-based industries program. For example, North Carolina and Virginia now utilize the small business concept in which the client is responsible for the operation of the home-based business, but receives assistance from the agency in setting it up. The primary reason given by state officials

for discontinuing or modifying their programs was to achieve cost-effectiveness.

According to Commission officials, the program has not been cost-effective because of the lack of sufficient marketing, a limited client worker pool and a small product line. The production capability of program clients is also limited, although approximately 15% of the work on products is done by the Commission's Blindcraft staff.

In its Management Letter dated June 30, 1978, the State Auditor's Office recommended that the Commission "critically review the Blindcraft operation to determine what steps may be taken to increase client benefits while reducing required subsidizing by state and federal funds." However, the Commission has not taken steps to correct these problems.

RECOMMENDATION

(20) THE COMMISSION FOR THE BLIND SHOULD RESTRUCTURE THE BLINDCRAFT PROGRAM TO MAKE IT MORE COST-EFFECTIVE OR DISCONTINUE BLINDCRAFT AND DEVELOP ALTERNATIVE METHODS OF PROVIDING COST-EFFECTIVE, HOME-BASED INDUSTRY PROGRAMS.

Sheltered Employment

The Commission for the Blind has not encouraged the development of sheltered workshops for the blind, despite a need for sheltered employment in the state. As a result, a segment of the blind population is not adequately served by the Commission.

Sheltered workshops are facilities which serve persons with handicaps that prevent them from working in competitive employment. Sheltered workshops are certified by the United States Department of Labor to pay less than minimum wages. A survey of the Commission's vocational rehabilitation counselors indicated that from 5% to 20% of their client contacts could benefit from sheltered workshop placement. Two counselors stated that these persons are often unsuccessfully rehabilitated.

Commission management officials have also stated that there is a need for sheltered workshops. However, in 1983 and 1985, the Commission declined to consider offers made by nonprofit organizations to set up workshops in the state.

SCCB is authorized by state law to promote employment for blind persons. Further, one of the Commission's primary purposes is to assist the blind in securing employment. Sheltered workshops make available employment opportunities for a segment of the blind population which has been hard to place. At least 37 states have sheltered workshops that serve the blind and other handicapped workers. A minimum of 17 states have state operated workshops. For example, Mississippi operates workshops where employees receive wages averaging \$4.40 an hour and employee benefits, including retirement, vacation, and insurance.

South Carolina is the only southeastern state which has no sheltered workshops for the blind. However, the Department of Vocational Rehabilitation operates workshops across the state to provide its clients, persons with physical and/or mental disabilities, with work evaluation and work adjustment training. Also, the Department of Mental Retardation contracts with providers for sheltered employment services for the mentally retarded.

In the absence of sheltered workshops, a segment of the blind population which is unable to engage in competitive employment remains unemployed and thus not reaching its maximum potential. Commission officials have cited opposition by members of interest groups, including Group X referred to on page 6, as the reason for its reluctance to develop workshops in this state. However, the Commission should not let such opposition hinder the development of needed services to the blind.

RECOMMENDATION

(21) THE COMMISSION FOR THE BLIND SHOULD STUDY THE NEED FOR AND COSTS OF ESTABLISHING SHELTERED WORKSHOPS IN THE

STATE. A REPORT OF ITS FINDINGS SHOULD BE SUBMITTED TO THE MEDICAL AFFAIRS COMMITTEES OF THE GENERAL ASSEMBLY AND THE JOINT LEGISLATIVE COMMITTEE TO STUDY THE PROBLEMS OF THE HANDICAPPED.

Set Aside Not Permitted by State Law

State law does not allow the Commission for the Blind to collect "set aside" funds from vendors in the Business Enterprise Program (BEP). Seventeen of 95 year-round vending facilities had net proceeds of greater than \$30,000, and 2 other facilities had profits of more than \$60,000 in 1986. Yet, vendors are not required to contribute any part of their profits toward maintaining the BEP program. As a result, SCCB uses state and federal funds to subsidize vending stand operations.

From federal FY 84-85 through FY 86-87, SCCB provided state subsidies averaging \$1,186 annually per stand for repairs, maintenance, and the purchase of new equipment. Further, the Commission provided management services to vending stand operators averaging \$1,758 per stand during the same period. SCCB also provides all start-up equipment and initial stock for the vending stands.

Section 43-25-70 of the South Carolina Code of Laws states that no charge shall be made for the installation, operation, or maintenance of a concession stand or its equipment. Further, State Regulation 18-8, C(3) provides:

The monthly income of the Vendor shall be the net profits of the business of the vending facility for the period in question.

Federal regulations (45 CFR 1369.9) permit states to require that vendors set aside a portion of their net proceeds to cover the program's operational costs. Set aside funds are used by other states for several purposes, outlined in federal regulations. South Carolina is the only state in the Southeast that does not require set aside payments by vendors. Typical southeastern set asides range from 10% to 20% of net proceeds,

although four states use a sliding scale for set asides based on individual stand sales.

If South Carolina law permitted the collection of a set aside equal to 10% of net proceeds, the Commission would have received an average of \$161,699 annually from federal FY 83-84 through FY 85-86. Under federal regulations, several options for use of these funds have been implemented by other states and would have been available to the Commission. These include:

- Increasing the maintenance and repair budget for BEP equipment which has declined on a per stand basis since federal FY 83-84.
- Offsetting management services costs incurred by the Commission or replacing worn out equipment in stands.
- Providing funds for opening approximately five new stands per year to allow for the employment of additional blind vendors.
- Setting up a guaranteed income level for vendors at small sales volume facilities. In 1986, 30 year-round vending stands had net proceeds of less than \$8,000 annually.
- Providing benefits for stand operators such as health and/or retirement programs, which currently are not available through the BEP program.

State law was amended in 1964 to effectively eliminate a set aside. However, vendor incomes have increased substantially, allowing for inflation, since that time. While set aside payments may have significantly affected vendor incomes 20 years ago, it is less likely that a sliding scale set aside would cause a hardship for vendors now, given current profit levels. Further, a minimum income level subject to the set aside could be designated to ensure no hardship occurs.

RECOMMENDATIONS

- (22) THE GENERAL ASSEMBLY MAY WISH TO CONSIDER AMENDING §43-25-70 OF THE SOUTH CAROLINA CODE OF LAWS TO PROVIDE FOR SLIDING SCALE SET ASIDE PAYMENTS BY BLIND VENDORS, BASED ON VENDING STAND INCOME.

(23) IF THE GENERAL ASSEMBLY AMENDS §43-25-70, THE COMMISSION SHOULD CHANGE STATE REGULATION 18-8, C(3) TO ALLOW FOR SLIDING SCALE SET ASIDE PAYMENTS TO BE CONSIDERED WHEN COMPUTING VENDOR MONTHLY INCOME.

(24) IN COOPERATION WITH THE BUSINESS ENTERPRISE PROGRAM VENDING COMMITTEE, THE COMMISSION SHOULD THEN DETERMINE APPROPRIATE USES FOR SET ASIDE FUNDS RECEIVED.

Selection of Vending Stand Managers

The Audit Council reviewed the selection of 49 vending stand managers from February 1986 through August 1987. Although there was no evidence that stand managers were not selected in accordance with state regulations, the criteria used for selecting these managers does not allow all relevant information to be considered when selections are made.

SCCB's Vendor Selection Committee reviews candidates who have requested promotion or transfer to an available vending stand. State regulations provide five criteria for selecting a vending stand manager. These include:

- Demonstrated ability to handle the physical demands of the available vending facility.
- Work habits.
- Work attitude.
- Demonstrated knowledge of business practices.
- Seniority (counted only for the years of service a blind licensed vendor has worked under a Randolph-Sheppard Program).

The selection of personnel for a job involves matching the abilities, aptitudes, interests, and personalities of the applicants with the specifications of the job. Personnel responsible for selection should have as much information as possible about the applicants and the job. Members of the Vendor Selection Committee expressed dissatisfaction with elements of

the selection criteria provided by state regulations. For example, according to SCCB interpretation of the regulations, time served as a vendor's assistant in a vending stand does not count toward seniority at the time of selection. Also, the regulations do not differentiate between the levels of knowledge gained by a manager in a stand with a food service operation versus that gained in an interstate highway vending stand.

Additional problems were also found. For example, the criteria are not weighted according to importance, and the behaviors associated with work habits or work attitude are not specified in the regulations. The Audit Council found that Selection Committee members had neither a common understanding of the value attached to each of the five criteria nor a consensus regarding behaviors which indicate a good attitude or good work habits. As a result, the selection of vending stand managers was made more difficult.

Further, state regulations do not permit the Selection Committee to place a manager in the vending stand most suited to his/her abilities when the manager is the most qualified applicant for two or more stands under consideration. The Committee's policy of offering the vendor a choice of stands could lead to a situation where no remaining vendors are qualified to operate the stand(s) not chosen.

A Commission official stated that the selection criteria were developed with the approval of the Business Enterprise Vendors Committee. However, federal regulations only require the active participation of the Committee in developing the transfer and promotion system for blind vendors. They do not require the Commission to propose and implement only those regulations and policies approved by the blind vendors, when additional regulations may be necessary to achieve the goals and objectives of the Business Enterprise Program.

RECOMMENDATION

(25) THE COMMISSION FOR THE BLIND SHOULD AMEND STATE REGULATIONS FOR THE SELECTION OF VENDING STAND MANAGERS TO STRENGTHEN CRITERIA BY:

- (A) DEFINING WORK HABITS AND WORK ATTITUDE;
- (B) PROVIDING SENIORITY CREDIT FOR VENDING ASSISTANTS;
- (C) WEIGHTING THE SELECTION CRITERIA IN ORDER OF IMPORTANCE; AND
- (D) PROVIDING THE SELECTION COMMITTEE WITH THE AUTHORITY TO DECIDE WHICH STAND A MANAGER WILL RECEIVE IF HE IS THE MOST QUALIFIED APPLICANT FOR TWO OR MORE STANDS.

Interstate Highway Vending Stands

South Carolina directly employs more blind vendors in the interstate highway vending facility program than any other state in the Southeast. The emphasis placed by SCCB in developing the interstate highway vending program has resulted in the creation of 25 new jobs for blind vendors since 1984. Further, the average net monthly income for vendors in the 20 interstate highway stands operating during 1986 was approximately \$3,000.

The enactment of the federal Surface Transportation Assistance Act of 1982 made possible the establishment of the interstate highway vending program. This Act permitted states to locate vending machines in rest areas on interstate highways. In addition, it gave priority to vending machines operated by the blind through the provisions of the Randolph-Sheppard Act. Only one of eight southeastern states contacted, Kentucky, has more interstate highway vending facilities than South Carolina. However, Kentucky's stands are operated on contract by a private vending company with the agency receiving a percentage of the gross sales. No other state in the Southeast has more than 12 stands that provide jobs for blind vendors. According to agency officials, SCCB has been more successful than other states in

developing this program, in part, because of the cooperation and assistance of the South Carolina Department of Highways and Public Transportation.

By emphasizing the building of interstate highway vending facilities, the Commission for the Blind has been able to expand the Business Enterprise Program by more than 25% since 1984. As a result, SCCB has developed a pool of well-paying jobs for blind citizens in South Carolina.

Initial Eye Examinations

State law regarding SCCB client referrals to optometrists for initial eye examinations is unclear. As a result, the Commission may not be providing potential clients with an adequate choice of providers to perform these examinations.

Section 40-37-160 of the South Carolina Code of Laws states that all state agencies shall accept the services of an optometrist, if licensed to perform such services, for any person receiving benefits from such agency. Further, no attempt shall be made to steer an individual seeking vision care to either an optometrist or a physician (ophthalmologist). Optometrists examine eyes for vision defects and diseases and prescribe and dispense corrective lenses. Ophthalmologists perform these functions, as well as diagnosing and treating eye diseases and defects and performing surgery.

In contrast, §43-25-40 requires the Commission to designate the procedure to be followed for initial eye examinations. This section also requires SCCB to keep a register of ophthalmologists. An applicant may select an ophthalmologist from this register to conduct a medical examination to determine the extent of his physical handicap. Although Commission officials stated that clients who do not have a history of any pathological condition of the eye are sometimes referred to optometrists, no register of optometrists is kept.

Because a register of optometrists is not maintained by the Commission, its current referral practices may discriminate

against optometrists by permitting clients to select only from the list of ophthalmologists. Further, since state law regarding referrals is not clear, SCCB staff are uncertain that the agency's referral practices are appropriate and cannot ensure it is in compliance with the intent of the General Assembly regarding these laws.

RECOMMENDATIONS

- (26) THE GENERAL ASSEMBLY MAY WISH TO CONSIDER AMENDING 43-25-40 OF THE SOUTH CAROLINA CODE OF LAWS TO ALLOW REFERRAL OF CLIENTS TO OPTOMETRISTS WHEN APPROPRIATE.
- (27) IF THE GENERAL ASSEMBLY AMENDS 43-25-40, THE COMMISSION SHOULD ESTABLISH A REGISTER OF OPTOMETRISTS.

Reporting Requirements for Blind Register

The Commission for the Blind is required to maintain a complete register of persons whose vision, with correcting lenses, does not exceed 20/200. However, South Carolina law does not require physicians to report their blind or visually impaired patients to the Commission. Further, the Commission does not have a formal public relations program to encourage physicians to report or refer their clients to the agency. As a result, the register may not be complete, and SCCB may not be aware of blind individuals in need of services.

Virginia, North Carolina, and Florida require the reporting of blind and visually impaired individuals by physicians. For example, in Virginia, each physician or optometrist, who upon examination determines that a person is blind, is required to report the name and address of that person to its Department for the Visually Handicapped. Further, public relations efforts to inform physicians and optometrists of agency services could enhance the reporting of blind clients to the agency.

Without the reporting of the visually impaired by doctors, qualified individuals may not receive the services they need from

the Commission. For example, according to an agency official, one child's parents were instructed by their physician to wait until the child was older and then call SCCB for a seeing-eye dog. No referral was made to the agency, and services were not provided to the child until the parents contacted the agency. Also, the Commission's estimate of the visually impaired population, particularly young children and the elderly, may not be accurate if blind or visually impaired individuals remain unreported.

RECOMMENDATION

- (28) THE COMMISSION FOR THE BLIND SHOULD INCREASE PUBLIC RELATIONS EFFORTS TO ENCOURAGE ALL PHYSICIANS AND OPTOMETRISTS IN THE STATE TO REPORT VISUALLY HANDICAPPED INDIVIDUALS TO THE AGENCY. FOLLOWING SUCH EFFORTS, THE COMMISSION SHOULD EVALUATE THE NEED FOR LEGISLATION REQUIRING SUCH REPORTING.

APPENDICES

WARREN K. GIESE, PH.D.

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COMMITTEES:

JUDICIARY
MEDICAL AFFAIRS
EDUCATION
FISH, GAME AND FORESTRY

February 11, 1986

Mr. George L. Schroeder
Legislative Audit Council
620 Bankers' Trust Tower
Columbia, SC 29201

Dear Mr. Schroeder:

This letter is a formal request for your agency to conduct a thorough study of the South Carolina Commission for the Blind. It is my understanding this type of audit has not been undertaken during the ten year history of your organization. Representative Joyce Hearn and I are requesting your cooperation in this matter and we feel there are additional Senators and Representatives who are in agreement with our request. Due to the tight time frame which is necessary to have this letter available for your next meeting, only Representative Hearn and I have signed it.

We would like for you to pay particular attention to: 1) the Commission's hiring practices, 2) the Commission's relationship with the National Federation of the Blind of South Carolina, and 3) possible abuse of credit card privileges when using the State telephone system. It was also reported in the State Agency Management Review that the staff indicated governing board members had contacted agency field staff in order to influence and/or direct services to certain clients of the agency. This was termed a "destructive practice" to the administration and direction of the agency and confuses lines of authority, supervision, and responsibility.

Please keep us informed of your disposition of this request. I trust that we shall have the opportunity of seeing you sometime in the future.

Cordially,

Warren K. Giese
Senate District 22

Joyce C. Hearn
House District 76WKG:rh
1034

National Federation of the Blind of South Carolina

FORMERLY THE SOUTH CAROLINA AURORA CLUB OF THE BLIND, INC.

119 S. KILBOURNE RD.
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COLUMBIA, S. C.
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Lois Tucker

WHAT IS THE NFB OF S.C.?

The NFB of SC is a non-profit private statewide organization of the Blind. It was founded by the late Dr. Samuel M. Lawton who was a prominent blind minister, Educator, and Lecturer. Founded in 1944, the NFB of SC is one of the nations oldest and largest state organizations of the blind. Broadly based with more than 25 chapters and statewide divisions, it is truly the state's only representative organization of the blind. Hundreds of blind South Carolinians in all walks of life proudly participate in and generously support the programs of the NFB of SC.. The membership provides a wealth of experience, talent, and commitment. For more than 40 years, the NFB of SC has worked hard to improve the quality of life for all blind South Carolinians. The NFB of SC is justifiably proud of its many accomplishments. Recognizing the importance of mutual cooperation, the NFB of SC throughout the years has worked closely with the General Assembly resulting in the passage of 22 pieces of legislation. This included the creation of the South Carolina Commission for the Blind twenty years ago. The NFB of SC has also worked closely with many state officials which has advanced the cause of the blind. A major effort of the NFB of SC has been to improve public attitudes concerning blindness, what it is and what it is not. The NFB of SC is proud of its facilities throughout the state which include the Federation Center of the Blind in Columbia, the Bell Federation Center of the Blind in Laurens, and the Rocky Bottom Camp of the Blind in Pickens County. These facilities provide valuable services to the State's blind.

NFB OF SC'S GOOD REPUTATION AND INFLUENCE UTILIZED

For over 40 years, the National Federation of the Blind of South Carolina and its hundreds of volunteer members throughout the state have worked hard to improve the quality of life for all blind South Carolinians. Its many accomplishments in all facets of life have merited the respect and admiration of state officials and the general public. Believing fully in the abilities of the blind, the NFB of SC has always supported blind persons and interested sighted persons for high places of responsibilities to the blind. Persons having sought and received the support of the National Federation of the Blind of SC in the past, for the most part, have been sensitive to the views of the Federation. Dr. Samuel Miller Lawton, Prominent blind minister, lecturer, and educator, was the founder of the National Federation of the Blind of SC and served as the first chairman of the board of the South Carolina Commission for the Blind. The late Dr. Lawton was revered by all and always adhered strictly to the highest ideals, principles, standards, and a policy of mutual cooperation. At this time, five of the seven members of the Commission board initially welcomed and utilized the influence and good reputation of the NFB of SC in acquiring their appointments to the board of commissioners. These five included Mrs. Patricia Patrick, Mr. Robert R. Bell, Mrs. Earlene Gardner, Mrs. Mattie Bell Gatlin, and Mr. William Shealy. While welcoming and receiving the endorsement and help of the NFB of SC, only one of the five members, Mr. Robert R. Bell, seemingly remembers or cares about the role the NFB of SC played in there appointments to the commission board. Unlike Dr. Samuel Lawton who always practiced the highest ideals of the National Federation of the Blind of South Carolina, other than Robert R. Bell, the current commission board members seemingly now have utter contempt for one of the nations most successful state organizations of the blind. While the NFB of SC respects the integrity of any governing board, the enigma surrounding the current board of the Commission for the Blind is both disappointing and appauling to the Federation. The NFB of SC necessarily continues to be interested in the poor leadership of the commission. However, in the future, the NFB of SC will exercise even greater care in supporting various candidates for board positions.

APPENDIX C

COMMISSION FOR THE BLIND REVENUES AND EXPENDITURES

	<u>FY 82-83</u>	<u>FY 83-84</u>	<u>FY 84-85</u>	<u>FY 85-86</u>	<u>FY 86-87</u>
<u>Revenues</u>					
State General Funds	\$2,206,111	\$2,304,814	\$2,491,950	\$2,793,497	\$2,850,882
Federal Funds	1,841,051	2,210,431	2,552,054	2,514,803	2,352,104
Other Funds	57,290	66,217	42,226	36,104	35,625
TOTAL Revenues	<u>\$4,104,452</u>	<u>\$4,581,462</u>	<u>\$5,086,230</u>	<u>\$5,344,404</u>	<u>\$5,238,611</u>
<u>Expenditures</u>					
Administration	\$1,088,842	\$1,120,118	\$1,169,019	\$1,270,865	\$1,228,271
Rehabilitative Services	1,943,251	2,316,994	2,626,827	2,525,819	2,561,332
Prevention of Blindness	528,616	569,623	673,235	707,568	740,733
Special Services	213,166	227,702	238,370	263,844	275,130
Employee Benefits	330,577	347,025	378,779	416,313	433,145
Non-Recurring Appropriations	-	-	-	159,995	-
TOTAL Expenditures	<u>\$4,104,452</u>	<u>\$4,581,462</u>	<u>\$5,086,230</u>	<u>\$5,344,404</u>	<u>\$5,238,611</u>
TOTAL Personnel	121	116.5	116.5	119	119

Source: State Budget and Control Board Budget Documents.

APPENDIX D
COMMISSION FOR THE BLIND
EMPLOYEE SURVEY

The Audit Council surveyed SCCB employees in October 1987 to gauge job satisfaction and identify specific areas of concern for the agency's staff. Of the 110 employees surveyed, 80 returned surveys for a response rate of 73%. The response rate of SCCB employees was higher than the response rate to similar employee surveys of other state agencies conducted by the Audit Council.

The survey instrument and responses to each question appear on page 50 of this report. The following paragraphs highlight the survey's results.

Job Satisfaction

Most respondents (90%) like and enjoy their work at SCCB, 78% feel connected with a successful office which renders good service, and 85% feel that they work with well-qualified associates. SCCB employees' responses to these questions were generally more positive than the responses of other state agencies' employees surveyed by the Audit Council.

Organization and Decision Making

In the questions on agency organization and decision making, more than half (51%) of the respondents did not agree that the agency's organizational structure promoted effective and efficient service delivery. In addition, 47% did not think management backed up the decisions of their supervisors.

Evaluation, Merit and Promotion

Seventy-four percent of respondents thought sufficient effort had been devoted to reviewing and evaluating their job performances. However, 76% of responding SCCB employees were not satisfied with their chances of being promoted to a better position. Also, 65% thought the promotion policies of the agency

did not emphasize merit. Some responses to the survey questions indicated that promotion opportunities were hampered by the specialization of job classifications and the small size of the agency.

Other Concerns

Among unsolicited responses, 20 SCCB employees (25%) indicated that interest group involvement in agency activities was a negative factor affecting their jobs (see p. 6). In addition, 19 respondents (24%) cited the lack of an adequate management information system as hindering job performance (see p. 13).

APPENDIX D (CONTINUED)

COMMISSION FOR THE BLIND

EMPLOYEE SURVEY

Please respond to each statement by showing how much you personally agree or disagree with it, using the following codes and circling only one for each statement:

- | | |
|-----------------------|--------------------------|
| 1 - Definitely Agree | 3 - Inclined to Disagree |
| 2 - Inclined to Agree | 4 - Definitely Disagree |

Percent					
1	2	3	4	NR	
51	39	5	4	1	1. I like and enjoy my work here.
45	30	19	4	2	2. My supervisor does all he/she should to ensure getting good work (e.g., checks on assigned work, reviews performance, measures accomplishments against established goals, etc.).
45	33	13	6	3	3. My supervisor gives proper credit for those suggestions and ideas submitted to him/her.
9	13	30	45	3	4. I cannot tell if my work is satisfactory to my supervisor.
6	16	18	58	2	5. I am satisfied with my chances of being promoted to a better position in the future.
18	36	24	21	1	6. The work in this office provides me with the opportunity to grow professionally.
30	33	21	13	3	7. The policies and organizational structure of this office have been clearly set forth and explained.
45	33	10	9	3	8. I feel connected with a successful office which renders good services.
38	36	15	8	3	9. There has been sufficient effort devoted to reviewing and evaluating my performance in terms of specific objectives established for my job.
35	50	8	4	3	10. My job involves working with well-qualified associates.
9	20	20	45	6	11. The promotion practices of the Commission emphasize merit.
49	30	11	9	1	12. There is a need for improvement in the teamwork of staff in this agency.
20	38	24	8	10	13. Unexpected situations and emergencies are (or would be) handled in an effective manner by management in this agency.
					14. The following hurt the efficient and effective operations of the Commission:
33	36	16	6	9	A. Lack of coordination and communication with other units, supervisors, and field offices.
4	35	38	14	9	B. Lack of skills and training.
43	25	15	11	6	C. Lack of sufficient staff.
13	28	31	22	6	D. Lack of adequate facilities and equipment.
15	4	1	1	79	E. Other _____.
15	31	26	21	7	15. I think higher management backs up the decisions of my supervisor.
20	26	31	20	3	16. The organizational structure of this agency promotes effective and efficient service delivery.

APPENDIX D (CONTINUED)

(Attach additional sheets if more room is needed for your response.)

17. What factors help you to get your job done as you think it should be done? Is there anything you have been able to do that you consider outstanding or innovative?

18. What problems or obstacles keep you from doing your job as effectively as you would like?

19. Which aspects of your job would you like to see changed? Do you have any suggestions to improve the efficiency and/or effectiveness of your work unit or of the Commission?

Yes - 0% 20. Has anyone from your agency tried to influence your response to
No - 94% this survey? (Please circle:) **yes** **no**
NR - 6%

The answers to the following questions are optional.

21. I work in: (Check if applicable)
28% A. The Columbia State Administrative Offices.
41% B. The _____ District Office.
10% C. The Ellen Beach Mack Rehabilitation Center.
21% D. No Response.

*22. My position title or job type is _____.

23. My name is (optional) _____.

*This question received less than a 50% response rate.

south carolina commission for the blind

1430 CONFEDERATE AVENUE • COLUMBIA, SOUTH CAROLINA 29201
TELEPHONE 734-7522

WILLIAM K. JAMES, COMMISSIONER

April 26, 1988

Mr. George L. Schroeder, Director
Legislative Audit Council
1301 Gervais St., Suite 620
Columbia, S. C. 29201

Dear Mr. Schroeder:

First, I commend the Legislative Audit Council (LAC) staff for conducting a fair and objective review of the South Carolina Commission for the Blind (SCCB). The extensive report is a confirmation of our agency's commitment to provide quality services to blind South Carolinians as mandated by the General Assembly.

I am pleased the audit turned up no evidence of a pattern of mismanagement by Commission staff. This not only confirms the findings of previous audits and inquiries, but it refutes charges leveled against the agency. This request for a legislative audit of SCCB has added to the credibility of the agency.

Of the 28 recommendations outlined in the LAC Report, seven require legislative action, and plans are already under way to implement some of the other recommended changes.

It is interesting to note the high rate of response from SCCB staff to the LAC employee survey. The survey indicated the majority of respondents feel very positively about the agency. This further underscores our contention that SCCB is one of the best agencies of its kind in the country.

We also are proud that the audit commended our Disability Determination Unit for its nationally recognized accuracy rate. Our highway vending stand component of the Business Enterprise Program is providing more gainful employment for blind individuals than its southeastern counterparts.

BOARD
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Member
Greenville

Mr. George Schroeder
April 26, 1988
Page 2

SCCB is a strong force for improving the lives of blind South Carolinians, and the findings of the legislative audit are an affirmation of the positive direction in which the agency is going.

Sincerely yours,


Patricia L. Patrick
SCCB Board Chairman

fh

RECOMMENDATION 1: The South Carolina Commission for the Blind (SCCB) fully agrees with the findings of the Legislative Audit Council (LAC) that interference by an outside group (identified in the report as Group X) has seriously hampered the work of the agency. SCCB also agrees that steps should be taken in the future to minimize such interference. It would have been helpful if LAC could have made more specific recommendations to deal with this problem in an appropriate manner.

It should be noted that Group X and some of its key members were mainly responsible for the formation of SCCB as a separate State agency, and they deserve much credit for the fine program which presently exists for the blind citizens of this State. Unfortunately, for some time there has been a history of antagonism toward SCCB on the part of some of the leaders of Group X, and the instances of interference as noted in the report would hardly scratch the surface. A continuation of such unwarranted charges, however, can only work to the detriment of the blind community and the needs which we all want to meet.

It is the strong desire of SCCB to work with all blind citizens of South Carolina and the organizations which they have formed for the expressed purpose of producing the best programs in the United States. This Commission will make every effort to be cooperative, but will keep in mind its responsibilities as the official agency charged with the duty of administering and promoting the various activities associated with our clients.

RECOMMENDATION 2: Problems surrounding centralization of decisions will likely not disappear until the agency is protected from outside interference and personal attacks of staff at all levels. However, review of this recommendation is in process in order to ensure that decisions will be made at the lowest possible level.

RECOMMENDATION 3: Agency agrees.

RECOMMENDATION 4: Agency agrees.

RECOMMENDATION 5: The USC contract was awarded on August 18, 1986 prior to receiving the August 29, 1986 memorandum from the Director of Audit & Certification, Update of Procurement & Certification Information, which states as follows: "The Procurement Audit Newsletter was mailed previously, but it has come to my attention that it was not received by a number of you. To correct this situation, I am including it here. 11/05/84 (43.) The Board delegated to the Division of General Services the authority to exempt contracts between state government agencies and for supplies and services provided a cost justification is submitted to the Division in advance." This is the procedure which would have been followed if SCCB had realized that approval was needed, and there is no reason to believe that the request would have been denied.

RECOMMENDATION 6: S. C. Educational Television (ETV) will be advised of LAC recommendations and requested to return the state funds.

RECOMMENDATION 7: Agency agrees.

RECOMMENDATION 8: Agency agrees.

RECOMMENDATION 9: Wherever possible, the agency agrees with this recommendation. Low vision aid inventory is available to the Spartanburg Clinic. Prescription items must be purchased as prescribed. Much of the clinic inventory is obsolete due to the inception of cataract lense implants.

Tape recorders and brailers originally purchased from a nonrecurring account must be maintained to be distributed as the need arises. Other inventories purchased for specific programs will be disbursed to clients of those programs before they will be replaced.

RECOMMENDATION 10: Agency agrees.

RECOMMENDATION 11: SCCB has not purchased reconditioned equipment in its programs for several reasons: (1) SCCB employees are required to obtain competitive bids from qualified sources and for like items. (2) State contracts must be used where applicable. (3) The purchase of used or reconditioned equipment would increase the need for repairs from an already severely limited budget. (4) Federal funds cannot be used to replace worn-out equipment, thereby reducing the expense of repair during warranty. A two-year warranty can mean substantial savings in repairs. SCCB conducted a survey of four reputable local companies who provide BEP equipment, one of which indicated that they could provide used equipment with a thirty-day warranty, which is unsatisfactory. A second one stated they could provide a warranty at additional cost. The other two companies did not provide used equipment at all. SCCB will purchase used and reconditioned equipment if cost savings can be realized and warranties are satisfactory.

RECOMMENDATION 12: Although SCCB serves a low incidence group, and is therefore a small agency, size should not be equated with needs and urgency of services. Our present schedule is necessary in order to provide for the specialized needs of our clients.

RECOMMENDATION 13: Agency agrees.

RECOMMENDATION 14: The LAC report discusses the 35 cases out of their total sample of 120 cases. It indicates that in 16 of these cases, the client returned to his previously held job. This statement could be interpreted to mean that these 16 cases were closed inappropriately; however, federal standards for

closure are met if the client is provided VR service within a counseling and guidance relationship, and it is highly desirable that the client's present employment be retained if at all possible. Also, the statement that 12 clients had obtained a job without the direct placement assistance of the counselor is highly desirable in achieving self-sufficiency and independence. With regard to the 5 cases that are reported to not have received substantial services, all closures are reviewed by the area supervisors to determine whether substantial services have been rendered in accordance with agency policy and federal regulations.

LAC reviewed 120 cases and expressed concern that a large number of these cases involved physical restoration as the "primary service" and that a large proportion of the case expenditures were for the payment of physical restoration. SCCB asserts that physical restoration is an allowable service and by its very nature, can be costly. If physical restoration is deemed necessary, is planned for, and can assist in improving the client's chances for rehabilitation, such a service should be provided. Further, the point should be made that in cases where physical restoration is provided, counseling and guidance occur also. SCCB disagrees with the statement that if physical restoration is the "primary service," the case was incorrectly closed. The counseling and guidance which occur in cases where physical restoration took place also constitute a substantial service. While it is not possible to either support or reject LAC's assertions regarding the accuracy of these case closures without our own inspection of the case records, it is not correct to reject them as inaccurate because costly physical restoration appears to be the principle service rendered. As SCCB is following guidelines established by the federal Rehabilitation Services Administration (RSA), it is in compliance with this recommendation and guidelines will be expanded as appropriate.

RECOMMENDATION 15: With regard to closures, agencies for the blind in Florida and Kentucky do not list categories by earnings. They state their goals for earnings are not as stringent as SCCB. Neither state reports separately the closures that are earning sufficiently to eliminate their Social Security benefits. Every state, including SCCB, maintains this information in order to receive reimbursement from the Social Security Administration for these closures. The LAC report questions the establishment of closure goals established by the agency for cases closed at or above minimum wage and below minimum wage.

In 1983, the previous Commissioner conducted a survey of rehabilitation agencies throughout the United States to determine if these agencies were collecting information at the time of closure in regard to earnings at or above minimum wage. The results of this survey, with more than 20 states responding, revealed that there was great variation in the way that this information was reported. The previous Commissioner elected to

implement the above method for determining whether a case should be closed at or above minimum wage due to the absence of any standardized method for collecting this information. SCCB Board minutes of March 1985, April 1985, and April 1986 formally reviewed this established process.

Each closure is an individual matter, and many factors other than the number of hours per week of work and the amount earned go into the decision. Employer and client satisfaction and suitability are also considered important factors; therefore, it may not be appropriate for every individual to work a 40-hour week at \$3.35 per hour despite our personal feelings that such would be optimal. When the agency's Client Information System is on line, it will be easier for SCCB to collect and report more detailed information regarding this area.

RECOMMENDATION 16: This idea is not new or unique. At this time, the Assistant Secretary of the Office of Special Education and Rehabilitative Services and the new RSA Commissioner have stated a strong interest that RSA should work toward development of this concept. It would, therefore, be premature for SCCB to develop its own system at this time, independent of national initiatives.

RECOMMENDATION 17: SCCB should take the following actions regarding the financial needs test:

(A) Agency agrees. Procedure to be included with new Client Information System.

(B) The implementation of an economic needs survey for services not prohibited by RSA federal regulations remains to be the option of the specific state rehabilitation agency. SCCB recognizes that blind and severely impaired clients may have specific needs which may need to be addressed as compared to clients with other physical or mental disabilities; therefore, SCCB will continue to exempt the following services from the needs test: (1) evaluation, including diagnostic or related services, including transportation; (2) extended evaluation services; (3) attendance at SCCB's Rehabilitation Center and Mobile Units; (4) reader service for the blind and interpreter service for the deaf; (5) counseling and guidance services; and (6) job placement. At the present time, vocational training and training supplies are not subject to the needs test. College students are required to submit to a very detailed needs and abilities assessment and are required to apply for all available financial aid before SCCB sponsors tuition. SCCB will not exceed the tuition at the highest prevailing state institution.

(C) SCCB will survey state agencies for the blind to determine their economic needs policies and will continue utilizing similar benefits.

(D) SCCB will comply; however, SCCB would not want to implement a verification procedure that would be time consuming and serve to delay necessary services that are part of the client's Individualized Written Rehabilitation Plan (IWRP).

RECOMMENDATION 18: Agency agrees.

RECOMMENDATION 19: SCCB believes that the primary responsibility of job placement should remain with the client's rehabilitation counselor. The primary fault which the LAC report finds with this procedure is the limited ability to match jobs with clients, as those jobs developed by one counselor are unknown to other counselors within the state. This inadequacy will be overcome when the new Client Information System, which includes a job bank, is installed. SCCB has no problem with a trial program except for the fact that it will take additional human and financial resources which are sorely needed in other places.

RECOMMENDATION 20: After thoroughly reviewing the problems that have faced the Blindcraft Program over the years, SCCB agrees that it should be discontinued. There have been many audits conducted of the program, and all recommendations from these audits point to the fact that the program is not cost effective. Although these same recommendations have been made previously, a variety of factors such as lack of available markets, small product lines, limited client work pools, and limited number of referrals made it difficult to correct the many problems in this program. Because of the above mentioned reasons, SCCB believes the program will remain heavily subsidized by SCCB and problems will continue to occur. SCCB agrees to discontinue this program and encourages Blindcraft workers to apply for appropriate rehabilitation services to produce and market products on an individual basis. Since October 1, 1985, there has only been an average of 19 blind persons participating in the program with average earnings of \$26.00 to \$28.00 per month. If Blindcraft clients are interested in further rehabilitation, SCCB would then be responsible for obtaining initial stock and equipment for these individuals, as well as assisting them in identifying, on a limited basis, shops in their community where they could market their craft items.

RECOMMENDATION 21: SCCB will conduct a study to determine if there is a need for sheltered workshops for the blind and submit the findings to the recommended committees.

RECOMMENDATION 22: SCCB will comply with an amendment to Section 43-25-70, S.C. Code of Laws, to provide for sliding scale set aside payment by blind vendors, based on vending stand income if passed by the General Assembly.

RECOMMENDATION 23: SCCB will comply if changes are adopted by law.

RECOMMENDATION 24: SCCB will take appropriate action if the General Assembly amends Section 43-25-70, S.C. Code of Laws.

RECOMMENDATION 25: SCCB staff will work with SCCB Governing Board, the BEP Vendor's Committee, and RSA to determine appropriate changes of regulations pertaining to the selection of vending stand managers.

RECOMMENDATION 26: SCCB will implement any amendments made by the General Assembly to Section 43-25-40, S.C. Code of Laws, to allow referral of clients to optometrists when appropriate. SCCB desires to be in conformity with all applicable state laws such as the Optometry Law, Section 40-37-160.

The General Assembly has expressed itself through law as wanting blind clients examined by ophthalmologists. Any change in this will require a change in the existing law. Since the ophthalmologist can give complete examinations and medical service to a blind client but the optometrist can't, a visit to the former means that the patient need make only one visit while a visit to the latter quite often may call for a referral to the ophthalmologist. If both are used, referral to one or the other may call for a decision by the caseworker who does not have the expertise to determine the level of medical attention needed.

RECOMMENDATION 27: This recommendation will be complied with if the law is amended.

RECOMMENDATION 28: SCCB agrees with the first portion of this recommendation, but disagrees that legislation should be passed requiring the reporting of visually handicapped people. This is a distinct violation of the privacy of the individual and places blind citizens in a separate category from other handicapped persons.