



South Carolina House of Representatives
Government Efficiency and Legislative Oversight Committee

Study of the Vocational Rehabilitation Department
EXECUTIVE SUMMARY

FINDINGS

During the study of the South Carolina Vocational Rehabilitation Department, the Healthcare and Regulatory Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts 14 findings.

Findings note information a member of the public or General Assembly may seek to know or on which they may desire to act.

Purpose and Mission

1. The South Carolina Vocational Rehabilitation Department (SCVRD) is an employment-focused agency whose mission is to assist eligible individuals with disabilities in preparing for, obtaining, maintaining, or advancing in competitive integrated employment. Access to the agency's vocational rehabilitation services require consumers to desire and actively participate in obtaining employment.

Budget and Funding

2. SCVRD relies on a blended funding model consisting primarily of federal formula grants, supplemented by recurring state appropriations necessary to satisfy federal matching requirements. State investment, beyond the required matching funds, positions the agency to draw down additional federal matching funds.
3. A reduction in state funding can significantly impact SCVRD's ability to maximize federal resources, as a 3% reduction in state dollars (\$604,713) could result in the loss of \$2,234,315 in unmatched federal funds and reduce total program funding by \$2,839,028.

Workforce Development

4. SCVRD is a workforce development partner. The agency works with employers to align consumers' individual job readiness training with workforce needs and connect qualified candidates toward employment placement.

SCVRD also participates as a member of the Coordinating Council for Workforce Development (CCWD), helping incorporate the employment needs of individuals with disabilities into the State's broader workforce development efforts.

Governance

5. SCVRD is governed by a seven-member board appointed by the Governor, with the advice and consent of the Senate. At the time of the Committee's review, three of the seven board seats were vacant, and the remaining members were serving after the expiration of their appointed terms. Two members have continued serving for more than 24 years since their original appointments.

Statewide Service

6. SCVRD maintains a statewide service network designed to support individuals with disabilities, with locations extending from the Upstate to the Lowcountry and including 31 offices, 27 training centers, two evaluation centers, and one recovery center.
7. SCVRD's Rehabilitation Technology Department provides specialized engineering and assistive technology services that remove workplace barriers, improve accessibility, and support individuals with disabilities in achieving and maintaining employment.

8. SCVRD conducts a Comprehensive Statewide Needs Assessment (CSNA) every three years, as required by federal law, to identify the vocational rehabilitation needs of individuals with disabilities and inform the agency's goals and priorities.

Disability Determination Services

9. The Social Security Administration (SSA) holds accountability, statutory authority, and contractual responsibility to provide the resources necessary for state Disability Determination Services (DDS) agencies, such as SCVRD's DDS, to perform disability determinations on SSA's behalf. However, SSA cannot simply provide additional funding whenever a state requests it. Its administrative budget, including funding for all state DDS offices, is determined annually by Congress.
10. DDS does not have sufficient disability examiner capacity to meet its current workload and address the existing backlog, with the agency reporting a need for approximately 100 to 150 additional trained examiners.

Workforce Sustainability

11. The Department is approaching a significant workforce transition. According to the agency, 317 employees across all agency programs, Disability Determination Services, and State Office are either currently eligible to retire or will become eligible for retirement within the next five years.

Procurement Audit

12. The State Fiscal Accountability Authority's (SFAA) Division of Procurement Services published an audit of SCVRD's procurement processes on June 29, 2026, covering the period from October 1, 2021, through September 30, 2024. The audit identified seven findings with 25 instances related to noncompliance with the South Carolina Consolidated Procurement Code and

purchasing-card requirements. While the audit identified numerous procedural and internal-control deficiencies, it found no evidence of fraud, theft, or criminal misconduct and did not recommend referral to the State Inspector General.

Referral Services

13. SCVRD's strongest referral sources are individuals and organizations already familiar with the agency, including self-referrals, former clients, family and friends, and established state-agency partners. However, healthcare providers, hospitals, rehabilitation facilities, physicians, employers, workforce organizations, and community-service providers were not among the agency's 10 largest referral sources, indicating opportunities to expand referral partnerships and reach individuals who may not already be familiar with SCVRD.

Consumer Profile

14. Mental health and substance-use disorders, including depressive and other mood disorders, anxiety disorders, personality disorders, schizophrenia and other psychotic disorders, and drug abuse or dependence, accounted for 64% of SCVRD's 10 most frequently served disability categories. Neurodevelopmental disorders, including autism, attention-deficit hyperactivity disorder, intellectual disability, and specific learning disabilities, accounted for 28%. Hearing loss, the only remaining category, accounted for 8%.

RECOMMENDATIONS

During the study of the South Carolina Vocational Rehabilitation Department, the Healthcare and Regulatory Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts 9 recommendations.

With any study, the Committee recognizes these recommendations (e.g., continue, curtail, improve areas potentially, and/or eliminate agency programs, etc.) will not satisfy everyone nor address every issue or potential area of improvement at the agency. Recommendations are based on the agency's self-analysis requested by the Committee, discussions with agency personnel during multiple meetings, and analysis of the information obtained by the Committee. This information, including, but not limited to, the Initial Request for Information, Accountability Report, Restructuring Report, and videos of meetings with agency personnel, is available on the Committee's website.

Outreach and Marketing

1. The Committee recommends SCVRD develop and implement a statewide Clinical Outreach and Referral Integration Strategy to ensure healthcare providers (e.g., hospitals, inpatient rehabilitation facilities, physicians, outpatient therapy providers, other rehabilitation professionals, etc.) are aware of vocational rehabilitation services and have a clear, standardized process for referring eligible individuals. The agency shall submit the strategy to the Committee within six months of approval of the Committee's study report. (See Finding 13)
2. The Committee recommends SCVRD develop and implement a comprehensive statewide marketing and communications strategy. The strategy should identify target customers, establish measurable objectives and performance metrics, incorporate market research and periodic evaluation, and utilize professional marketing resources through existing state communications services or competitively procured contractual services, as appropriate.

Disability Determination Services

3. The Committee recommends that SCVRD annually provide the General Assembly and South

Carolina's congressional delegation with a formal report on challenges affecting Disability Determination Services (DDS). At a minimum, the report should include processing times, pending claims and their age, clearance-to-receipt ratios, performance and accuracy rates, and the number and attrition rate of fully trained disability examiners. (See Findings 9-10)

Employee Engagement Survey

4. The Committee recommends SCVRD request the State Inspector General (SIG) conduct a biennial employee engagement survey beginning in 2027. The commissioner shall report the findings to the Committee and the agency's governing board. Subsequent surveys should be reported to the governing board.

Workforce Modernization

5. The Committee recommends SCVRD develop a comprehensive Strategic Workforce Modernization Plan to address current and future workforce challenges while maintaining the capacity to effectively fulfill its mission. The Department should complete the plan and submit it to the Committee within one year of the Committee's approval of this study report. (See Finding 11)

Procurement

6. The Committee recommends that SCVRD provide written updates on its implementation of the recommendations contained in the SFAA Division of Procurement Services audit of the agency's procurement processes six months and twelve months after the Committee report is approved. (See Finding 12)

consistent with current vocational rehabilitation practice and federal terminology.

Artificial Intelligence

7. The Committee recommends the South Carolina Vocational Rehabilitation Department, in collaboration with the Department of Administration's Artificial Intelligence Center of Excellence, develop and implement a comprehensive strategy to leverage artificial intelligence, automation, and business process redesign to enhance service delivery, improve operational efficiency, and prepare the Department to meet future workforce challenges.

Staffing and Office Locations

8. The Committee recommends that SCVRD, with outside expertise as needed, evaluate whether objective measures (e.g., population, disability prevalence, referral volume, counselor caseloads and complexity, service accessibility, etc.) support its existing regional staffing and office structure and implement appropriate changes based on the results.

Modernization of Laws

9. The Committee recommends the General Assembly amend Sections 43-31-20, 43-31-30, 43-31-60, 43-31-145, and 43-31-160 of the South Carolina Code of Laws to modernize terminology related to individuals with disabilities and vocational rehabilitation. Specifically, the General Assembly should replace references to "handicapped" and "handicap" with "individual with a disability," "individuals with disabilities," "severe disabilities," "impediment to employment," or other appropriate terminology