Extended Employment Program

Compliance Audit & Performance Measurement

July 1, 2012 - June 30, 2013

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Introduction

This report contains summary information about the condition and outcomes of the Extended Employment (EE) program resulting from data submitted by community rehabilitation providers (CRPs) and the application of the *Extended Employment Program Compliance Examination Standards* for the period July 1, 2012 through June 30, 2013.

The Department sought input to the audit standards from EE providers and the Audit Standards Workgroup, an ad hoc committee of executive and financial directors, independent auditors and Department staff, designed to effect positive change through a quality improvement process. The draft standards were approve and posted to the EE website on May 29, 2013.

The objective of the independent auditor's examination procedures, applied to management's assertion about the entity's compliance with specific EE requirements, is to express an opinion about whether management's assertion is fairly stated in all material respects based on agreed upon criteria. The scope does not include the auditor's opinion on internal control over compliance.

Examinations are conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and include examining, on a test basis, evidence of compliance.

In an effort to reduce the cost of the compliance audits incurred by CRPs, respond to auditors' requests for direction, and ultimately to establish greater uniformity in the testing and reporting of compliance, suggested testing protocol was included in the published standards. However, auditors are expected to use professional judgment in determining whether the suggested procedures are sufficient to issue an opinion on compliance.

The funding unit of distribution of extended employment program funding is the payment for one work hour[1] performed by an eligible worker and reported to the extended employment program. Therefore, variances are reported as questioned work hours and may be disallowed by the Department, requiring the repayment of grant funds after a final contract adjustment process and due process appeal period.

Information and analysis within this report is limited to the data reported by CRPs receiving EE funds and should not be misconstrued as representing Minnesota's comprehensive ongoing employment support system.

Although some CRPs provide ongoing employment support services in excess of their EE performance-based contract requirements, there is no obligation to report, or uniformity in the reporting of unfunded services to the State.

[1] Minnesota Rules, 3300.2005, Subpart 37. Work hours means hours for which a worker performs paid work, including hours of paid holidays, paid sick, paid vacation, and other paid leave. A work hour is the basic funding unit for allocating extended employment program funds.

Program Purpose

The mission of extended employment is to provide the ongoing employment support services necessary to maintain and advance the employment of persons with a most severe disability. Employment shall encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence. *Minn. Stat. 268A.15, subd. 2.*

Powers and Duties

DEED is authorized by Minnesota Statute, Chapter 268A Vocational Rehabilitation, to administer the Extended Employment (EE) Program. The commissioner certifies rehabilitation facilities to offer extended employment programs, grants funds to the extended employment programs, and performs the duties specified in section 268A.15. *Minn. Stat. 268A.03.*

DEED administers the EE program through Vocational Rehabilitation Services (VRS), employs personnel to manage the program, and is empowered to accept and receive funds from non-state sources for the purpose of implementing this section. *Minn. Stat. 268A.15, subd. 1.*

The commissioner shall adopt rules on an individual's eligibility for the extended employment program, the certification of rehabilitation facilities, and the methods, criteria, and units of distribution for the allocation of state grant funds to certified rehabilitation facilities. In determining the allocation, the commissioner must consider the economic conditions of the community and the performance of rehabilitation facilities relative to their impact on the economic status of workers in the extended employment program. *Minn. Stat. 268A.15, subd. 3.*

The commission shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include information for the preceding funding year derived from the independent compliance audits of extended employment service providers submitted to the department on or before October 31 of each year. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public. *Minn. Stat. 268A.15, subd. 4.*

Within available resources, the EE Program provides technical assistance to rehabilitation facilities. *Minn. Stat. 268A.15, subd. 5.*

The commissioner may provide innovation and expansion grants to rehabilitation facilities to encourage the development, demonstration, or dissemination of innovative business practices, training programs and service delivery methods.... *Minn. Stat. 268A.15, subd. 6.*

Administrative Rules

The Department promulgated administrative rules for the EE Program, Minnesota Chapter 3300.2005 through 3300.2055, effective July 1, 1998.

Program and Service Descriptions

Center-based employment (CBE) means employment which provides paid work on the premises of an extended employment provider and training services or other services necessary for employment on or off the premises of an extended employment provider[2] to persons who, because of the nature and severity of their disabilities, need intensive ongoing employment support services funded by the state unit in order to work. *Minn. R. 3300.2005, subpart 6.*

Community employment (CE) is paid work in the community requiring intensive ongoing employment support services that does not meet the definition of supported employment only because the worker is paid less than minimum wage or the employment does not meet the criteria of an integrated setting, or the worker is compensated at or above the minimum wage but below the customary wage paid by the employer for the same or similar work performed by individuals without a disability. *Minn. R. 3300.2005, subpart 10.*

Competitive employment means work in the competitive labor market that is performed on a full-time or part-time basis in an integrated setting; and for which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled. *Minn. E. 3300.2005, subpart 9*.

Extended employment (EE) ***program*** means an employment program which provides the ongoing employment support services necessary to maintain and advance the employment of individuals with severe disabilities by providing work in center-based employment, community employment, or supported employment subprograms. *Minn. R. 3300.2005, subpart 15.*

Integrated setting, with respect to an employment outcome, means a setting typically found in the community in which an individual with the most severe disabilities interacts with nondisabled individuals, other than nondisabled individuals who are providing services to that individual, to the same extent that nondisabled individuals in comparable positions interact with other persons. *Minn. R. 3300.2005, subpart 25*.

Ongoing employment support services means any of the following services identified in the worker's extended employment support plan as related to a worker's limitations in functional areas and that are necessary to maintain and advance the worker's employment: (a) facilitation of natural supports at the work site; (b) rehabilitation technology, job redesign, or environmental adaptations; (c) disability awareness training for the worker, or the worker's employer, supervisor, or coworkers, and other services to increase the worker's inclusion at the worksite; (d) job skill training at the work site; (e) regular observation or supervision of the worker; (f) behavior management; (g) coordination of support services; (h) job-related safety training; (i) job-related self-advocacy skills training to advance employment; (j) training in independent living skills, such as: money management, grooming and personal care, social skills, orientation and mobility, using public transportation or driver's training; … and (p) any other service that is similar to the services in items A to O, that is identified in the worker's extended employment support plan, and that is needed to maintain or advance the employment of a worker in the extended employment program. *Minn. R. 3300.2005, subp. 31*.

Supported employment (SE) means *competitive employment* in an *integrated setting* with ongoing employment support services for individuals with the most severe disabilities for whom competitive employment has not traditionally occurred or for whom competitive employment has been interrupted or intermittent as a result of a severe disability; and who, because of the nature and severity of their disabilities, need intensive ongoing employment support services from the designated state unit and extended services after transition in order to perform this work; or *transitional employment*[3] for individuals with the most severe disabilities due to mental illness. *Minn. R. 3300.2005, subpart 35*.

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[2] Extended employment provider; Minn. R. 3300.2005, subp. 16.
[3] Transitional employment; Minn. R. 3300.2005, subp. 36.

Cost-Benefit Considerations

Legislative Appropriation

The EE program is funded by a State appropriation from the Workforce Development and General funds. Administration funded 2.84 full-time equivalents (FTEs) for direct program staffing and management, and .6 FTEs for general and administrative personnel providing support services to the program including clerical support, accounting and information technology.

SFY13	General Fund	WFD Fund	Total
Administration (3.44 FTEs)	$ 379,000		$ 379,000
Advocating Change Together	35,000		35,000
Wage Incentive	125,000		125,000
Extended Employment	**4,706,000**	**6,830,000**	**11,536,000**
Grants	$ 4,866,000	$ 6,830,000	$11,696,000
Total Appropriation	$ 5,245,000	$ 6,830,000	$12,075,000

Measurable Outcomes

Nearly five thousand Minnesotans with a most severe disability were reported to have received the ongoing employment supports necessary to add nearly four million work hours to the state's productive capacity, earning nearly $27 million in personal income. To compare these outcomes across Minnesota's network of service providers see pages 39-41.

SFY13 Outcomes	Total	Supported Employment	Community Employment	Center-based Employment
Workers[4]	4,984	2,529	2,206	2,496
Work hours	3,981,640	1,586,849	995,075	1,399,716
Wages paid	$ 26,895,846	$ 15,821,094	$ 5,570,544	$ 5,504,208
Average hourly wage	$ 6.75	$ 9.97	$ 5.60	$ 3.93
Average weekly hours	15.4	12.1	8.7	10.8

Return on Investment

For each state dollar invested last year, program participants earned on average $2.23, increasing financial independence and potentially reducing dependency on public support systems.

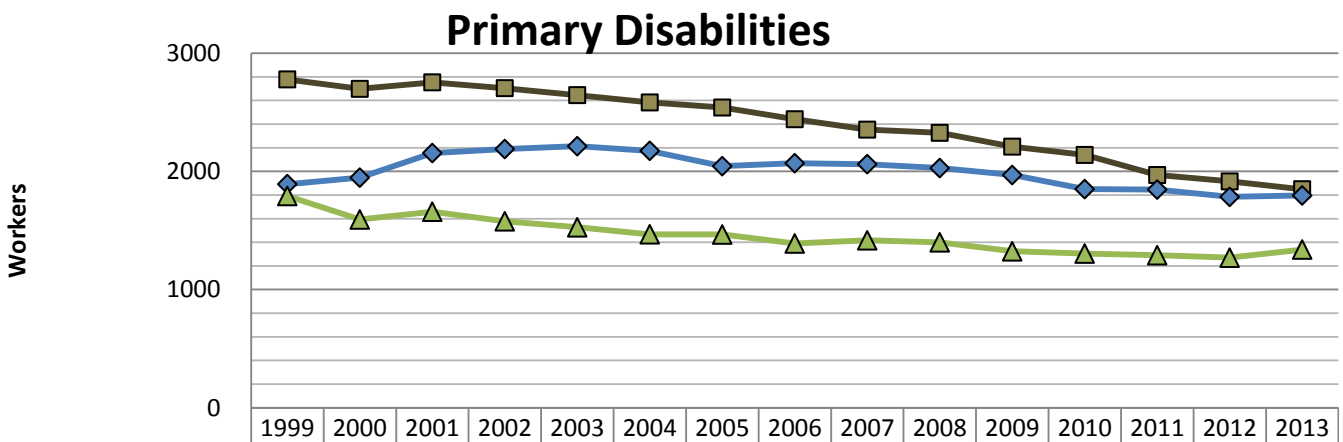
SFY	Appropriation	Workers	Cost per Worker	Wages	Income per Worker	=	ROI
2013	12,075,000	4,984	2,423	26,895,846	5,396	=	223%
2012	12,075,000	4,969	2,430	26,354,790	5,304	=	218%
2011	12,075,000	5,106	2,365	25,786,413	5,050	=	214%
2010	12,435,000	5,294	2,349	25,498,475	4,816	=	205%
2009	12,569,000	5,506	2,283	25,765,038	4,679	=	205%

[4] Subprogram counts are duplicative as workers may engage in multiple subprograms during the year.

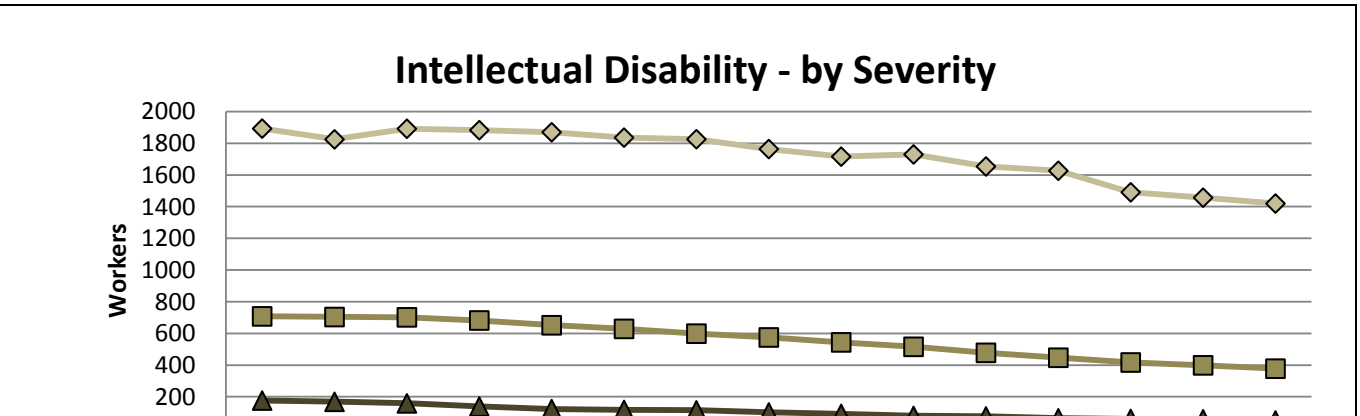
Minnesotans Served in Extended Employment

Extended employment worker means an *individual with a most severe disability*[5] resulting in serious limitations in three or more functional areas that affect employment, who requires and receives ongoing employment support services over an extended period of time to maintain and advance in employment, and who is reported to the department by the provider during the contract period. *Minn. R. 3300.2005, subp. 18.*

The most frequently reported primary disabilities of EE workers are neurodevelopmental intellectual and mental illness, each more frequent than all other primary disabilities combined.

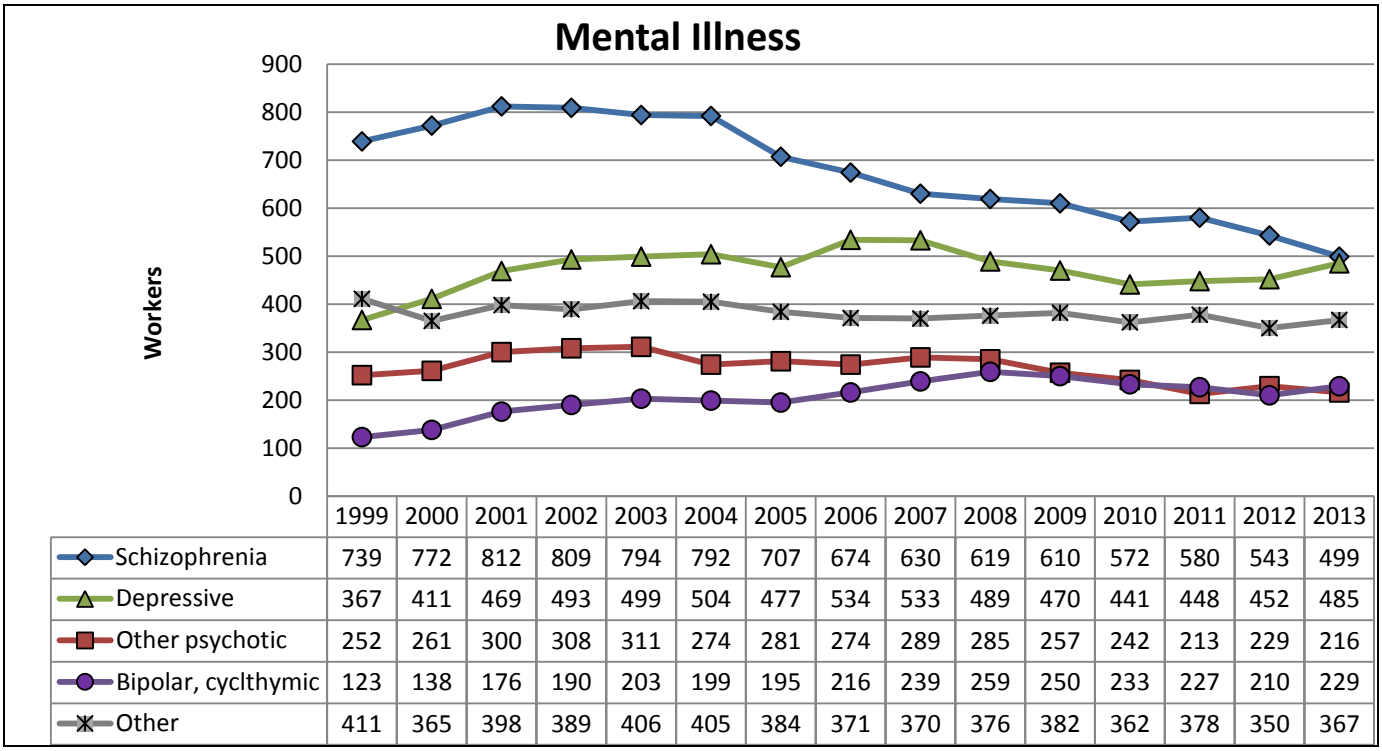


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Intellectual	2778	2698	2753	2704	2645	2583	2540	2441	2353	2326	2209	2139	1969	1915	1849
Mental Illness	1892	1947	2155	2189	2213	2174	2044	2069	2061	2028	1969	1850	1846	1784	1796
Other	1792	1593	1659	1578	1527	1468	1466	1390	1417	1400	1324	1305	1291	1270	1339



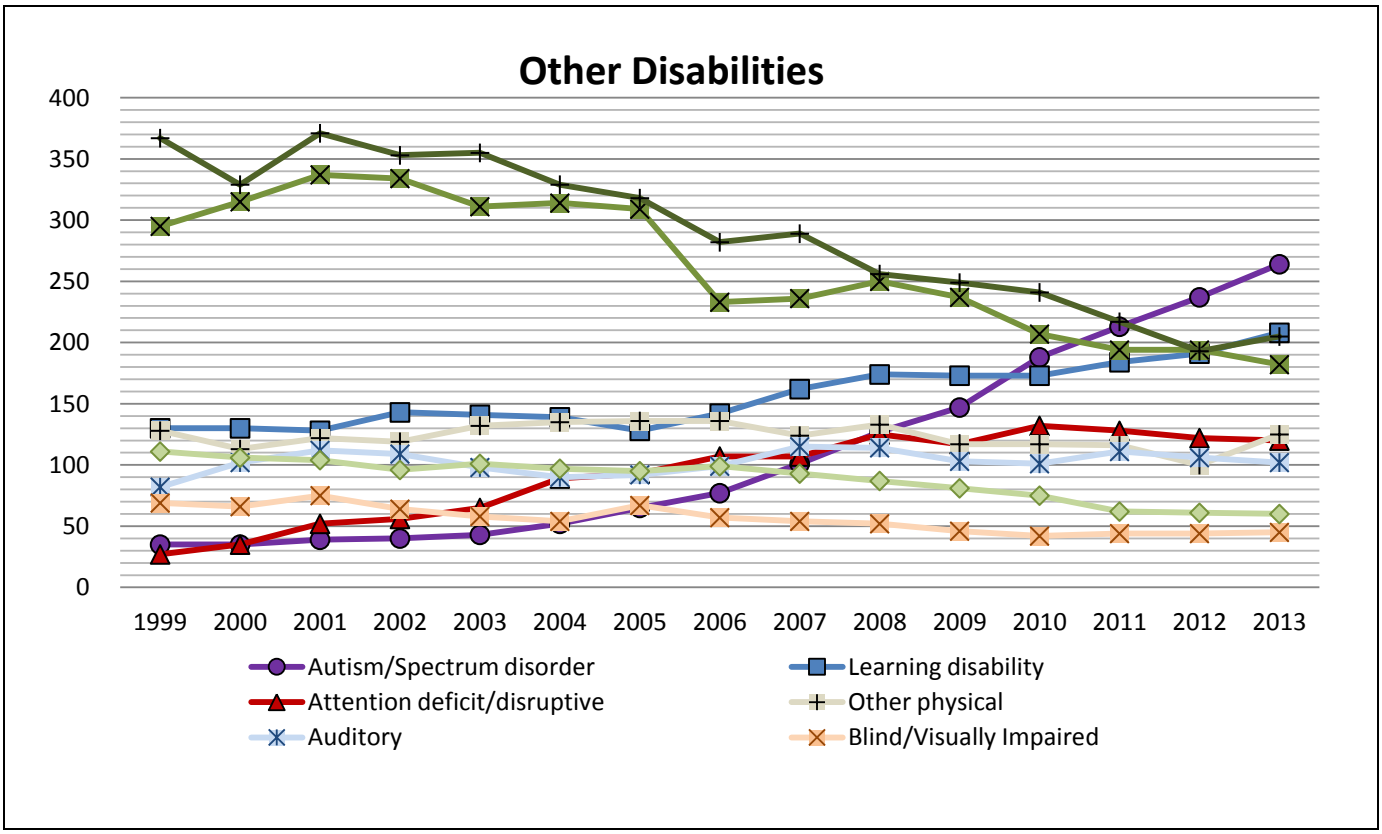
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mild	1893	1825	1892	1883	1870	1836	1826	1764	1716	1730	1654	1627	1491	1457	1420
Moderate	708	704	702	682	652	629	599	575	544	516	478	447	417	399	378
Severe	177	169	159	139	123	118	115	102	93	80	77	65	61	59	51

[5] Individual with a most severe disability; Minn. R. 3300.2005, subp. 22

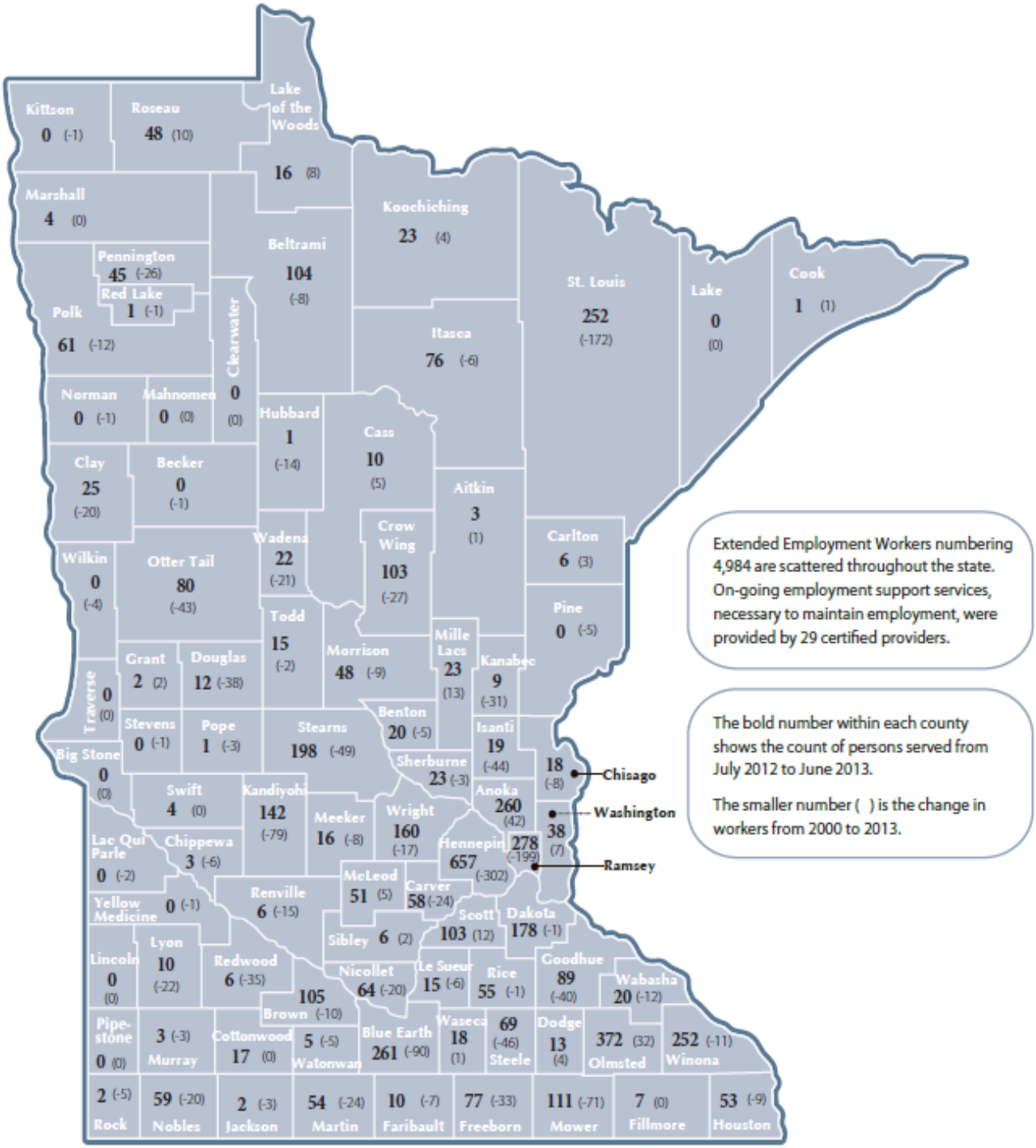


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Schizophrenia	739	772	812	809	794	792	707	674	630	619	610	572	580	543	499
Depressive	367	411	469	493	499	504	477	534	533	489	470	441	448	452	485
Other psychotic	252	261	300	308	311	274	281	274	289	285	257	242	213	229	216
Bipolar, cyclthymic	123	138	176	190	203	199	195	216	239	259	250	233	227	210	229
Other	411	365	398	389	406	405	384	371	370	376	382	362	378	350	367

Although the number of workers with other disabilities is small by comparison, trends are noteworthy: Autism/Autism Spectrum, learning disabilities, and Attention-deficit disorders are on the rise, while persons with Traumatic Brain Injury, amputations and other orthopedic/neurological conditions decline.



Extended Employment Workers by County



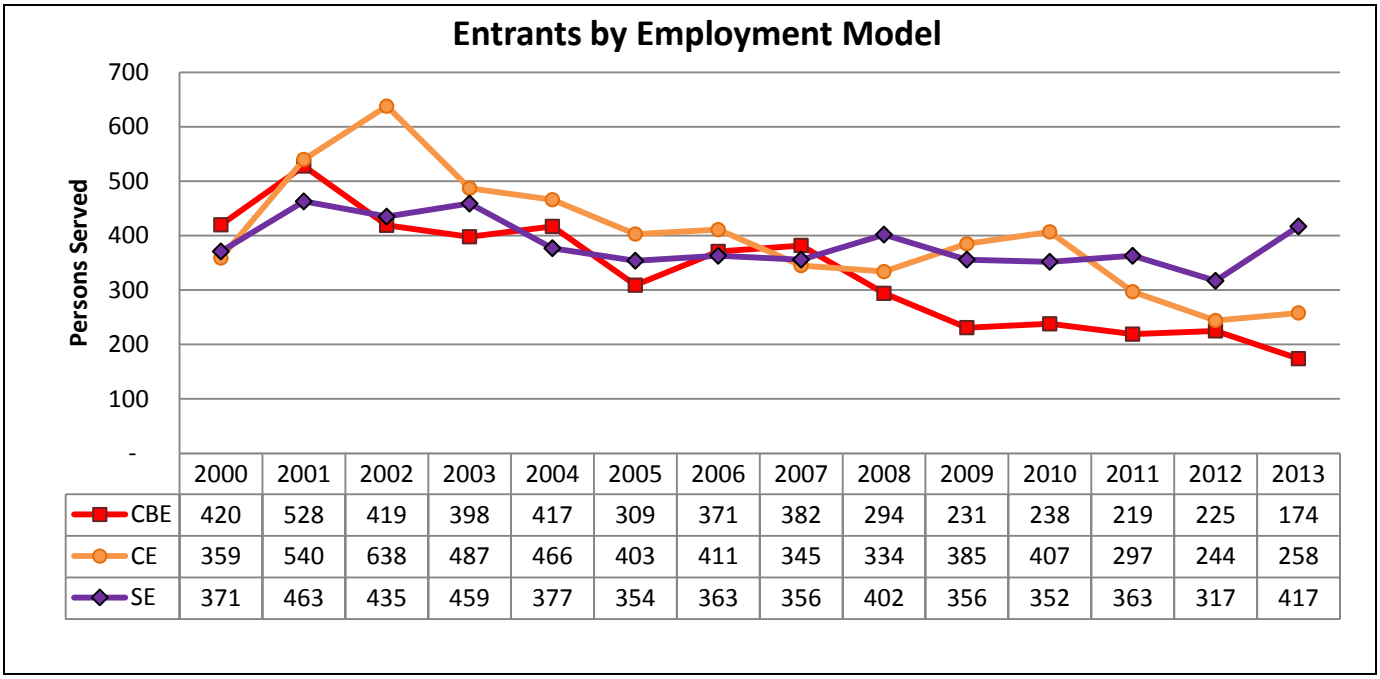
Extended Employment Workers numbering 4,984 are scattered throughout the state. On-going employment support services, necessary to maintain employment, were provided by 29 certified providers.

The bold number within each county shows the count of persons served from July 2012 to June 2013.

The smaller number ( ) is the change in workers from 2000 to 2013.

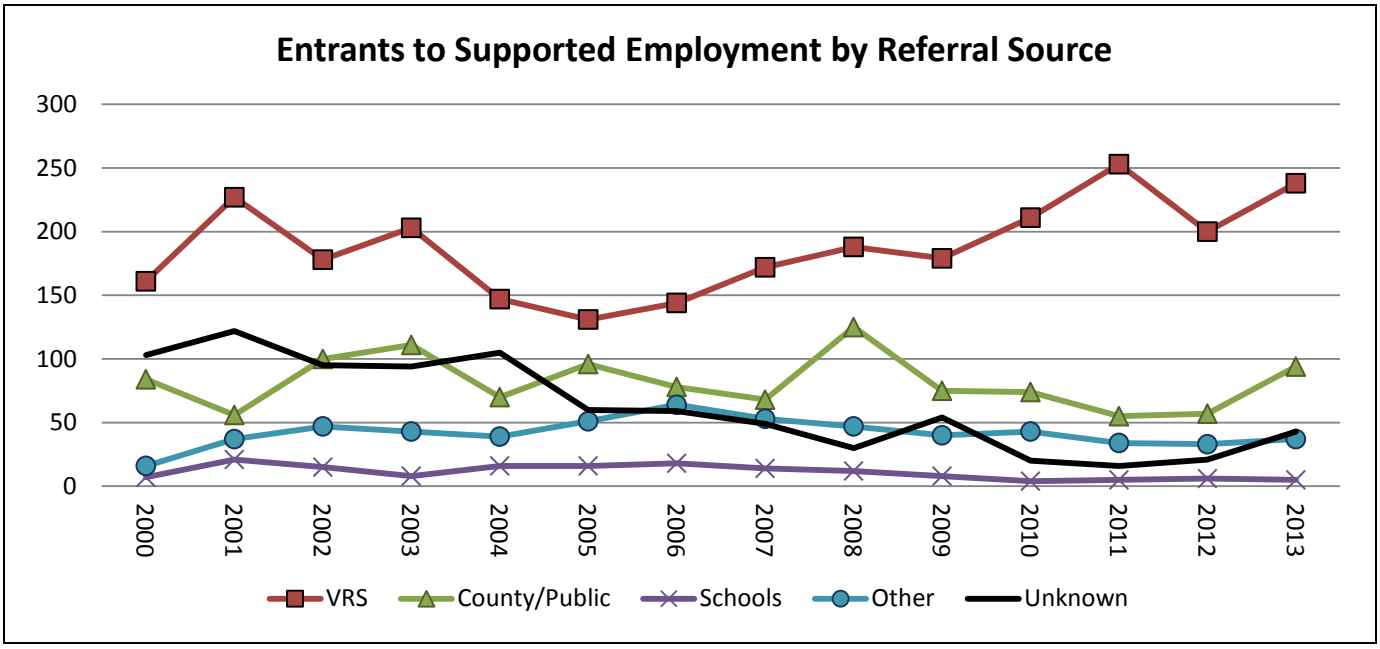
Entrants and Referral Sources

Over the past thirteen years, entrants to Supported Employment have increased, on average, by 12%. Conversely, entrants to Community Employment and Center-based Employment have declined by 52% and 59%, respectively. For the purpose of this section, entrants are defined as persons not previously reported in any EE program.

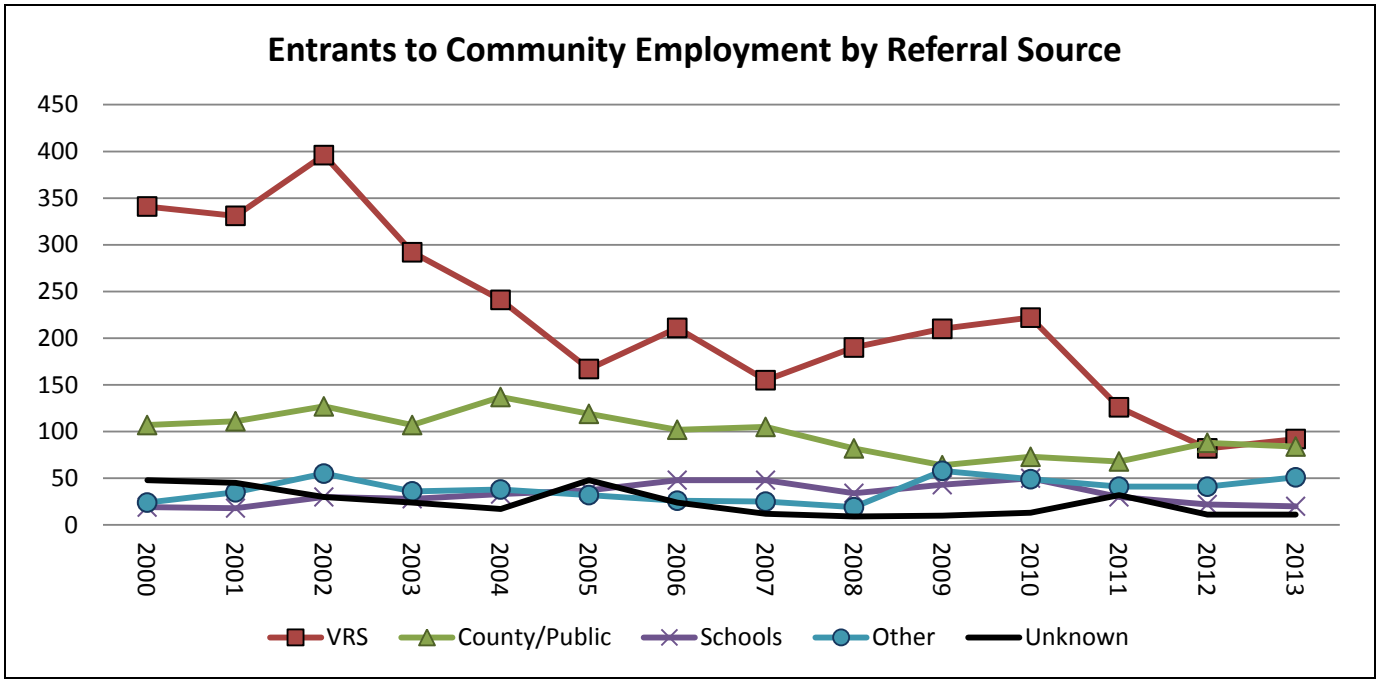


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CBE	420	528	419	398	417	309	371	382	294	231	238	219	225	174
CE	359	540	638	487	466	403	411	345	334	385	407	297	244	258
SE	371	463	435	459	377	354	363	356	402	356	352	363	317	417

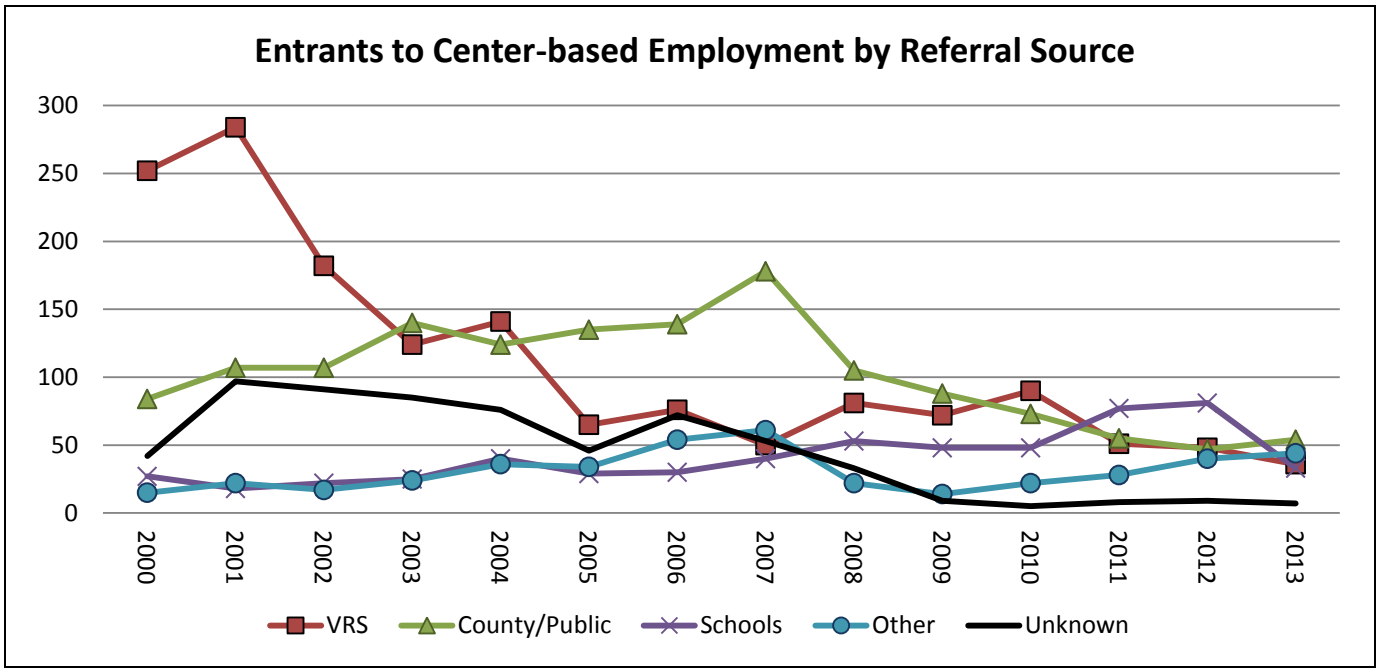
Since 2000, the Vocational Rehabilitation program has been the primary referral source for is responsible for 49% of new EE entrants referred for supported employment (SE); counties and other public sources average 21%; schools 3%; other sources (self-referral, Social Security Administration, physician/medical institution, etc.) 11%; and 16% were not reported or reported as unknown by service providers.



Since 2000, VRS is responsible for 57% of new EE entrants referred for community employment (CE); counties and other public sources average 26%; schools 9%; other sources (self-referral, Social Security Administration, physician/medical institution, etc.) 10%; and 6% were not reported or reported as unknown by service providers.



VRS continues to refer the largest share of new EE entrants into the center-based employment (CBE) program, averaging 29% of all referrals since 2000; counties and other public sources average 27%; schools 11%; other sources (self-referral, Social Security Administration, physician/medical institution, etc.) 8%; and 12% were not reported or reported as unknown by service providers.



Performance-based Funding System

The program purpose is "*to provide the ongoing employment support services necessary to maintain and advance the employment of persons with severe disabilities*…." Therefore, the primary measure of success is employment.

The unit of distribution of extended employment program funding is the payment for one work hour performed by an eligible worker and reported to the department in the extended employment program. *Minn. R. 3300.2035, subpart 1.*

Work hours means hours for which a workers performs paid work, including hours of paid holidays, paid sick, paid vacation, and other paid leave. A work hour is the basic funding unit for allocating extended employment program funds. *Minn. R. 3300.2005, subpart 37.*

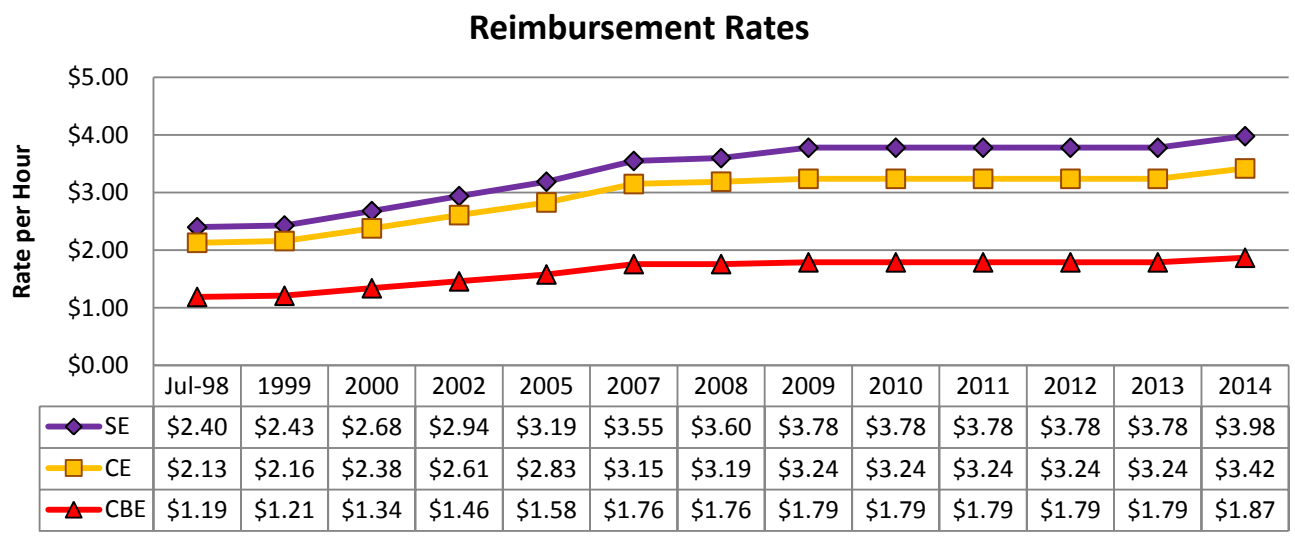
Extended employment provider means a rehabilitation facility[6] certified by the commissioner under Minn. Rules 3300.2010 to provide center-based, community, or supported employment.

Statewide Provider Reimbursement Rates

Extended Employment providers are reimbursed for each reported hour of work (performed by eligible participants) at the current statewide rate, up to contracted allocations.

State law requires, "*Employment must encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence*." To this end, a statewide uniform rate[7] was established for each subprogram recognizing varying levels of consumer control, community integration, and the historical earning capacity by employment model.

From 1998-2014, the SE rate has increased 66%, or $1.58 per hour. The CE rate has increased 61%, or $1.29 per hour. And, the CBE rate has increased 57%, or $.68 per hour. The following chart compares changes in these hourly provider reimbursement rates since the promulgation of the current administrative rules governing the program.



	Jul-98	1999	2000	2002	2005	2007	2008	2009	2010	2011	2012	2013	2014
SE	$2.40	$2.43	$2.68	$2.94	$3.19	$3.55	$3.60	$3.78	$3.78	$3.78	$3.78	$3.78	$3.98
CE	$2.13	$2.16	$2.38	$2.61	$2.83	$3.15	$3.19	$3.24	$3.24	$3.24	$3.24	$3.24	$3.42
CBE	$1.19	$1.21	$1.34	$1.46	$1.58	$1.76	$1.76	$1.79	$1.79	$1.79	$1.79	$1.79	$1.87

[6] Rehabilitation facility; Minn. R. 3300.2005, Subpart 34.
[7] Statewide uniform rates; Minn. R. 3300.2035, Subpart 6.

Two Funds to Manage Resources

The ***Community Support Fund*** (CSF) is used to manage the dollars allocated for ongoing employment support services provided to workers in community employment settings. Services funded support workers in the community employment and supported employment subprograms. For the year ending June 30, 2013 the Department established CSF contracts totaling $9,292,079 with certified EE providers.

The ***Center Based Fund*** (CBF) is used to manage the dollars allocated for ongoing employment support services to workers performing paid work on premises owned or operated by an EE provider. For the year ending June 30, 2013 the Department established CBF contracts totaling $2,243,920 with certified EE providers.

Fund Distribution Method

For each state fiscal year, the department determines the statewide allocation to each fund according to *Minnesota Rules, 3300.2035, subpart 7*:

> From the state appropriation, the department reserves for the CSF an amount of dollars equal to the sum of the allocations for the starting point for all providers with contracts and making application for funding.
>
> From the state appropriation, the department reserves from the CBF an amount of dollars equal to (a) the sum of the allocations for the starting point for all providers with contracts and making application, less (b) any allocation withheld resulting from the request for proposals process, multiplied by the statewide uniform rate for center-based employment. However, no statewide allocation of extended employment funds to the center-based fund shall exceed $4,279,000, the funding allocation for center-based employment in state fiscal year 1997.
>
> Adjustments to the statewide allocation may be made based on shifts of dollars from the center-based fund to the community support fund as requested by providers. Shifts will be adjusted at the starting point for each provider requesting shifts.

The remainder of the state appropriation will be subject to distribution according to the department's application and guidelines for funding.

Wage Level Incentive Bonus

All funds not paid out to providers as a result of underproduction and all funds repaid to the department by providers as the result of final audit adjustments must be used as a performance fund for extended employment providers whose workers' wages meet or exceed the federal minimum wage. The incentive fund must be distributed to each extended employment provider based on the proportionate share of hours of work where the statutory minimum or a higher wage was paid. The ratio is the provider's hours divided by the total hours meeting minimum wage reported by all extended employment providers. The incentives are calculated and paid separately for the center-based and the community support fund. [*Minnesota Rules, 3300.2045*]

See pages 36-38 for qualified hours in supported employment, community employment and center-based employment.

Contracted Allocations

$11,536,000 was appropriated for grant contracts, allocated to certified Extended Employment providers:

Provider	Community Support Fund		Center-based Fund		Total
	Base	New/Exp[8]	Base	New/Exp	
Ability Building Center	619,068	0	225,438	0	844,506
AccessAbility	122,816	0	45,011	0	167,827
Autism Works	0	88,452	0	0	88,452
Cedar Valley Services	337,372	0	202,645	0	540,017
Courage Center	175,128	0	0	0	175,128
Functional Industries	306,968	81,769	94,179	0	482,916
Goodwill / Easter Seals	194,823	80,968	0	0	275,791
Goodwill Industries Vocational Enterprises	159,365	0	190,571	0	349,936
Hennepin County VSP	142,553	0	0	0	142,553
Hope Haven	0	113,241	0	100,755	213,996
Jewish Family/Childrens Svcs	110,436	0	0	0	110,436
KCQ	131,898	0	0	0	131,898
Lifetrack Resources	264,077	0	0	0	264,077
Lifeworks Services	0	68,947	0	0	68,947
Midwest Special Service	38,257	0	15,064	0	53,321
Mankato Rehabilitation Center	1,078,858	0	577,710	0	1,656,568
Occupational Development Ctr	563,772	61,236	255,378	0	880,386
Opportunity Partners	566,116	0	0	0	566,116
Opportunity Services	312,302	79,359	0	0	391,661
ProAct	261,848	0	121,205	0	383,053
Productive Alternatives	537,389	0	120,947	0	658,336
Resource Inc	206,720	33,022	0	0	239,742
Rise	784,624	81,497	74,768	0	940,889
Service Enterprises	84,249	0	0	0	84,249
Tasks Unlimited Building Svcs	755,099	0	0	0	755,099
The Rising Phoenix	30,696	0	0	0	30,696
WACOSA	91,414	0	5,295	0	96,709
West Central Industries	341,870	0	118,341	0	460,211
Winona ORC	385,870	0	96,613	0	482,483
Subtotal (n=29)	$ 8,603,588	$ 688,491	$ 2,143,165	$ 100,755	$ 11,535,999
Fund Total		$ 9,292,079		$ 2,243,920	$ 11,535,999

[8] New or expanded programs (M. Rules, 3300.2030).

New and Expanded Programs

Requirements for New and Expanded Programs

Funding for new or expanded programs. The department shall provide notice of the availability of funding for new or expanded programs through a request for proposals published in the State Register. The department shall make copies of the request for proposals available to a city, town, county, nonprofit corporation, state regional center, or combination thereof. Applicant organizations shall submit an application for a new extended employment program or for expansion of an existing extended employment program. The commissioner shall use the following criteria in reviewing applications for a new or expanded program:

A. The need for the new or expanded program;
B. The relationship of the new or expanded individual program to any current programs in terms of identified needs;
C. The performance of current programs;
D. The geographic distribution of the current programs and the new or expanded program in relationship to geographic needs;
E. Efforts to foster innovation and promote state-of-the-art best practices in supported employment consistent with Minnesota Statutes, section 268A.15, subdivision 6; and
F. The availability or funding for new or expanded programs.

Department review of proposals. The department shall base its decisions on proposals upon objective criteria and a review process that includes representatives of affected county social service agencies; the local vocational rehabilitation office, providers outside the affected service area, representation from racial and ethnic minorities, and advocacy organizations as defined in part 3300.2005, subpart3.

Exception to contracting procedures and adjustment of state grant funds for new or expanded programs. New or expanded programs under this part may be exempt from the contracting procedures in part 3300.2035, subpart 4, item A, and the adjustment of state grant funds in part 3300.2035, subpart 8, for up to three years.

Notice of Request for Proposals

January 7, 2013 the department published notice in the State Register and on the department's website:

"The purpose of this notice is to announce the availability of up to $575,250 for new or expanded Extended Employment programs to target services to un-served and underserved Minnesotans with disabilities. Up to seven awards are projected, averaging $80,866. Funding for the first year will be prorated for the three month period April 1 to June 30, 2013. Continuation funding may be anticipated on an annual basis (July – June) by application and dependent on the provider's performance and continuing progress toward earning contracted allocations through the new and expanded period, ending June 30, 2016.

The eligible employment options for funding under this notice are supported employment and community employment as defined in M. Rules 3300.2005, subparts 35 and 10, respectively, with a preference for supported employment. Persons to be served are Minnesotans who have a severe physical or mental impairment that results in serious limitations to employment in three or more functional areas as determined by a qualified healthcare

professional. There is a preference for serving persons with Autism Spectrum Disorder, Serious Mental Illness and/or Serious and Persistent Mental Illness. There is a preference for providing services to residents outside the seven-county metropolitan area.

Grant funding is available through a state appropriation under Minn. Stat. 268A.15, and administered in accordance with Minnesota Rules, 3300.2005 to 3300.2055.

The RFP and Application Form are necessary to submit a proposal. Both are attached to this email and are available by download from the following DEED webpage COMPETITIVE CONTRACT OPPORTUNITIES. Scroll down to select, 'Extended Employment Ongoing Support Grants'…."

Proposals were not accepted for consideration after 4:30 p.m. February 21, 2013.

Summary of Proposals

The department received fourteen (14) proposals for approximately $1.8 million, roughly three times the amount of funding available.

As described in the RFP, funds were designated for supported employment and community employment as defined in Minnesota Rules, 3300.2005. Preference was given to supported employment programs targeting Minnesotans with Autism Spectrum Disorder, Serious Mental Illness or Serious and Persistent Mental Illness, and residents outside the seven-county metropolitan area. Additional consideration was given to proposals that aimed for incomes above the poverty level and served ethnic or racial groups or persons with complicating factors, such as non-English speakers or persons with criminal records.

Proposals ranged from $41,126 to $506,520. All included supported employment projects, totaling $1,788,696. There were three proposals for community employment, totaling $57,335. The geographic distribution included nine (9) proposals exclusively outside the seven-county metro area, two (2) exclusively within the metro area, and three (3) proposed services in both metro and outstate areas.

Objective Criteria and Review Process

Criteria. VRS approved the 2013 VRS Extended Employment Program Funding Priorities, September, 2012. The RFP identified the selection criteria based on VRS' funding priorities and Minnesota Rules, 3300.2030, subpart 1. A rating sheet was developed to ensure a uniform system for the evaluation of proposals.

Review Group. Dee Torgeson and Roland Root, regional area managers, served as the local VR program representatives. Jeff Bangsberg served as the advocate representative. Since the RFP targeted services to outstate Minnesota, it was impossible to identify a single county representative from the affected services area. So it was decided to select a county representative from the metro area who was unlikely to have a conflict of interest. Tim Hammond, Ramsey County contract manager, served as the county representative. Abbie Wells-Herzog and Claire Courtney served as the minority representatives for persons with autism and mental illness, respectively. Wendy Keller served as an EE program representative. Anita Kavitz served as an EE program representative and technical advisor to the group. John Sherman served as a member-at-large. External reviewers signed confidentiality agreements.

2013 Proposals Funded

The facilitated review group conducted the analysis of proposals and made recommendations to the VRS management team who selected the following eight (8) proposals and authorized grant awards. Grant contracts were effective April 1, 2013 except Lifeworks Services which was effective May 1, 2013. These grantees are entitled to three full years (thru June 30, 2016) to develop the program capacity described below.

Goodwill/Easter Seals of MN - $80,968 to provide up to 21,420 hours of Supported Employment	
Persons served:	Approximately, 45 persons who have additional complicating factors, including: criminal records, non-English speaking, multiple diagnoses, transition-age youth, aging workers, etc.
Primary disability:	Autism spectrum (60%), and Serious Mental Illness or SPMI (40%)
County of residence:	Blue Earth, Chippewa, Kandiyohi, Le Sueur, McLeod, Meeker, Nicollet, Renville, and Swift
Referral source:	VRS (80%), and County Social Service agencies (20%)
Functional Industries - $81,769 to provide up to 21,632 hours of Supported Employment	
Persons served:	Approximately, 13 persons who are not reported workers in the MN Extended Employment Program, of which some may also be transition-age
Primary disability:	Autism spectrum
County of residence:	Benton, McLeod, Meeker, Sherburne, Stearns, Wright
Referral source:	VRS
Rise - $81,497 to provide up to 21,560 hours of Supported Employment	
Persons served:	Approximately, 35 persons who are not reported workers in the MN Extended Employment Program, where over 90% have criminal records
Primary disability:	Serious Mental Illness or SPMI (60%) and Chemical dependency, Autism, Physical (40%)
County of residence:	Benton, Sherburne, Stearns, Wright
Referral source:	VRS (60%), and Department of Corrections, County Social Service agencies, and Half-way houses (40%)
Autism Works - $88,452 to provide up to 23,400 hours of Supported Employment	
Persons served:	Approximately, 18 Minnesotans with a most severe disability
Primary disability:	Autism spectrum
County of residence:	Kandiyohi
Referral source:	VRS

Lifeworks Services - $68,947 to provide up to 18,240 hours of Supported Employment	
Persons served:	Approximately, 19 Minnesotans with a most severe disability
Primary disability:	Autism spectrum (80%), and Multiple diagnoses (20%)
County of residence:	Blue Earth, Brown, Nicollet, Sibley, Waseca, Watonwan
Referral source:	VRS (80%), and County Social Service agencies (20%)
Resource - $33,022 to provide up to 8,736 hours of Supported Employment	
Persons served:	Approximately, 7 persons who are not reported workers in the MN Extended Employment Program
Primary disability:	Serious Mental Illness or SPMI (75%), and Autism, TBI, Learning Disability (25%)
County of residence:	Benton, Meeker, Morrison, Sherburne, Stearns, Wright
Referral source:	VRS (60%), and Mental Health Center (40%)
Opportunity Services - $79,359 to provide up to 20,994 hours of Supported Employment	
Persons served:	Approximately, 17 persons who are not reported workers in the MN Extended Employment Program
Primary disability:	Autism spectrum (40%), and Serious Mental Illness or SPMI (60%)
County of residence:	Olmstead
Referral source:	VRS (75%), and County Social Service agencies and High schools (25%)
Occupational Development Center - $61,236 to provide up to 16,200 hours of Supported Employment	
Persons served:	Approximately, 30 persons who are not reported workers in the MN Extended Employment Program
Primary disability:	Serious Mental Illness or SPMI (40%)
County of residence:	Pennington, Polk, Red Lake, Roseau
Referral source:	VRS

Final Year of 2010-13 New Program Awards

In addition to the new and expanded programs resulting from the January 2013 request for proposals, the department continues to fund Hope Haven's new program, effective January 1, 2010. The grantee is entitled to three years (thru June 30, 2013) to develop the program capacity described below.

Hope Haven - $113,926 to provide Community Employment and Supported Employment
- $101,364 to provide up to 56,628 hours of Center-based Employment

Persons served:	Approximately, 87 EE workers displaced as a result of the Mankato Rehabilitation Center's termination of operations in Worthington, MN
Primary disability:	Developmental disabilities, Serious Mental Illness, etc.
County of residence:	Nobles, Cottonwood, Jackson, Murray, Rock, Pipestone, Watonwan, and surrounding Minnesota counties
Referral source:	VRS, County Social Service agencies, Schools, etc.

Hope Haven did not produce the work hours necessary to earn its contracted allocation from the Community Support Fund or the Center-based Fund. Hope Haven under-produced by 21%, and 17%, in CSF and CBF respectively.

SFY13 New and Expanded Allocations

Provider	Community Support Fund	Center-based Fund	Total
Autism Works	88,452	0	88,452
Functional Industries	81,769	0	81,769
Goodwill / Easter Seals	80,968	0	80,968
Hope Haven	113,241	100,755	213,996
Lifeworks Services	68,947	0	68,947
Occupational Development Center	61,236	0	61,236
Opportunity Services	79,359	0	79,359
Resource	33,022	0	33,022
Rise	81,497	0	81,497
Total (n=9)	$ 688,491	$ 100,755	$ 789,246

Center-based Funds Earned

Ten (10) of fifteen (15) providers earned their contracted allocations for state fiscal year 2013. Those providers were entitled to SFY14 contracts at SFY13 levels, and were eligible to apply for new/expanded funds, if the total underproduction reached 1% of the CBF allocation and the Department issued a Request-for-proposals (RFP) for Center-based Employment in state fiscal year 2014. No RFP was issued.

Under-production was 2.7% of contracted CBE funds, contributing $59,721 to the CBF Wage Incentive bonus to be distributed to providers based on their proportionate share of the highest wages earned by workers, at or above minimum, from July 1, 2011 through June 30, 2013.

Providers	Accepted CBE Hours[9]	Value of Accepted Hours[10]	CBF Contracted Allocation	+/- Contract	
				Dollars	Percent
Mankato Rehabilitation Center	391,208	700,262	577,710	122,552	21%
Productive Alternatives	114,384	204,748	120,947	83,801	69%
Goodwill Industries Vocational Enterprises	150,980	270,254	190,571	79,683	42%
Ability Building Center	139,131	249,044	225,438	23,606	10%
Rise	44,155	79,037	74,768	4,269	6%
Functional Industries	54,057	96,762	94,179	2,583	3%
Occupational Development Center	143,981	257,725	255,378	2,347	1%
Midwest Special Service	9,024	16,153	15,064	1,089	7%
WACOSA	2,973	5,322	5,295	27	1%
ProAct	67,669	121,127	121,205	(78)	-.1%
Winona ORC	50,281	90,003	96,613	(6,610)	-7%
AccessAbility	21,220	37,983	45,011	(7,028)	-16%
West Central Industries	59,051	105,701	118,341	(12,640)	-11%
Cedar Valley Services	104,079	186,301	202,645	(16,344)	-8%
Hope Haven (New/Expanded)	46,778	83,733	100,755	(17,022)	-17%
Total (n=15)	$1,398,971	$2,504,155	$2,243,920	$260,235	
Under-production				(59,721)	2.7%

[9] "Accepted hours" is the provider's reported hours less variances that resulted from non-compliance with audit criterion.
[10] "Value of Accepted Hours" is accepted hours multiplied by the statewide uniform rate for CBE.

Community Support Funds Earned

Eighteen (18) providers earned contracted allocations, one (1) came within 5%. Those were entitled to SFY14 contracts at SFY13 levels and were eligible to apply for new/expanded funds, if the total underproduction reached 1% of the CSF allocation and a Request-for-proposals was issued. None was.

Under-production was 9% of contracted CSF allocations, contributing $836,970 to the CSF Wage Incentive bonus to be distributed to providers based on their proportionate share of the highest wages earned by workers, at or above minimum, from July 1, 2012 through June 30, 2013.

Providers	Accepted Hours		Value of Accepted Hours	CSF Contract	+/- Contract	
	SE	CE			Dollars	Percent
Goodwill - Easter Seals	89,599	52	338,853	194,823	144,030	74%
Opportunity Services	58,500	62,287	422,941	312,302	110,639	35%
Tasks Unlimited Building Services	220,252	8,987	861,672	755,099	106,573	14%
Mankato Rehabilitation Center	198,003	131,083	1,173,162	1,078,858	94,304	9%
Functional Industries	18,551	100,530	395,842	306,968	88,874	29%
Rise	146,273	85,459	829,800	784,624	45,176	6%
Hennepin County VSP	48,699	0	184,083	142,553	41,530	29%
WACOSA	19,618	14,451	120,976	91,414	29,562	32%
Lifetrack	76,572	0	289,441	264,077	25,364	10%
Opportunity Partners	155,683	638	590,550	566,116	24,434	4%
Occupational Development Center	80,127	85,497	579,890	563,772	16,118	3%
AccessAbility	18,664	20,899	138,265	122,816	15,449	13%
Winona ORC	40,898	75,120	397,982	385,870	12,112	3%
Jewish Family/Childrens Svcs of Mpls	31,751	0	120,017	110,436	9,581	9%
Midwest Special Services	7,560	5,349	45,908	38,257	7,651	20%
Resource	55,168	0	208,535	206,720	1,815	1%
KCQ	20,189	17,522	133,086	131,898	1,188	1%
Productive Alternatives	97,039	52,363	536,463	537,389	(926)	0%
The Rising Phoenix	3,499	4,125	26,593	30,696	(4,103)	-13%
Goodwill Voc. Industries Enterprises	25,635	17,238	152,752	159,365	(6,613)	-4%
Service Enterprises	2,520	19,675	73,271	84,249	(10,978)	-13%
Courage Center	42,040	0	158,913	175,128	(16,215)	-9%
Cedar Valley Services	4,658	93,025	319,010	337,372	(18,362)	-5.4%
ProAct	23,837	38,347	214,349	261,848	(47,499)	-18%
West Central Industries	26,166	54,797	276,450	341,870	(65,420)	-19%
Ability Building Center	72,896	83,930	547,479	619,068	(71,589)	-12%
New/Expanded Programs (n = 9)	6,169	21,577	93,227	688,491	(595,264)	-87%
Total (n = 29)	1,590,566	992,951	$9,229,510	$9,292,079	($62,569)	
Under-production					(836,970)	-9%

New and Expanded Community Support Funds Earned

Nine (9) providers did not earned contracted allocations for their New/Expanded programs. However, eight (8) of the programs received grant awards in April/May 2013 and are exempted from the contract starting point rule (the lesser of contract or production) until SFY2017. Hope Haven's New/Expanded program ended June 30, 2013.

Under-production from the New/Expanded programs contributed $595,265 or 71% of the total CSF Wage Incentive bonus to be distributed in SFY14 to providers based on their proportionate share of the highest wages earned by workers, at or above minimum, from July 1, 2012 through June 30, 2013.

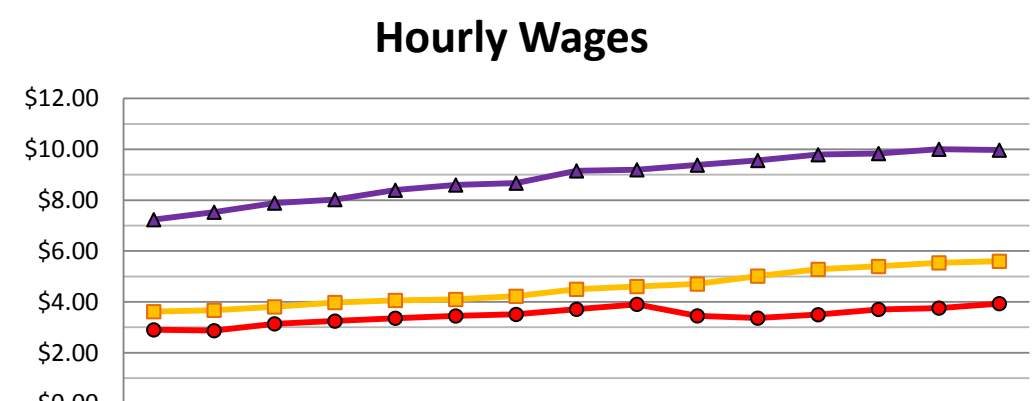
Provider (N/E Program Period)	Accepted Hours[11]		Value of Accepted Hours[12]	CSF Contract	+/- Contract	
	SE	CE			Dollars	Percent
Hope Haven (January 1, 2010 - June 30, 2013)	5,144	21,577	89,352	113,241	(23,889)	-21%
Autism Works (April 1, 2013 - June 30, 2016)	0	0	0	88,452	(88,452)	-100%
Functional Industries (April 1, 2013 - June 30, 2016)	62	0	234	81,769	(81,535)	-100%
Goodwill/Easter Seals (April 1, 2013 - June 30, 2016)	0	0	0	80,968	(80,968)	-100%
Lifeworks Services (May 1, 2013 - June 30, 2016)	0	0	0	68,947	(68,947)	-100%
Occupational Development Center (April 1, 2013 - June 30, 2016)	0	0	0	61,236	(61,236)	-100%
Opportunity Services (April 1, 2013 - June 30, 2016)	552	0	2,087	79,359	(77,272)	-97%
Resource (April 1, 2013 - June 30, 2016)	378	0	1,427	33,022	(31,595)	-96%
Rise (April 1, 2013 - June 30, 2016)	33	0	126	81,497	(81,371)	-100%
Total (n = 9)	6,169	21,577	$93,226	$688,491	($595,265)	87%

[11] "Accepted hours" is the provider's reported hours less variances that resulted from non-compliance with audit criterion.
[12] "Value of Accepted Hours" is accepted hours multiplied by the statewide uniform rates for SE and CE.

Program Trends and Analysis

Hourly Wages and Annual Incomes of Workers

The tables compare the most widely accepted outcome of employment, personal income, and how it has changed over the past fourteen years for the average EE worker in different employment settings.

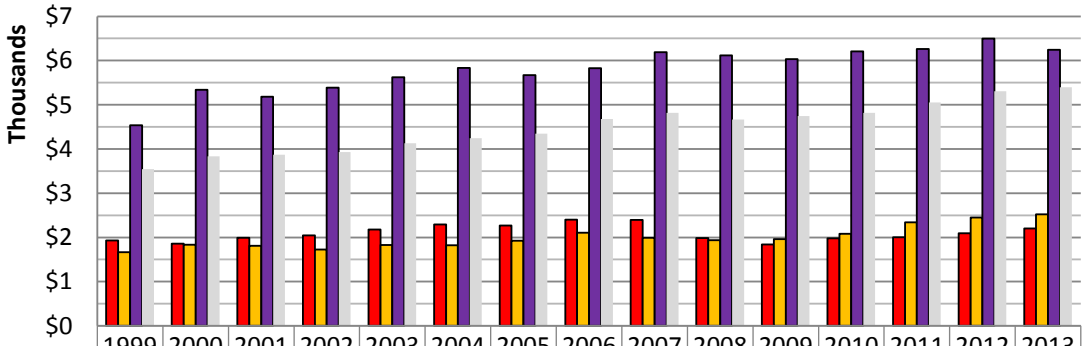


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
SE	7.24	7.53	7.89	8.03	8.39	8.60	8.67	9.15	9.20	9.38	9.56	9.79	9.84	10.0	9.97
CE	3.62	3.67	3.81	3.98	4.06	4.10	4.22	4.50	4.60	4.70	5.01	5.28	5.40	5.54	5.60
CBE	2.90	2.87	3.14	3.25	3.36	3.45	3.51	3.71	3.90	3.45	3.36	3.50	3.70	3.76	3.93

2013 **CBE** average wage was $3.93, up $1.03 (36%) since 1999.

2013 **CE** average wage was $5.60, up $1.98 (55%).

2013 **SE** average wage, $9.97, dropped from 2012, but is still up $2.73 (38%) since 1999.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CBE	1,933	1,857	1,994	2,047	2,177	2,290	2,271	2,401	2,393	1,983	1,841	1,981	2,002	2,094	2,203
CE	1,665	1,832	1,809	1,724	1,828	1,824	1,923	2,106	1,993	1,936	1,959	2,084	2,340	2,449	2,522
SE	4,534	5,337	5,179	5,388	5,620	5,836	5,670	5,829	6,191	6,114	6,035	6,205	6,263	6,494	6,241
ALL	3,543	3,833	3,868	3,933	4,130	4,242	4,349	4,677	4,815	4,665	4,743	4,816	5,050	5,304	5,396

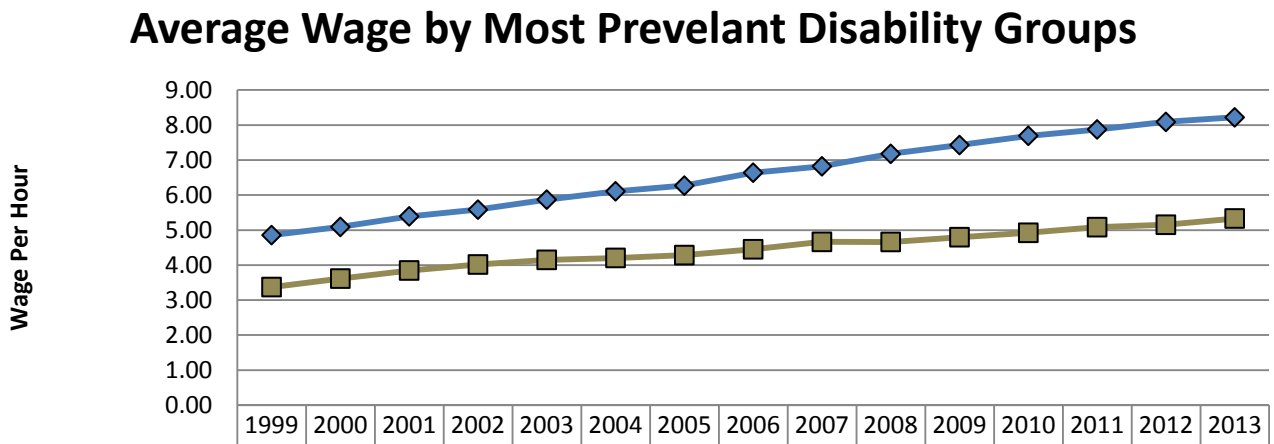
Workers' average annual income from **CBE** has increased by $269 (14%) in 15 years.

Income in **SE** increased by $1,707 (38%); and **CE** by $857 (51%).

ALL is total wages divided by total workers.

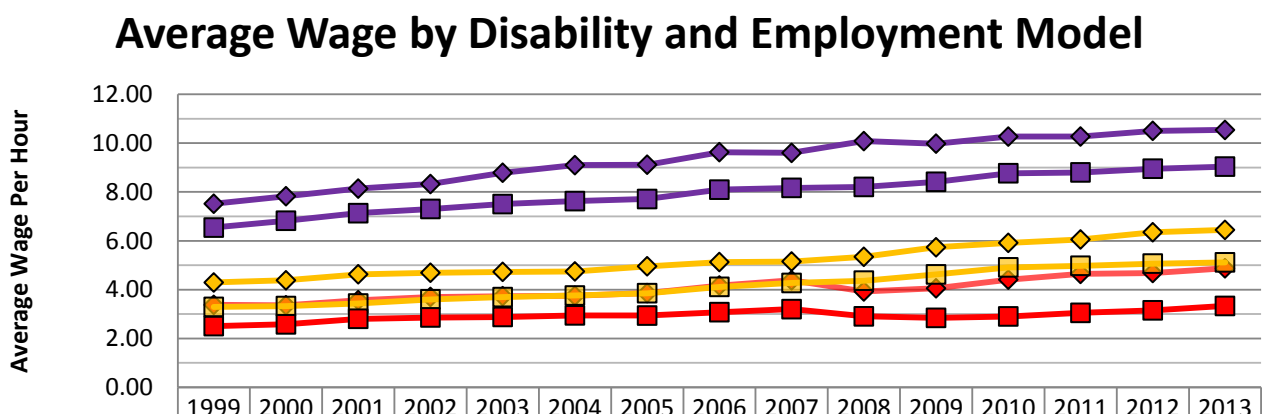
Wage History by Prevalent Disability Group and Employment Model

The first table displays the difference between average hourly wages earned in Extended Employment (SE, CE, and CBE) by persons reported to have a mental illness or neurodevelopmental intellectual disability. Although earnings have increased for both groups, the rate of increase is significantly greater for persons with a mental illness diagnosis.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mental Illness	4.86	5.09	5.39	5.58	5.87	6.11	6.27	6.64	6.82	7.18	7.43	7.69	7.87	8.09	8.22
Intellectual	3.37	3.61	3.85	4.02	4.15	4.20	4.28	4.45	4.66	4.66	4.80	4.92	5.08	5.15	5.33

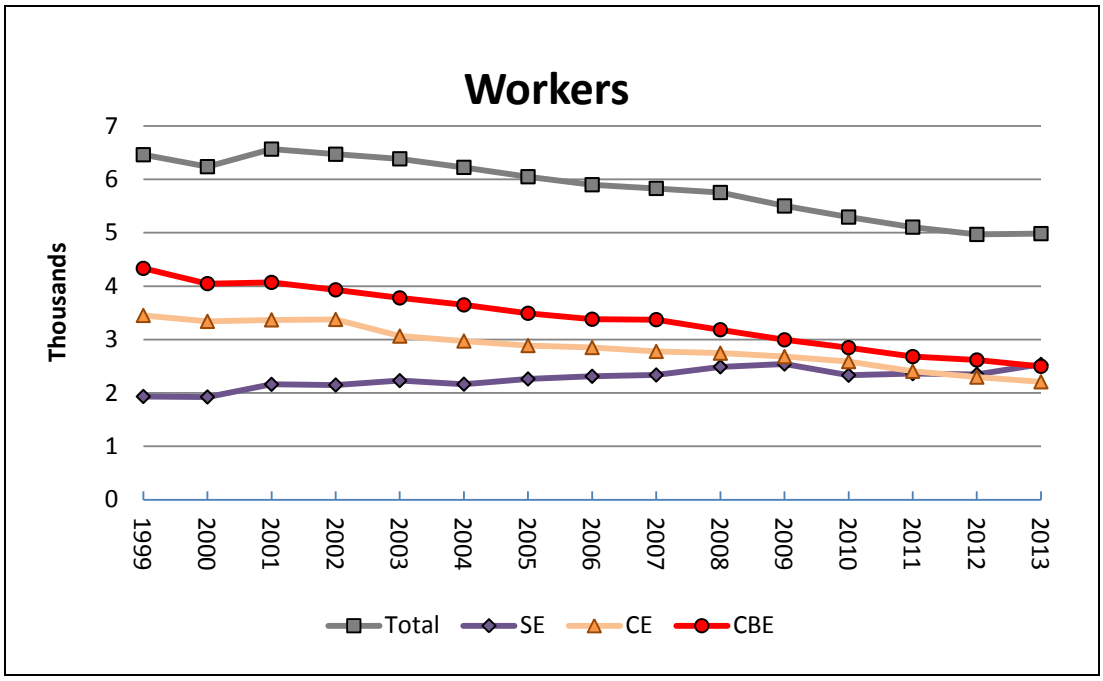
The table demonstrates, regardless of disability, persons employed in supported employment earn significantly higher wages than persons in less integrated employment models.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
MI - SE	7.52	7.83	8.14	8.32	8.79	9.10	9.12	9.63	9.60	10.08	9.98	10.27	10.27	10.50	10.54
MI - CE	4.29	4.38	4.63	4.69	4.73	4.75	4.96	5.13	5.15	5.34	5.73	5.92	6.06	6.35	6.45
MI - CBE	3.38	3.36	3.57	3.70	3.73	3.75	3.86	4.17	4.38	3.92	4.05	4.41	4.64	4.68	4.87
ID - SE	6.54	6.82	7.13	7.30	7.50	7.63	7.71	8.09	8.17	8.21	8.42	8.77	8.80	8.95	9.04
ID - CE	3.29	3.33	3.43	3.60	3.69	3.76	3.85	4.11	4.27	4.37	4.62	4.91	4.98	5.07	5.12
ID - CBE	2.51	2.58	2.81	2.86	2.88	2.95	2.94	3.08	3.20	2.91	2.84	2.90	3.05	3.15	3.33

Workers, Hours and Wage Comparisons

Provider-reported data, collected since the implementation of the EE performance-based funding system provides a unique perspective of program trends over time.

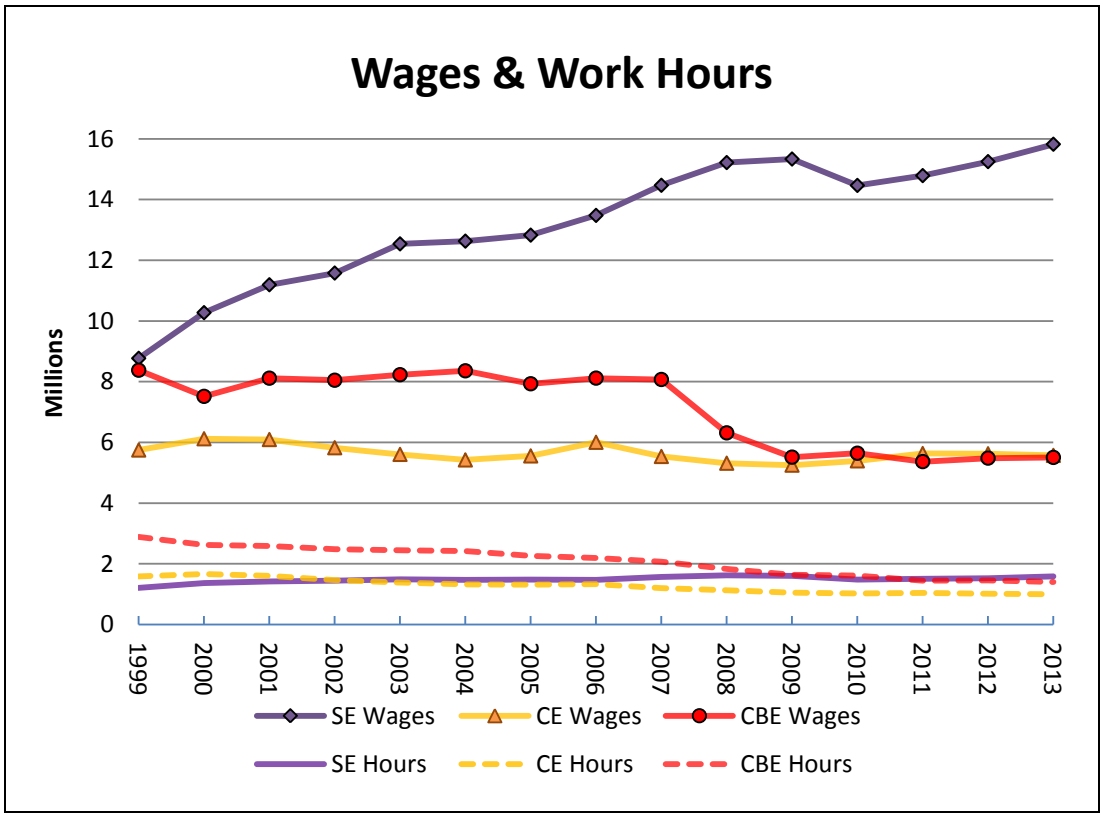


Total is an unduplicated count. The program is down 1,478 workers (23%) since 1999.

CBE is down 42% (1,834 workers)

CE is down 36% (1,243 workers)

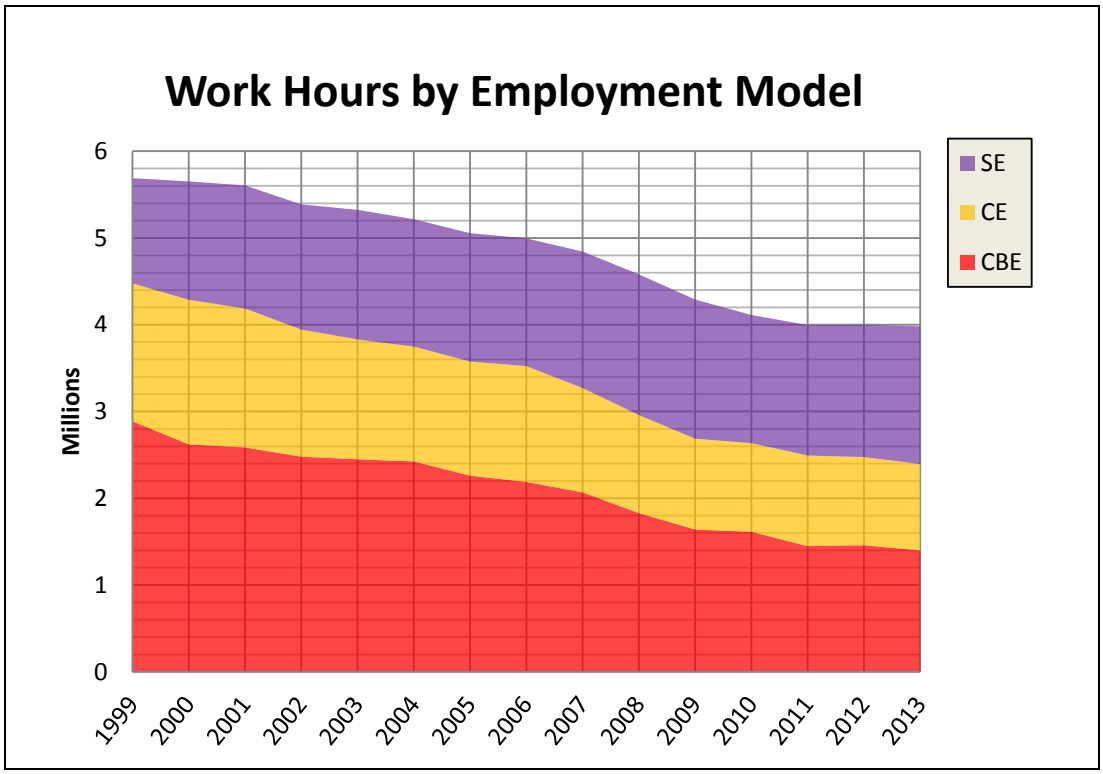
SE is the only model to show growth at 31% (601 additional workers since 1999).



SE workers benefit from increasing incomes, despite relatively stable numbers of workers and work hours.

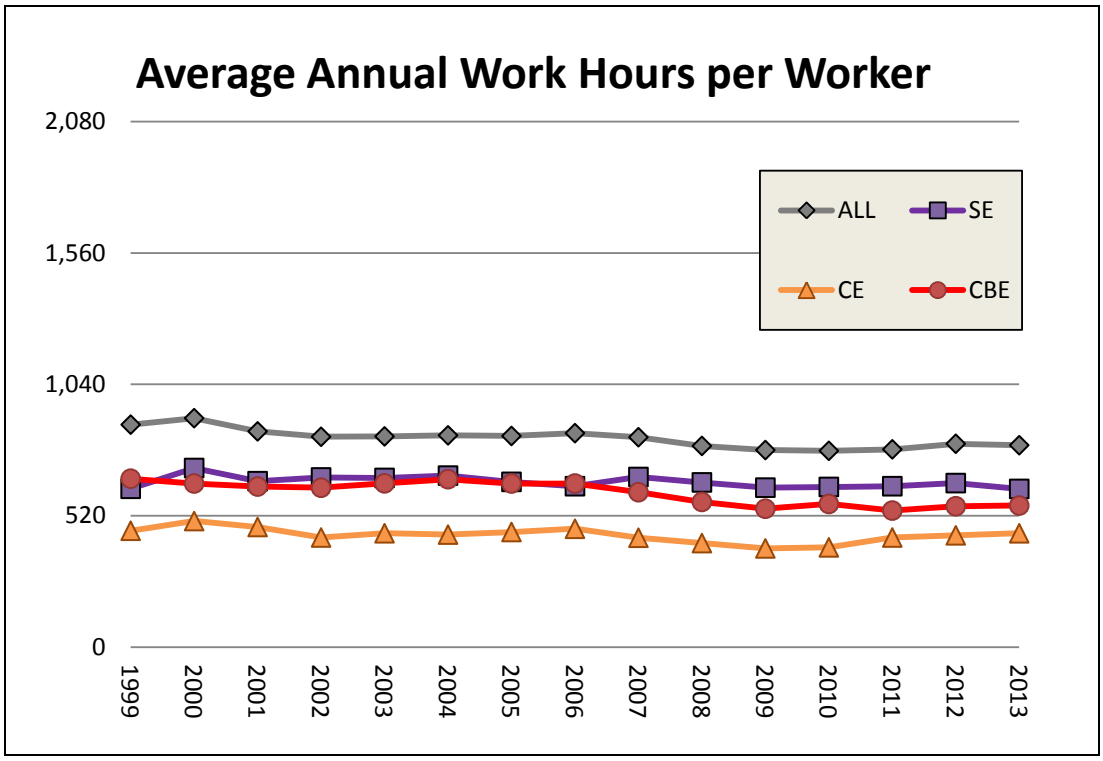
CBE wages appear least recession-proof. In 2008 workers lost $1.7 million wages (22%), markedly dis-proportionate to the 5% reduction in workers and 11% in work hours.

CE wages appear positively affected by a recessionary economy.



The change in work hours is relatively consistent with the change in workers.

The largest change occurring in CBE, down 1.5 million hours (51.5%) since 1999.



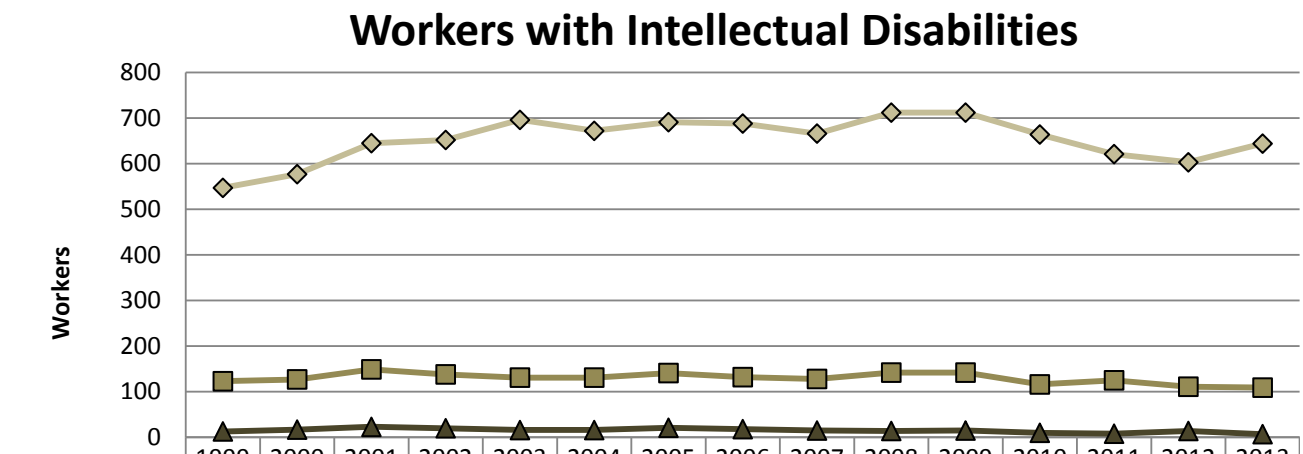
ALL is the unduplicated number of hours across all settings.

The average annual work hours have dropped by 40 hours (9%) since 1999.

The average EE worker is employed less than half-time (800 hrs/yr) in ALL settings.

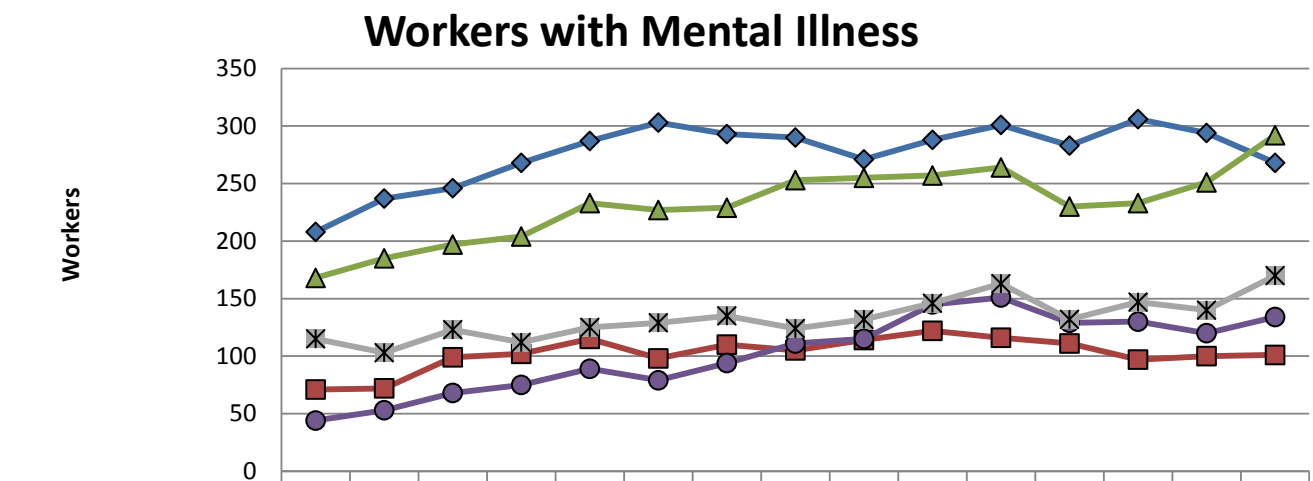
Supported Employment – Persons Served by Primary Disability

Over the last 15 years, the average share of workers served with a neurodevelopmental intellectual disability, by severity is: Mild 82%, Moderate 16%, and Severe 2%.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mild	547	577	645	652	696	672	691	688	666	712	712	664	621	603	644
Moderate	123	127	149	138	131	131	141	132	128	142	142	116	125	111	109
Severe	13	17	23	20	16	16	21	18	15	14	15	10	8	14	7

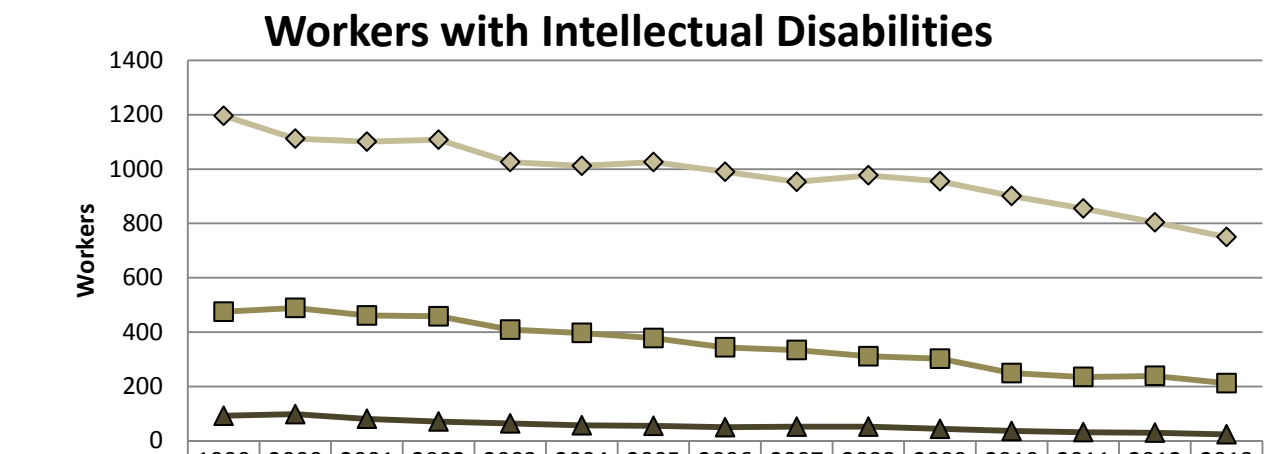
Over the last 15 years, the average share of workers served with a mental illness disability, categorized by prevalence, is: Schizophrenia 33%, Depressive 27%, Bipolar/cyclothymic 12%, and others 28%.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Schizophrenia	208	237	246	268	287	303	293	290	271	288	301	283	306	294	268
Depressive	168	185	197	204	233	227	229	253	255	257	264	230	233	251	292
Other psychotic	71	72	99	102	115	98	110	105	114	122	116	111	97	100	101
Bipolar, cyclthymic	44	53	68	75	89	79	94	111	115	145	151	129	130	120	134
Other	115	103	123	112	125	129	135	124	132	146	163	132	147	140	170

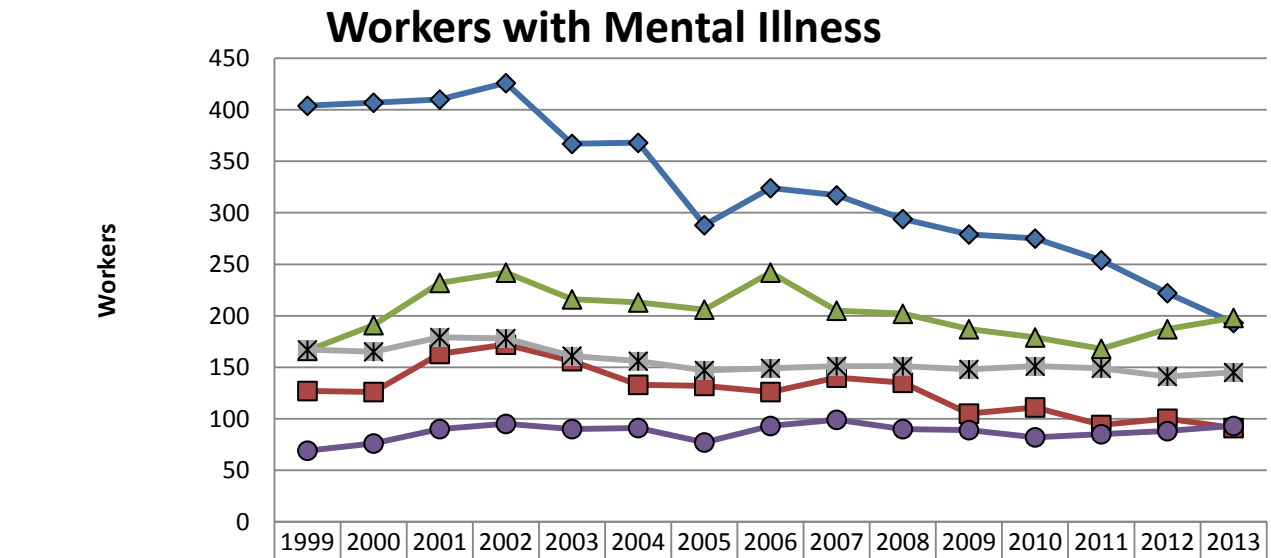
Community Employment – Persons Served by Primary Disability

Over the last 15 years, the average share of workers served with a neurodevelopmental intellectual disability, by severity is: Mild 72%, Moderate 25%, and Severe 3%.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mild	1196	1112	1101	1108	1026	1012	1026	990	953	977	955	901	855	804	750
Moderate	475	489	461	458	409	397	378	344	334	311	302	249	235	239	212
Severe	92	98	81	71	64	57	55	50	52	52	44	36	32	30	24

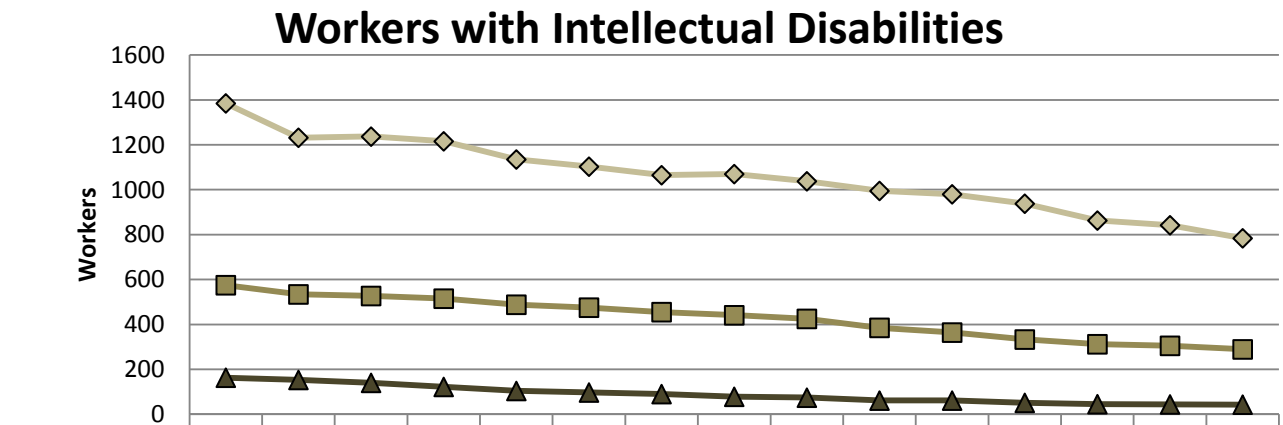
Workers with a diagnosis of Schizophrenia, served in community employment, have declined by 50% over the last 15 years. Other MI disability populations have remained relatively stable in this program.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Schizophrenia	404	407	410	426	367	368	288	324	317	294	279	275	254	222	193
Depressive	166	191	232	242	216	213	206	242	205	202	187	179	168	187	198
Other psychotic	127	126	163	172	156	133	132	126	140	135	105	111	94	100	91
Bipolar, cyclthymic	69	76	90	95	90	91	77	93	99	90	89	82	85	88	93
Other	167	165	179	178	161	156	147	149	151	151	148	151	149	141	145

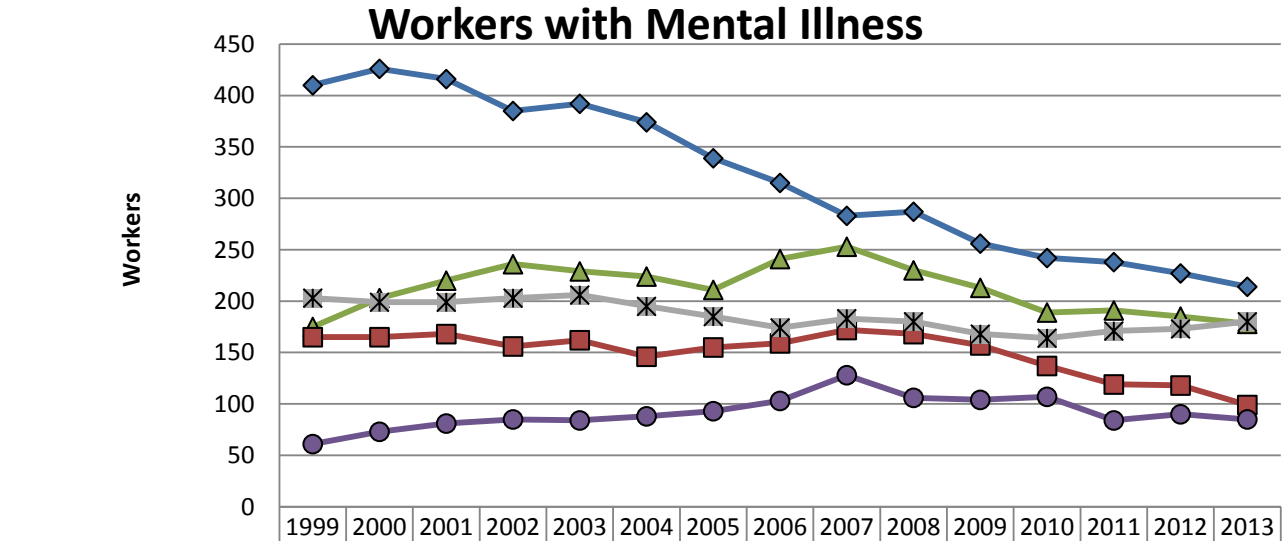
Center-based Employment – Persons Served by Primary Disability

Over the last 15 years, the average share of workers served with a neurodevelopmental intellectual disability, by severity is: Mild 68%, Moderate 27%, and Severe 5%.



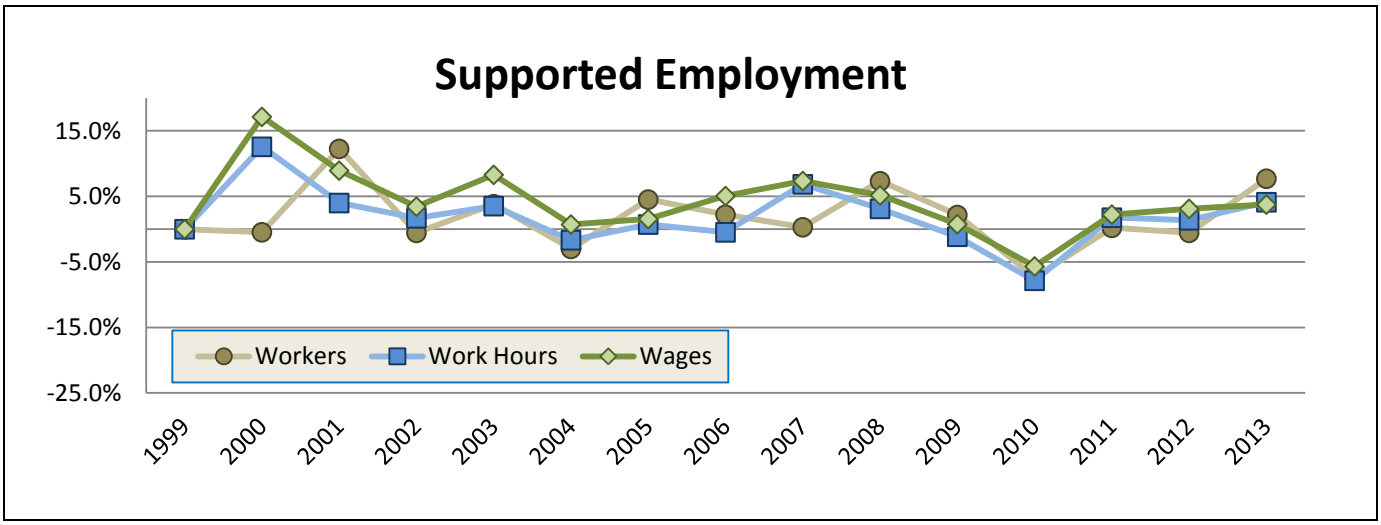
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mild	1385	1232	1237	1216	1135	1103	1065	1070	1038	995	980	938	863	842	784
Moderate	575	534	527	515	488	475	455	441	425	385	364	333	312	305	289
Severe	163	153	140	122	104	97	90	78	74	61	61	51	45	44	43

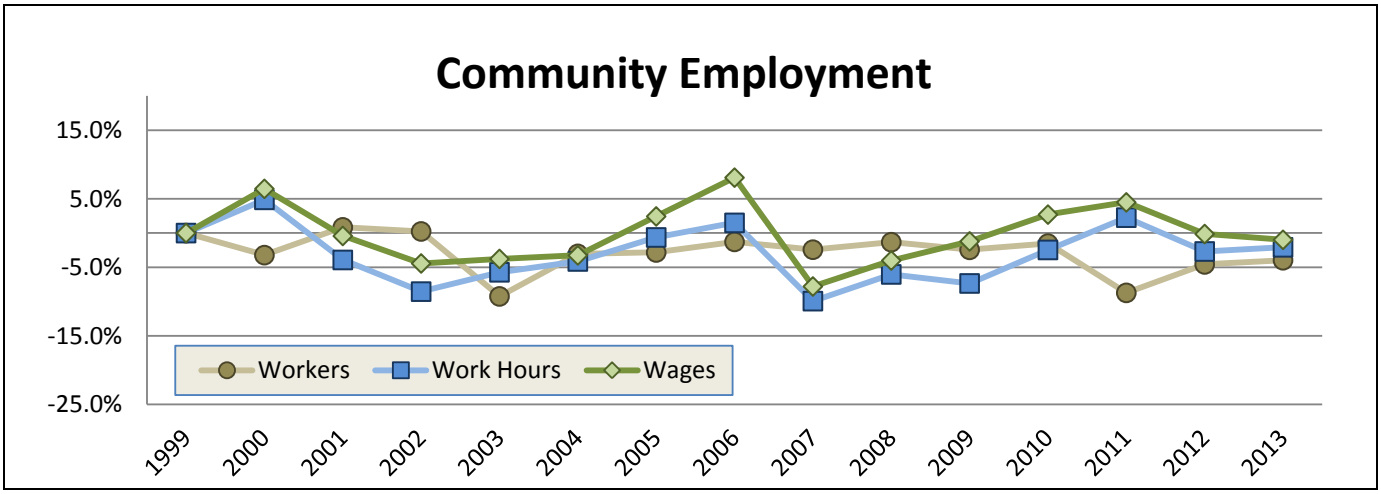
Workers with a diagnosis of Schizophrenia, served in community employment, have declined by 50% over the last 15 years. Other psychotic disorders have declined by 60%; others are relatively stable.

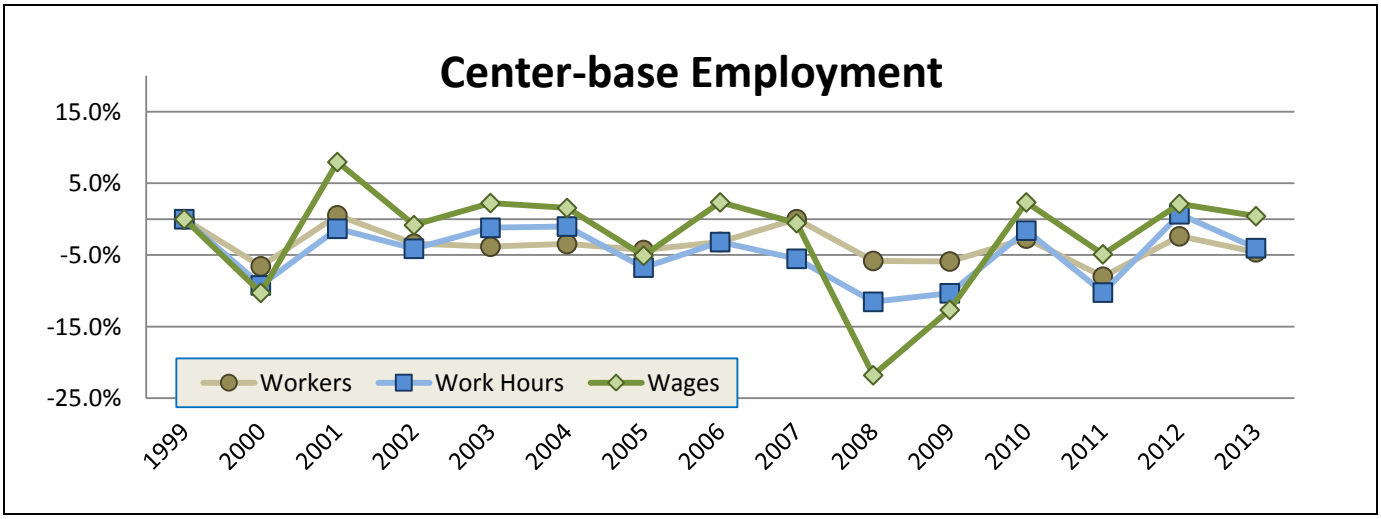


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Schizophrenia	410	426	416	385	392	374	339	315	283	287	256	242	238	227	214
Depressive	175	203	220	236	229	224	211	241	253	230	213	189	191	185	178
Other psychotic	165	165	168	156	162	146	155	159	172	168	157	137	119	118	99
Bipolar, cyclthymic	61	73	81	85	84	88	93	103	128	106	104	107	84	90	85
Other	203	199	199	203	206	195	185	174	183	180	168	164	171	173	180

Changes in Key Factors

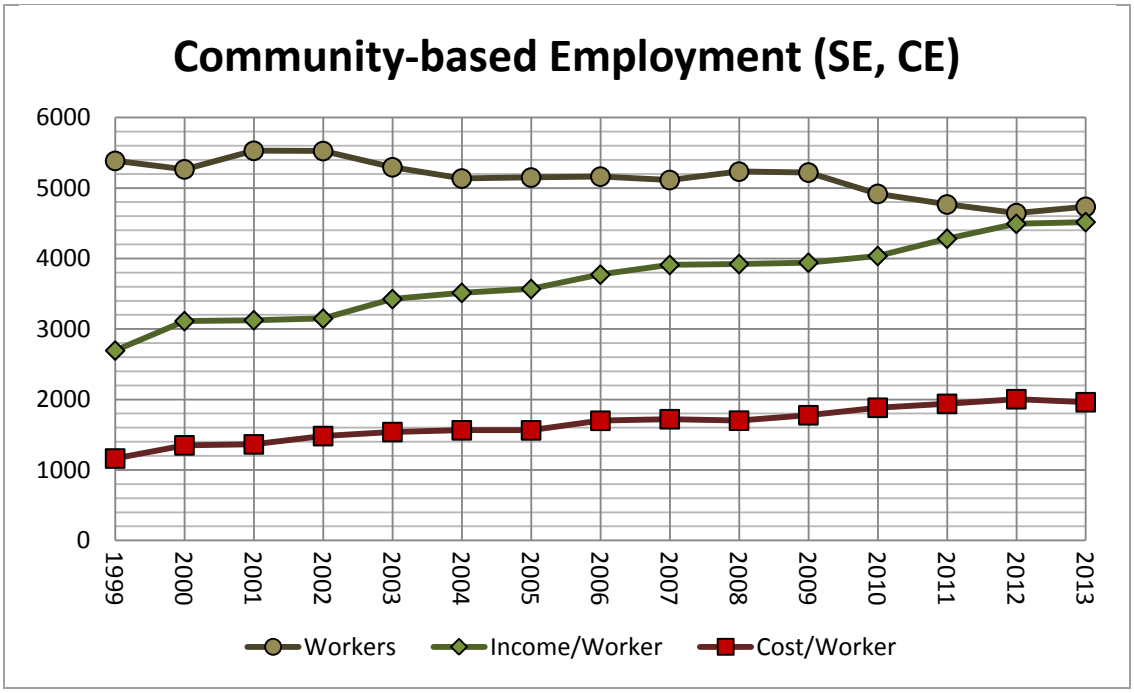






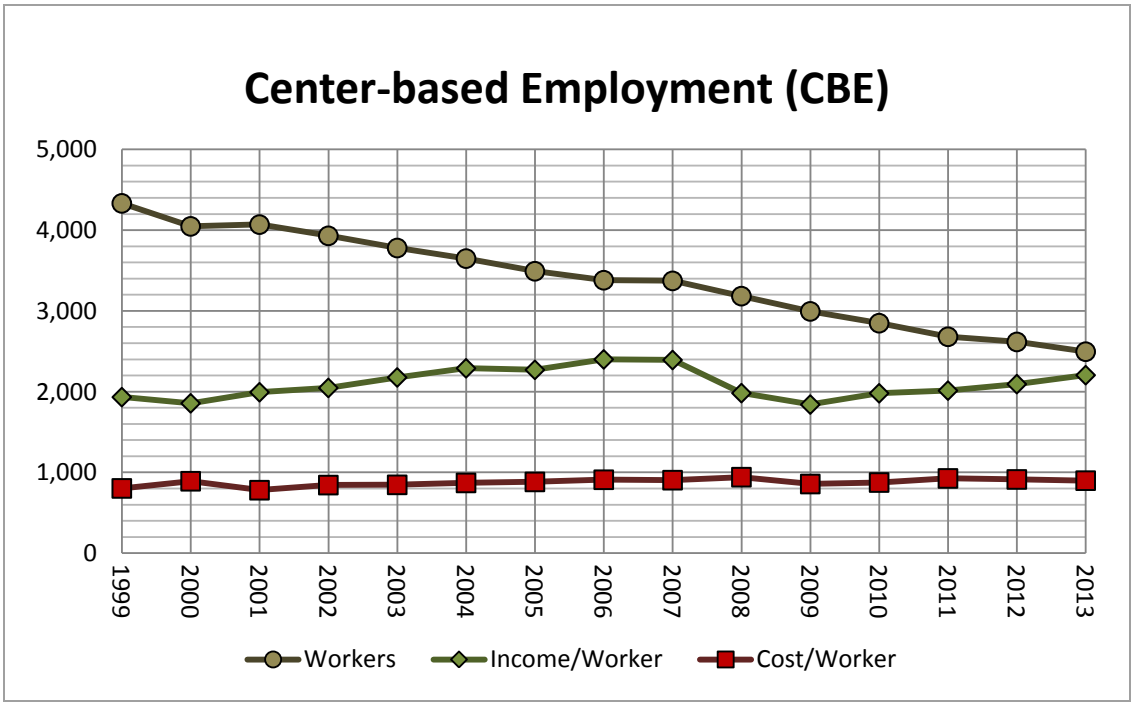
1999 – 2013 Cost-Benefit Comparison

The charts use the annual summary data on the next page to compare costs and benefits of services in community-based and center-based work settings.



Income/Worker is annual wages earned by program participants divided by the number of participants, resulting in the average annual income from work… a benefit of the program.

Cost/Worker is the total annual program allocations divided by participants.



The personal income of workers in community-based settings is significantly greater than the benefits to workers in center-based employment. It also appears to offer a greater return on public dollars and a steadily increasing positive trend.

Historical Cost-Benefit Data

Community Support Fund							
Year	Workers	Hours	Wages	EE Grants	Cost Per Worker	Income per Worker	ROI
1999	5,386	2,801,356	14,517,493	6,270,927	1,164	2,695	232%
2000	5,266	3,030,952	16,391,964	7,114,258	1,351	3,113	230%
2001	5,530	3,020,158	17,285,293	7,545,870	1,365	3,126	229%
2002	5,526	2,907,272	17,401,373	8,190,435	1,482	3,149	212%
2003	5,296	2,874,456	18,142,762	8,150,869	1,539	3,426	223%
2004	5,136	2,792,314	18,051,337	8,035,758	1,565	3,515	225%
2005	5,150	2,794,439	18,380,142	8,052,184	1,564	3,569	228%
2006	5,163	2,807,047	19,480,028	8,776,086	1,700	3,773	222%
2007	5,115	2,775,473	20,004,342	8,805,607	1,722	3,911	227%
2008	5,234	2,751,908	20,531,067	8,904,392	1,701	3,923	231%
2009	5,221	2,650,301	20,583,788	9,284,302	1,778	3,942	222%
2010	4,918	2,498,479	19,855,364	9,267,058	1,884	4,037	214%
2011	4,768	2,547,492	20,419,940	9,246,748	1,939	4,283	221%
2012	4,645	2,540,130	20,873,624	9,316,094	2,006	4,494	224%
2013	4,735	2,581,924	21,391,638	9,292,079	1,962	4,518	230%
Ave	5,139	2,758,247	18,887,344	8,416,844	1,648	3,698	224%

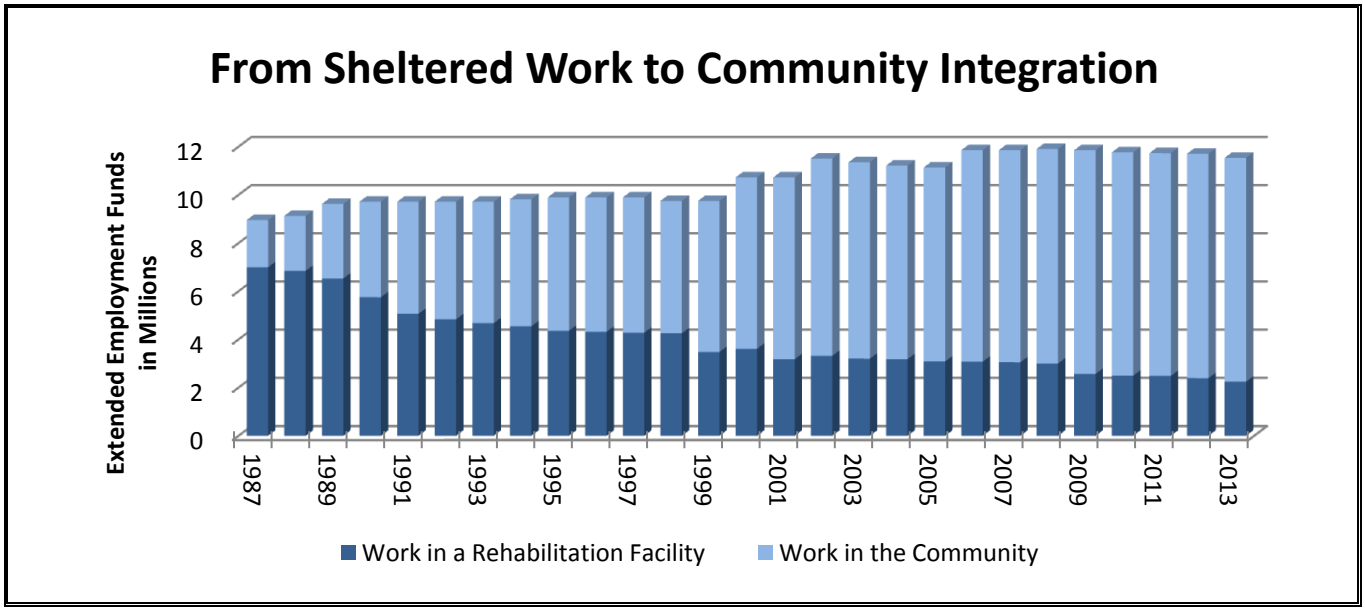
Center-based Employment Fund							
Year	Workers	Hours	Wages	EE Grants	Cost Per Worker	Income per Worker	ROI
1999	4,333	2,887,752	8,376,993	3,478,073	803	1,933	241%
2000	4,048	2,620,969	7,515,486	3,609,742	892	1,857	208%
2001	4,070	2,586,071	8,114,897	3,178,130	781	1,994	255%
2002	3,931	2,479,436	8,047,414	3,318,870	844	2,047	242%
2003	3,780	2,449,593	8,228,555	3,201,752	847	2,177	257%
2004	3,649	2,424,601	8,357,480	3,177,965	871	2,290	263%
2005	3,492	2,260,823	7,930,676	3,084,666	883	2,271	257%
2006	3,381	2,188,583	8,116,809	3,077,853	910	2,401	264%
2007	3,373	2,067,650	8,071,854	3,051,854	905	2,393	264%
2008	3,184	1,829,185	6,313,308	2,998,984	942	1,983	211%
2009	2,995	1,640,024	5,513,920	2,568,121	857	1,841	215%
2010	2,849	1,613,908	5,643,111	2,495,363	876	1,981	226%
2011	2,681	1,448,645	5,366,474	2,483,462	926	2,002	216%
2012	2,617	1,458,679	5,481,165	2,391,538	914	2,094	229%
2013	2,496	1,399,716	5,504,208	2,243,920	899	2,205	245%
Ave	3,392	2,090,376	7,105,490	2,957,353	877	2,098	239%

Systems Change

The department supports system change efforts to maximize employment in the most integrated settings while respecting the informed choice of persons served in center-based programs.

Analysis of reported data (pages 22-24) suggests the strongest predictor of wage is the work setting – the highest wages correlate to work in supported employment and reflect the strongest cohesion with the program purpose: *to promote individuals' self-sufficiency and financial independence*. For a comparison of supported employment utilization across service providers see page 35.

In 2013, approximately eighty-one percent (81%) of the grant funds were allocated to support workers in community-based jobs. Although the total grant funds have grown by less than $2.6 million over the last 26 years, the share allocated to support workers in community settings has increased more than $7.3 million.



The primary cause of the system change is twofold: (a) voluntary decisions by providers to shift allocated funds out of services for persons in facility-based work in order to expand their capacity in community-based supports, and (b) the department's long-term policy of moving unearned center-based employment funds into the Community Support Fund to provide supports to persons in community-based job settings.

The table on the next page provides the history of funds allocated between the center-based and community support funds since 1987.

Fund Allocation History

Allocations to support work in center-based and community-based settings are displayed below with emphasis on the percent of the funds dedicated to work in community settings and the annual change in funds available to support work in the community.

SFY	Center-Based Fund	Community Support Fund	Total	*Community Support Fund Analysis*	
				Percent	Changed Dollars
1987	$ 6,992,808	$ 1,960,752	$ 8,953,560	22%	
1988	6,845,630	2,281,978	9,127,608	25%	$ 321,226
1989	6,529,933	3,093,822	9,623,755	32%	811,844
1990	5,751,573	3,965,427	9,717,000	41%	871,605
1991	5,064,643	4,646,935	9,711,578	48%	681,508
1992	4,836,649	4,880,351	9,717,000	50%	233,416
1993	4,673,245	5,043,755	9,717,000	52%	163,404
1994	4,542,343	5,274,657	9,817,000	54%	230,902
1995	4,359,076	5,532,924	9,892,000	56%	258,267
1996	4,315,644	5,576,780	9,892,424	56%	43,856
1997	4,279,397	5,613,667	9,893,064	57%	36,887
1998	4,254,315	5,494,685	9,749,000	56%	(118,982)
1999	3,478,073	6,270,927	9,749,000	64%	776,242
2000	3,609,742	7,114,258	10,724,000	66%	843,331
2001	3,178,130	7,545,870	10,724,000	70%	431,522
2002	3,318,870	8,190,435	11,509,305	71%	644,656
2003	3,201,752	8,150,869	11,352,621	72%	(39,566)
2004	3,177,965	8,035,758	11,213,723	72%	(115,111)
2005	3,084,666	8,052,184	11,136,850	72%	16,426
2006	3,077,853	8,776,086	11,853,939	74%	723,902
2007	3,051,854	8,805,607	11,857,461	74%	29,521
2008	2,998,984	8,904,392	11,903,376	75%	98,785
2009	2,568,121	9,284,302	11,852,423	78%	379,909
2010	2,495,363	9,267,058	11,762,421	79%	(17,244)
2011	2,483,462	9,246,748	11,730,211	79%	(20,310)
2012	2,391,538	9,316,094	11,730,211	80%	69,346
2013	2,243,920	9,292,079	11,535,999	81%	(24,015)
Net Change	$ (4,748,888)	$ 7,331,327	$ 2,582,439	n/a	n/a

SFY13 Contracted Allocations – emphasis on community jobs

The table is sorted by providers with the greatest investment, i.e., contracted allocation, from the Community Support Fund.

Provider	Community Support Fund		Center-based Fund		Total Contract
	Base	New/Exp[13]	Base	New/Exp	
Mankato Rehabilitation Center	1,078,858	0	577,710	0	1,656,568
Rise	784,624	81,497	74,768	0	940,889
Tasks Unlimited Building Svcs	755,099	0	0	0	755,099
Ability Building Center	619,068	0	225,438	0	844,506
Opportunity Partners	566,116	0	0	0	566,116
Occupational Development Ctr	563,772	61,236	255,378	0	880,386
Productive Alternatives	537,389	0	120,947	0	658,336
Winona ORC	385,870	0	96,613	0	482,483
West Central Industries	341,870	0	118,341	0	460,211
Cedar Valley Services	337,372	0	202,645	0	540,017
Opportunity Services	312,302	79,359	0	0	391,661
Functional Industries	306,968	81,769	94,179	0	482,916
Lifetrack Resources	264,077	0	0	0	264,077
ProAct	261,848	0	121,205	0	383,053
Resource Inc	206,720	33,022	0	0	239,742
Goodwill / Easter Seals	194,823	80,968	0	0	275,791
Courage Center	175,128	0	0	0	175,128
Goodwill Industries Vocational Enterprises	159,365	0	190,571	0	349,936
Hennepin County VSP	142,553	0	0	0	142,553
KCQ	131,898	0	0	0	131,898
AccessAbility	122,816	0	45,011	0	167,827
Jewish Family & Childrens Svcs	110,436	0	0	0	110,436
WACOSA	91,414	0	5,295	0	96,709
Service Enterprises	84,249	0	0	0	84,249
Midwest Special Service	38,257	0	15,064	0	53,321
The Rising Phoenix	30,696	0	0	0	30,696
Autism Works	0	88,452	0	0	88,452
Hope Haven	0	113,241	0	100,755	213,996
Lifeworks Services	0	68,947	0	0	68,947
Subtotal (n=29)	$ 8,603,588	$ 688,491	$ 2,143,165	$ 100,755	$ 11,535,999
Fund Total	$ 9,292,079		$ 2,243,920		$ 11,535,999

[13] New or expanded programs (M. Rules, 3300.2030).

Provider Utilization of Grant Funds for Supported Employment

Twenty-seven (27) providers reported 2,535 supported employees worked more than 1.5 million hours, earning more than $15.8 million wages in SFY13. The table is sorted by providers that have earned the largest share of their contracted allocation through the provision of supported employment services.

Provider	Supported Employment Subprogram				Community Support Fund		
	Workers	Work Hours	Wages Paid	Average Wage	Contracted Allocation	Value of SE Hours[14]	% Contract Earned via SE Hours[15]
Hennepin Co VSP	67	48,705	584,977	12.01	142,553	184,105	129%
Goodwill/Easter Seals	136	89,599	861,659	9.62	275,791	338,683	123%
Tasks Unlimited	237	220,252	2,285,874	10.38	755,099	832,554	110%
Lifetrack Resources	85	76,569	940,585	12.28	264,077	289,429	110%
Jewish F/C Services	47	31,751	418,947	13.19	110,436	120,017	109%
Opportunity Partners	218	155,683	1,551,620	9.97	566,116	588,482	104%
Courage Center	59	42,040	467,178	11.11	175,128	158,913	91%
Resource	62	55,546	919,506	16.55	239,742	209,962	88%
WACOSA	24	18,352	165,863	9.04	91,414	69,372	76%
Midwest Special Services	11	7,560	82,282	10.88	38,257	28,577	75%
Mankato Rehab. Center	415	198,003	1,686,364	8.52	1,078,858	748,452	69%
Productive Alternatives	121	97,039	907,475	9.35	537,389	366,807	68%
Rise	208	146,307	1,477,130	10.10	866,121	553,039	64%
Goodwill Ind. Voc. Ent	74	25,635	212,558	8.29	159,365	96,902	61%
KCQ	32	20,558	171,515	8.34	131,898	77,708	59%
AccessAbility	30	18,633	221,578	11.89	122,816	70,433	57%
Opportunity Services	95	58,819	521,000	8.86	391,661	222,336	57%
Occupational Dev. Ctr.	163	80,401	636,387	7.92	625,008	303,917	49%
Ability Building Center	232	70,418	565,561	8.03	619,068	266,180	43%
Winona ORC	55	40,876	365,943	8.95	385,870	154,512	40%
The Rising Phoenix	3	3,164	34,432	10.88	30,696	11,960	39%
ProAct	46	23,837	240,919	10.11	261,848	90,105	34%
West Central Industries	42	26,166	236,827	9.05	341,870	98,909	29%
Functional Industries	35	18,613	164,920	8.86	388,737	70,359	18%
Hope Haven	22	5,144	47,610	9.26	113,241	19,442	17%
Service Enterprises	3	2,520	18,110	7.19	84,249	9,525	11%
Cedar Valley Services	13	4,658	34,274	7.36	337,372	17,608	5%
Autism Works	0	0	0		88,452	0	0%
Lifeworks Services	0	0	0		68,947	0	0%
Total (n-27)	2,535	1,586,848	15,821,094	$9.97	9,292,079	5,998,288	65%

[14] Value of SE Hours = SE Work Hours multiplied by the statewide SE uniform rate of $3.78

[15] When the percent exceeds 100%, hours were reported in excess of the contract - the provider is not paid for excess hours.

SFY13 Comparative Outcomes for Persons Served

Supported Employment - Work Hours Paid at Minimum Wage or Above

Income is a fundamental measure of employment. The table ranks providers according to their share of qualified hours, paid at or above $7.25 per hour. Providers reporting the greatest number of qualifying hours are listed first. The last column contains reported hours paid below the State's lowest minimum wage. Minnesota's minimum wages are $6.15 for large employers and $5.25 for small employers (above, or below $625,000 in annual receipts, respectively.) VRS should schedule monitoring visits early in SFY2014 to resolve further reporting discrepancies and consider developing appropriate data entry filters to prevent hours earned at subminimum wages from being erroneously reported as supported employment.

The appropriation for SFY14 did not included prior years' $125,000 to be distributed as the Wage Level Incentive bonus to providers where workers' hours are earned at or above the Federal minimum wage.

Providers – SFY13	Reported SE Hours	Accepted SE Hours	Paid at least $7.25 Federal Minimum Wage			SE Hours Paid Below $5.25 State Minimum Wage
			SE Qualified Hours	% Own Reported Hours	% Total Qualified Hours	
Tasks Unlimited Building Services	220,252	220,252	218,157	99%	14.2%	0
Mankato Rehabilitation Center	198,003	198,003	198,003	100%	12.9%	0
Opportunity Partners	155,683	155,683	151,802	98%	9.9%	20
Rise	146,307	146,307	143,950	98%	9.4%	440
Productive Alternatives	97,039	97,039	93,406	96%	6.1%	0
Goodwill/Easter Seals	89,599	89,599	88,026	98%	5.7%	583
Occupational Development Center	80,401	80,127	76,921	96%	5.0%	0
Lifetrack	76,569	76,572	76,569	100%	5.0%	0
Ability Building Center	70,418	72,896	55,632	79%	3.6%	4,600
Resource	55,546	55,546	55,546	100%	3.6%	0
Opportunity Services	58,819	58,824	55,178	94%	3.6%	1,318
Hennepin County Voc. Svc. Program	48,705	48,699	43,035	88%	2.8%	5,473
Courage Center	42,040	42,040	41,902	100%	2.7%	0
Winona ORC	40,876	40,898	39,663	97%	2.6%	0
Jewish Family/Children Svcs of Mpls	31,751	31,751	31,513	99%	2.1%	0
Goodwill Industries Voc. Enterprises	25,635	25,635	25,607	100%	1.7%	0
West Central Industries	26,166	26,166	24,197	92%	1.6%	31
ProAct	23,837	23,837	23,422	98%	1.5%	137
KCQ	20,558	20,189	18,976	92%	1.2%	18
AccessAbility	18,633	18,664	18,384	99%	1.2%	2
WACOSA	18,352	19,618	17,597	96%	1.1%	0
Functional Industries	18,613	18,613	17,144	92%	1.1%	0
Midwest Special Services	7,560	7,560	7,560	100%	0.5%	0
Hope Haven	5,144	5,144	4,973	97%	0.3%	0
Cedar Valley Services	4,658	4,658	4,161	89%	0.3%	360
The Rising Phoenix	3,164	3,499	3,164	100%	0.2%	0
Service Enterprises	2,520	2,520	1,478	59%	0.1%	0
Total (n=27)	1,586,848	1,590,339	1,535,966	97%	100.0%	12,982

Community Employment - Work Hours Paid at Minimum Wage or Above

Income is a fundamental measure of employment, the table ranks providers according to the number of qualified hours – those paid at or above the Federal minimum wage of $7.25 per hour. Providers reporting the greatest number of qualifying hours are listed first. 306,980 hours, or 31%, of the Community Employment (CE) hours reported were paid at or above the Federal minimum wage.

Minnesota's minimum wage is $6.15 for large employers and $5.25 for small employers (distinguished by annual receipts at least, or below $625,000, respectively.) 565,045 CE hours were reported paid at or above $5.25 per hour, or 57% of all reported CE hours.

The last two columns display the CE hours reported paid at subminimum wages, and percent of the provider's total hours paid. More than 430,000 work hours of persons served in the Community Employment subprogram were paid subminimum wages; 43% of all Community Employment work.

Occupational Development Center is the clear leader, reporting 75,486 hours of work paid at or above the Federal minimum wage, or 88% of the hours reported by ODC to the Community Employment subprogram, and nearly 25% of the total hours paid above the Federal minimum wage by all 22 providers during the year.

Providers – SFY13	Reported CE Hours	Accepted CE Hours	Paid at least $7.25 Federal Minimum Wage			Paid Below $5.25 State Minimum Wage	
			CE Qualified Hours	% Own Reported Hours	% Total Qualified Hours	CE Hours	% Own Reported Hours
Occupational Dev. Center	85,422	85,497	75,486	88%	24.59%	126	.1%
Rise	85,459	85,459	52,192	61%	17.00%	21,568	25%
Mankato Rehab. Center	131,083	131,083	39,092	30%	12.73%	47,882	37%
Ability Building Center	85,756	83,930	29,110	34%	9.48%	25,351	30%
AccessAbility	20,899	20,899	18,398	88%	5.99%	275	1%
Cedar Valley Services	93,025	93,025	16,332	18%	5.32%	25,635	28%
West Central Industries	54,797	54,797	15,168	28%	4.94%	22,335	41%
Goodwill Ind. Voc. Ent.	17,238	17,238	14,244	83%	4.64%	127	1%
Productive Alternatives	52,730	52,363	9,890	19%	3.22%	31,882	60%
ProAct	38,367	38,347	8,097	21%	2.64%	22,692	59%
KCQ	17,522	17,522	7,372	42%	2.40%	4,072	23%
Winona ORC	75,120	75,120	5,612	7%	1.83%	57,490	77%
Midwest Special Services	5,349	5,349	4,191	78%	1.37%	0	0%
Hope Haven	21,577	21,577	3,936	18%	1.28%	10,163	47%
WACOSA	14,451	14,451	2,804	19%	0.91%	5,555	38%
Functional Industries	100,530	100,530	2,212	2%	0.72%	71,695	71%
Service Enterprises	19,675	19,675	1,678	9%	0.55%	14,657	74%
Tasks Unlimited Bldg Svcs	8,987	8,987	826	9%	0.27%	3,457	38%
The Rising Phoenix	4,125	4,125	151	4%	0.05%	3,052	74%
Opportunity Services	62,273	62,287	119	.2%	0.04%	61,770	99%
Goodwill/Easter Seals	52	52	52	100%	0.02%	0	0%
Opportunity Partners	638	638	19	3%	0.01%	246	39%
Total (n=22)	995,075	992,951	306,981		1%	430,030	
Average			31%			43%	

Center-based Employment - Work Hours Paid at Minimum Wage or Above

Income is a fundamental measure of employment, the table ranks providers according to the number of qualified hours – those paid at or above the Federal minimum wage of $7.25 per hour. Providers reporting the greatest number of qualifying hours are listed first. 184,210 hours, or 13%, of the Center-based Employment (CBE) hours reported were paid at or above the Federal minimum wage.

Minnesota's minimum wage is $6.15 for large employers and $5.25 for small employers (distinguished by annual receipts at least, or below $625,000, respectively.) 407,856 CBE hours were reported paid at or above $5.25 per hour, or 29% of all reported CBE hours.

The second to last column contains the CBE hours reported paid at subminimum wages by each provider. The last column contains the percent of hours paid at subminimum wages by each provider.

Goodwill Industries Vocational Enterprises (GIVE) is the clear leader, reporting 56,581 hours of work paid at or above the Federal minimum wage, or 37% of the provider's CBE hours reported, and more than 30% of the total CBE hours paid above the Federal minimum wage by all providers. Additionally, only 3% of GIVE's reported hours were paid below Minnesota's minimum wage compared to a system average of 71%.

Providers – SFY13	Reported CBE Hours	Accepted CBE Hours	Paid at least $7.25 Federal Minimum Wage			Paid Below $5.25 State Minimum Wage	
			CBE Qualified Hours	% Own Reported Hours	% Total Qualified Hours	CBE Hours	% Own Reported Hours
Goodwill Industries Voc. Enterprises	150,980	150,980	56,581	37%	30.72%	4,698	3%
Mankato Rehabilitation Center	391,208	391,208	55,902	14%	30.35%	313,269	80%
Ability Building Center	139,984	139,131	19,436	14%	10.55%	87,908	63%
AccessAbility	21,220	21,220	11,039	52%	5.99%	6,181	29%
Occupational Development Center	143,873	143,981	10,067	7%	5.46%	114,401	80%
Cedar Valley Services	104,079	104,079	8,816	8%	4.79%	75,780	73%
West Central Industries	59,051	59,051	6,403	11%	3.48%	40,527	69%
Hope Haven	46,778	46,778	3,844	8%	2.09%	39,556	85%
Rise	44,155	44,155	3,779	9%	2.05%	38,027	86%
Winona ORC	50,281	50,281	3,519	7%	1.91%	41,214	82%
ProAct	67,669	67,669	2,064	3%	1.12%	58,124	86%
Productive Alternatives	114,384	114,384	1,750	2%	0.95%	110,819	97%
Midwest Special Services	9,024	9,024	848	9%	0.46%	5,819	64%
Functional Industries	54,057	54,057	127	0.2%	0.07%	52,979	98%
WACOSA	2,973	2,973	36	1%	0.02%	2,560	86%
Total (n=15)	1,399,716	1,398,971	184,211		100%	991,862	
Average			13%			71%	

Annual Income of Persons Served – **Supported Employment**

The most significant outcome is assumed to be the greatest income for persons served. Therefore, the table is sorted by workers' *Average Annual Income*, unaudited, as reported by the twenty-seven (27) reporting service providers.

Providers (n = 27)	Metro	Outstate	Persons Served	Averages			+/- Statewide Average Income
				Hourly Wage	Hours per Week	Annual Income	
Resource	X	X	62	$ 16.55	17.2	$ 14,831	$ 8,575
The Rising Phoenix		X	3	10.88	20.3	11,477	5,222
Lifetrack	X		85	12.28	17.3	11,066	4,810
Tasks	X		237	10.38	17.9	9,645	3,389
Jewish Children/Family Services of Mpls	X		47	13.19	13.0	8,914	2,658
Hennepin County Voc. Services Program	X		67	12.01	14.0	8,731	2,475
Courage Center	X		59	11.11	13.7	7,918	1,672
Productive Alternatives		X	121	9.35	15.4	7,500	1,244
Midwest Special Svcs	X		11	10.88	13.2	7,480	1,224
AccessAbility	X		30	11.89	11.9	7,386	1,130
Opportunity Partners	X		218	9.97	13.7	7,118	862
Rise	X	X	208	10.10	13.5	7,102	846
WACOSA		X	24	9.04	14.7	6,911	655
Winona ORC		X	55	8.95	14.3	6,654	398
Goodwill/EasterSeals	X	X	136	9.62	12.7	6,336	80
Service Enterprises		X	3	7.19	16.2	6,037	(219)
West Central Industries		X	42	9.05	12.0	5,639	(617)
Opportunity Services	X	X	95	8.86	11.9	5,484	(772)
KCQ		X	32	8.34	12.4	5,360	(896)
ProAct	X		46	10.11	10.0	5,237	(1,018)
Functional Industries		X	35	8.86	10.2	4,712	(1,544)
Mankato Rehabilitation Center	X	X	415	8.52	9.2	4,064	(2,192)
Occupational Development Center		X	163	7.92	9.5	3,904	(2,352)
Goodwill Industries Voc. Enterprises		X	74	8.29	6.7	2,872	(3,383)
Cedar Valley Services		X	13	7.36	6.9	2,636	(3,619)
Ability Building Center		X	232	8.03	5.8	2,438	(3,818)
Hope Haven		X	22	9.26	4.5	2,164	(4,092)
Supported employment… customary wages, integrated jobs, ongoing supports			2,535	$ 9.97	12.1	$ 6,256	N/A

Annual Income of Persons Served – **Community Employment**

The most significant outcome is assumed to be the greatest income for persons served. Therefore, the table is sorted by workers' *Average Annual Income*, unaudited, as reported by the twenty-two (22) reporting service providers.

Providers (n=22)	Metro	Outstate	Persons Served	Averages			+/- Statewide Average Income
				Hourly Wage	Hours per Week	Annual Income	
Rise	X	X	98	$ 6.79	16.8	$ 5,918	$ 3,393
KCQ		X	20	6.15	16.8	5,391	2,866
AccessAbility	X		43	9.79	9.3	4,758	2,233
Goodwill Industries Vocational Enterprises		X	38	9.39	8.7	4,260	1,735
Midwest Special Service	X		10	7.26	10.3	3,884	1,359
Functional Industries		X	125	4.33	15.5	3,479	954
Cedar Valley Services		X	167	5.93	10.7	3,303	778
Service Enterprises		X	26	4.30	14.6	3,253	728
West Central Industries		X	101	5.69	10.4	3,088	563
WACOSA		X	29	5.44	9.6	2,712	187
Occupational Development Center		X	260	7.28	6.3	2,391	(135)
Productive Alternatives		X	115	4.80	8.8	2,203	(322)
ProAct	X		86	4.90	8.6	2,184	(341)
Hope Haven		X	54	5.35	7.7	2,136	(389)
MRCI	X	X	410	6.28	6.1	2,008	(517)
Ability Building Center		X	279	6.05	5.9	1,858	(667)
Opportunity Partners	X		2	5.60	6.1	1,786	(739)
Opportunity Services	X	X	78	2.19	15.4	1,745	(780)
Winona ORC		X	167	3.87	8.7	1,741	(784)
Tasks Unlimited Building Svcs.	X		71	5.51	2.4	697	(1,828)
The Rising Phoenix		X	28	3.76	2.8	554	(1,971)
Goodwill/Easter Seals	X	X	2	9.19	0.5	241	(2,284)
Community employment… work in the community may not be integrated and/or may be paid less than the customary wage			2,209	$ 5.60	8.7	$ 2,525	N/A

Annual Income of Persons Served – **Center-based Employment**

The most significant outcome is assumed to be the greatest income for persons served. Therefore, the table is sorted by workers' *Average Annual Income*, unaudited, as reported by the fifteen (15) reporting service providers.

Goodwill Industries Vocational Enterprises retained its first place for the fourth year in a row, providing workers with more than twice the annual income of its closest competitor.

Providers (n=16)	Metro	Outstate	Persons Served	Averages			+/- Statewide Average Income
				Hourly Wage	Hours per Week	Annual Income	
Goodwill Industries Vocational Enterprises		X	147	$ 6.76	19.8	6,939	4,735
AccessAbility	X		46	6.69	8.9	3,088	883
Mankato Rehabilitation Center	X	X	478	3.72	15.7	3,043	837
Productive Alternatives		X	116	2.37	19.0	2,332	127
Occupational Development Center		X	258	3.62	10.7	2,019	(186)
Rise	X	X	84	3.63	10.1	1,908	(298)
West Central Industries		X	135	4.36	8.4	1,906	(299)
Hope Haven		X	74	2.81	12.2	1,776	(429)
Midwest Special Service	X		21	4.11	8.3	1,767	(439)
ProAct	X		121	3.11	10.8	1,738	(467)
Cedar Valley Services		X	245	3.94	8.2	1,673	(532)
Ability Building Center		X	396	4.18	6.8	1,477	(728)
Functional Industries		X	142	2.21	7.3	841	(1,365)
Winona ORC		X	219	3.49	4.4	800	(1,405)
WACOSA		X	17	3.42	3.4	598	(1,608)
Center-based employment… paid work on the premises of an EE provider with the most intensive supports.			2,499	$ 3.93	10.8	$ 2,205	N/A

SFY13 Compliance Examination Results

Provider Management Assertions

State Fiscal Year 2013, providers assert compliance with the Extended Employment Program criterion or noted those not applicable to the organization:

Criterion 1: Workers have worked the hours reported, and earned the wages reported, by the provider for the reimbursement paid by the DEED as shown on the DEED *Listing of Reported Participants and Relevant Data*.

Criterion 2: Reported workers have been paid appropriate hourly rates.

Criterion 3: Workers in Supported Employment and Affirmative Business Enterprise Employment perform their work in integrated settings.

Criterion 4: When the provider is the payroll agent, workers in center-based, community, and supported employment (a) receive fundamental personnel benefits proportionate to the full-time nonexempt staff, and (b) no EE worker earns less than the minimum annual accrual of 5 days paid vacation, 5 days paid sick leave, and 5 paid holidays, or 10 days paid flexible leave and 5 paid holidays. Workers in affirmative business enterprise employment are subject to the same benefit package as all other nondisabled employees of the provider.

The following providers assert this criterion is not applicable to their organization(s): **Courage Center, Goodwill/Easter Seals, Hennepin County Vocational Service Program, Kaposia, Lifetrack, Resource.**

Criterion 5: Workers participating in Extended Employment and Medical Assistance (MA) funded programs (such as Day Training and Habilitation; Home and Community-Based Services for Persons with Developmental Disabilities; Community Alternatives for Disabled Individuals; Brain Injury; Adult Rehabilitative Mental Health Services; etc.) are receiving separate services, and no duplicate funding is received by the provider.

The following providers assert this criterion is not applicable to their organization(s): **AccessAbility, Courage Center, Goodwill Industries Vocational Enterprises, Hennepin County Vocational Service Program, KCQ, Lifetrack, Resource, Service Enterprises, The Rising Phoenix, Winona ORC.**

Criterion 6: Workers are persons with a most severe disability, who have 3 or more functional limitations affecting employment, and who require ongoing employment support services

to maintain and advance in employment.

Criterion 7: Workers have a current *Extended Employment Support Plan* developed with the informed consent of the worker.

Criterion 8: The worker's *Extended Employment Support Plan* identifies the ongoing employment support services necessary for the worker to maintain and advance in employment.

Criterion 9: The ongoing employment support services provided to the worker are consistent with the services identified in the *Extended Employment Support Plan*.

Criterion 10: Workers receive a minimum of two in-person contacts per month in the delivery of ongoing employment support services.

Criterion 11: The provider earned its Center-based Employment Fund allocation based on reported hours during the current state fiscal year.

The following providers assert this criterion is not applicable to their organization(s): **Courage Center, Goodwill/Easter Seals, Hennepin County Vocational Service Program, Jewish Family and Children's Services of Minneapolis, KCQ, Kaposia, Lifetrack, Opportunity Partners, Opportunity Services, Resource, Service Enterprises, Tasks Unlimited Janitorial Services, The Rising Phoenix.**

Criterion 12: The provider earned its Community Support Fund allocation based on reported hours in the current state fiscal year.

Independent Accountant's Report

The sample opinion below is the preferred report sample for reports with nonmaterial findings. Auditors are directed to AICPA Professional Standards, Attestation Standards, Compliance Attestation, Examination Engagement for detailed guidance and other reporting variations including reports without findings and material findings:

> *We have examined management's assertions included in the accompanying report that (name of entity) complied with the Minnesota Department of Employment and Economic Development 12 Extended Employment Compliance Examination Standards Criterion (dated) except for the noncompliance described in the third paragraph for the year ended June 30, 2013. Management is responsible for (name of entity)'s compliance with those requirements. Our responsibility is to express an opinion on (name of entity)'s compliance based on our examination.*
>
> *Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about (name of entity)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on (name of entity)'s compliance with specified requirements.*
>
> *Our examination disclosed the following noncompliance with the requirements referred to above, applicable to (name of entity) during the year ended June 30, 2013, which are described in the accompanying (list names of schedules).*
>
> *In our opinion, management's assertions referred to above is fairly stated, in all material respects, with the aforementioned requirements for the year ended June 30, 2013.*
>
> *This report is intended solely for the information and use of (list specified parties)Minnesota Department of Employment and Economic Development and is not intended to be and should not be used by anyone other than these specified parties.*
>
> *[Signature]*
> *[Date]*

Efficiency Measures

Timeliness of Examination Report. Most audit reports (23 of 28) were received by the October 31, 2013 deadline. The following were received later.

Provider	Date
Allina Health System for Courage Center	November 7
Hope Haven	November 1
Jewish Family and Childrens Services of Minneapolis	November 5
ProAct	November 5
Resource	November 19

Timeliness of Department's Review. Audit reports were reviewed on average within 11 days of receipt, ranging from 0 to 26 days. Reports were accepted on average within 25 days.

Completeness of Examination Reports. Action was required by the following providers before the Department could accept the examination reports:

Provider	Days to Accept
Ability Building Center	77 days
AccessAbility	80 days
Allina Health System (for Courage Center)	32 days
KCQ	31 days
Mankato Rehabilitation Center	54 days
Opportunity Services	98 days
ProAct	49 days
Tasks Unlimited Building Services	34 days
WACOSA	33 days

Timeliness of Notice of Reconciliation. Reconciliation notices are usually issued the day the audit is approved, the exceptions were: Ability Building Center (7 days), AccessAbility (6 days), Jewish Family and Childrens Services of Minneapolis (6 days), Lifetrack (5 days), Occupational Development Center (7 days), Opportunity Services (8 days), Service Enterprises (5 days), West Central Industries (7 days), and Winona ORC (7 days).

Timely Second-level Review. This is not applicable as no second-level reviews were conducted.

Timely Resolution of Appeals. This is not applicable as there were no appeals.

Effectiveness Measures

Compliance with Program Criteria. The following twenty (20) audit reports contained unqualified opinions with no questioned hours. The remaining reports were qualified by 8,057 questioned hours, or two-thousandths (.002) of the 3,981,640 work hours reported during the state fiscal year. Therefore, if the audit standards reflect the most relevant and desirable criteria from the EE Rules and the testing procedures are effective tools for determining compliance, it is reasonable to conclude: ***Minnesota's network of EE providers operate programs in significant accordance with the Extended Employment Program Rules***, Chapter 3300.2005 -3300.2055.

Ability Building Center	Kaposia (subcontractor of Opportunity Partners)
AccessAbility	Mankato Rehabilitation Center
Allina Health System (Courage Center)	Midwest Special Services
Cedar Valley Services	Opportunity Partners
Functional Industries	Resource
Goodwill/Easter Seals of MN	Rise
Goodwill Industries Vocational Enterprise	Service Enterprises
Hope Haven	Tasks Unlimited Building Services
Hennepin County Vocational Service Program	WACOSA
Jewish Family/Childrens Services of Minneapolis	West Central Industries

Corrective Action. In most cases audits were accepted as submitted, with the exceptions noted below. The effectiveness of this measure is determined by the need for a second-level review. Since all issues were resolved without additional review, the corrective action is considered appropriate.

Provider	**Issue/Corrective Action**
Independent Accountant's Report	
ProAct	Accountant's report gave unqualified opinion, with variances. Provider notified.
Management's Assertion Letter	
Ability Building Center Hope Haven Tasks Unlimited Building Center	Missing signature of CEO and/or board member not involved in daily operations. Signature obtained.
Cedar Valley Services Occupational Development Center Resource	Contracted allocations misreported. Corrected.
Occupational Development Center Resource Rise	New/expanded allocation missing or misreported.

Ability Building Center	Changed language of Criterion #3 to address confusion between SE and ABE parts. Revised.
Schedule of Questioned Hours & Wages	
Cedar Valley Services Mankato Rehabilitation Center WACOSA	Sample size was not reported for each subprogram. Obtained.
Cedar Valley Services Mankato Rehabilitation Center	Questionable sample sizes to support projections. Audit Standards Workgroup to review for SFY14.
Service Enterprises	No sample of SE hours.
Opportunity Services	Not submitted for New/Expanded variances.
Occupational Development Center	Negative and positive variances were reversed. Re-issued.
CS/CBE Fund Reconciliation	
Ability Building Center	Error rates reported at zero, however significant variances reported on the Schedule of Questioned Hours and Wages. Auditor provided rationale for discrepancy.
Cedar Valley Services Opportunity Services Resource	The contracted allocation reported in error. Changed to actual allocation.
Functional Industries Occupational Development Center Opportunity Services Resources Rise	New/expanded allocation misreported or not reported.
Allina (for Courage Center) Goodwill Industries Vocational Enterprises Hennepin County Vocational Services Program Lifetrack Opportunity Services Resource	The amount of reimbursement was in error, and was changed to reflect DEED's accounting records.
Opportunity Services Resource	New/Expanded hours misreported or not reported.
Lifetrack Occupational Development Center WACOSA	Variances were not equal to those reported on the Schedule of Questioned Hours and Wages, and were changed to be equal.

AccessAbility	DEED's Listing of Reported Hours and Wages was reported in error causing a variance of 60.75 hours between CE and CBE hours due to changes made to the database by VRS staff.
Allina (for Courage Center) ProAct	Positive variances not credited due to late report.
Audit Procedures Checklist	
AccessAbility Allina (for Courage Center) Cedar Valley Services Lifetrack Opportunity Services ProAct Tasks Unlimited WACOSA	Attested to delivery of outcome measurement report, but not initially received. Requested and received.
Ability Building Center	Use form from prior year, missing requirement to send organization's outcome measurement report. Report requested and received.
Ability Building Center ProAct	No response to variances. Requested and received.
Ability Building Center Hope Haven Tasks Unlimited	Missing signature of CEO or board member not involved in daily operations. Obtained.

Hours, Auditors' Samples and Error Rates – Supported Employment

Errors reported on base allocations were reported at insignificant levels. New and Expanded programs are reported separately.

Provider	Reported Hours[16]	Sampled Hours	Percent Sampled	Errors	Error Rate[17]	Allowed Hours
Ability Building Center	70,418	823	1.2%	2,478	9.2%	72,896
AccessAbility	18,633	467	2.5%	32	6.7%	18,664
Cedar Valley Services	4,658	39	.8%	0	0.0%	4,658
Courage Center	42,040	14,454	34%	0	0.1%	42,040
Functional Industries	18,551	297	1.6%	0	0.0%	18,551
Goodwill/Easter Seals	89,599	975	1.1%	0	0.0%	89,599
Goodwill Industries Vocational Enterprises	25,635	1,905	7.4%	0	0.0%	25,635
Hennepin Co Vocational Services Program	48,705	15,832	5.9%	-6	0.0%	48,699
Jewish Family and Childrens Svcs of Mpls.	31,751	2,022	6.4%	0	0.0%	31,751
KCQ	20,558	2,060	10.0%	-369	0.5%	20,189
Lifetrack Resources	76,569	16,972	22.2%	3	0.0%	76,572
Midwest Special Services	7,560	5,345	70.7%	0	0.0%	7,560
Mankato Rehabilitation Center	198,003	359	.18%	0	0.0%	198,003
Occupational Development Center	80,401	3,424	4.3%	-275	8.7%	80,127
Opportunity Partners	155,683	1,670	1.1%	0	0.0%	155,683
Opportunity Services	58,495	1,204	2.1%	5	5.0%	58,500
ProAct	23,837	452	1.9%	0	0.5%	23,837
Productive Alternatives	97,039	97,039	100%	0	0.0%	97,039
Resource	55,168	13,411	24.1%	0	0.0%	55,168
Rise	146,273	4,408	3.0%	0	0.0%	146,273
Service Enterprises	2,520	0	0%	0	0.0%	2,520
Tasks Unlimited	220,252	2,182	1%	0	0.0%	220,252
The Rising Phoenix	3,164	754	23.8%	335	0.0%	3,499
WACOSA	18,352	1,766	9.6%	1,265	0.0%	19,618
West Central Industries	26,166	1,342	5.1%	0	0.0%	26,166
Winona ORC	40,876	5,383	13.2%	22	0.0%	40,898
Total (n = 26)	1,580,907	194,586		3,491	.2%	1,584,398

[16] Hours reported in the independent audit reports.
[17] Significant error rates are equal to or greater than 10% and are projected to the population of reported program hours.

Hours, Auditors' Samples and Error Rates – Community Employment

Errors were reported at insignificant levels.

Provider	Reported Hours[18]	Sampled Hours	Percent Sampled	Errors	Error Rate	Allowed Hours
Ability Building Center	85,756	1,484	1.7%	-1,826	4.3%	83,930
AccessAbility	20,899	303	1.5%	0	0%	20,899
Cedar Valley Services	93,025	116	.12%	0	0%	93,025
Functional Industries	100,530	1,166	1.2%	0	0%	100,530
Goodwill/Easter Seals	52	0	0%	0	0%	52
Goodwill Industries Vocational Enterprises	17,238	2,093	12.1%	0	0%	17,238
KCQ	17,522	1,674	9.6%	0	0%	17,522
Midwest Special Services	5,349	3,074	57.5%	0	0%	5,349
Mankato Rehabilitation Center	131,083	63	.05%	0	0%	131,083
Occupational Development Center	85,422	1,990	2.3%	76	6.6%	85,497
Opportunity Partners	638	36	0%	0	0%	638
Opportunity Services	62,273	1,630	2.6%	14	9.0%	62,287
ProAct	38,367	273	.7%	-20	7.3%	38,347
Productive Alternatives	52,730	52,730	100%	-368	0.7%	52,363
Rise	85,459	3,384	3.9%	0	0%	85,459
Service Enterprises	19,675	5,271	0%	0	0%	19,675
Tasks Unlimited	8,987	370	4.1%	0	0%	8,987
The Rising Phoenix	4,125	1,151	27.9%	0	0%	4,125
WACOSA	14,451	854	5.9%	0	0%	14,451
West Central Industries	54,797	2,131	3.9%	0	0%	54,797
Winona ORC Industries	75,120	7,846	10.4%	0	0%	75,120
Total (n = 21)	973,499	87,640		-2,123	.2%	971,375

[18] Hours reported in independent audit reports.

Hours, Auditors' Samples and Error Rates – Center-based Employment

Errors were reported at insignificant levels.

Provider	Reported Hours[19]	Sampled Hours	Percent Sampled	Errors	Error Rate	Allowed Hours
Ability Building Center	139,984	3,177	2.3%	-853	3.7%	139,131
AccessAbility	21,220	427	2.0%	0	0%	21,220
Cedar Valley Services	104,079	169	.16%	0	0%	104,079
Functional Industries	54,057	1,123	2.2%	0	0%	54,057
Goodwill Industries Vocational Enterprises	150,980	19,255	12.8%	0	0%	150,980
Midwest Special Services	9,024	4,410	48.9%	0	0%	9,024
Mankato Rehabilitation Center	391,208	822	.21%	0	0%	391,208
Occupational Development Center	143,873	2,604	.57%	108	1.2%	143,981
ProAct	67,669	1,149	1.7%	0	0%	67,669
Productive Alternatives	114,384	114,384	100%	0	0%	114,384
Rise	44,155	2,290	5.2%	0	0%	44,155
WACOSA	2,973	26	.87%	0	0%	2,973
West Central Industries	59,051	1,118	1.9%	0	0%	59,051
Winona ORC	50,281	3,227	6.4%	0	0%	50,281
Total (n = 14)	1,352,941	154,184		- 745	.1%	1,352,196

[19] Hours reported in independent audit reports.

Hours, Auditors' Samples and Error Rates – New/Expanded Programs

Supported Employment				
Provider	**Reported Hours**	**Errors**	**Error Rate**	**Allowed Hours**
Autism Works	0	0	0%	0
Functional Industries	62	0	0%	62
Goodwill/Easter Seals	0	0	0%	0
Hope Haven	5,144	0	0%	5,144
Lifeworks Services	0	0	0%	0
Occupational Development Center	0	0	0%	0
Opportunity Services	324	228	70.3%	552
Resource	378	0	0%	378
Rise	33	0	0%	33
Total (n = 9)	5,941	228 228	4%	6,172

Community Employment				
Provider	**Reported Hours**	**Errors**	**Error Rate**	**Allowed Hours**
Hope Haven	21,577	0	0%	21,577
Total (n = 1)	21,577	0	0%	21,577

Center-based Employment				
Provider	**Reported Hours**	**Errors**	**Error Rate**	**Allowed Hours**
Hope Haven	46,778	0	0%	46,778
Total (n = 1)	46,778	0	0%	46,778