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# GENERAL ACCOUNTING OFFICE

## Report To The Secretary Of Health, Education, And Welfare

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### Better Reevaluations Of Handicapped Persons In Sheltered Workshops Could Increase Their Opportunities For Competitive Employment

In enacting the Rehabilitation Act of 1973, the Congress was concerned that handicapped persons placed in sheltered workshops remained there too long and did not receive enough assistance in obtaining competitive employment. To resolve these concerns, the act requires that State vocational rehabilitation agencies periodically reevaluate the potential of these persons and try to place them in competitive employment or training whenever possible.

In 1977, as many as 11,400 persons - about 42 percent of those requiring reevaluations - were not reevaluated. In addition, most of the reevaluations GAO reviewed in two States did not cover important aspects of the handicapped persons' competitive employment potential.

The Rehabilitation Services Administration should clearly define responsibility for program leadership, guidance, and monitoring State efforts, so that reevaluations will provide better opportunities for competitive employment as the Congress intended.



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## CHAPTER 6

### CONCLUSIONS AND RECOMMENDATIONS

#### CONCLUSIONS

Reevaluations had little discernible effect in aiding the persons in our samples who obtained competitive employment. However, with better RSA management oversight, reevaluations can be more effective in providing the maximum opportunities for competitive employment intended by the Congress.

RSA needs to clarify headquarters responsibility for managing the reevaluation program and providing leadership and guidance to States. RSA also needs to amend program guidelines so that it is clear that all former vocational rehabilitation clients in sheltered employment, whether classified as rehabilitated or not, are to be reevaluated. Guidelines should also be revised to assure that reevaluations are continued so long as the person remains in sheltered employment, but to permit limited scope reevaluations when warranted.

RSA needs to take several actions before it can adequately assess State reevaluation efforts. RSA must know the number of persons requiring reevaluation in each State. Currently States' reports do not provide a basis to determine whether all required reevaluations have been made. RSA should test State reports to learn whether they are reliable. It should also analyze and evaluate the reports to determine why some States are more successful than others in moving people from extended to competitive employment, and to learn how reevaluations are aiding this movement. RSA should find out why some States are not reporting. RSA also needs to monitor State reevaluation procedures and provide assistance where needed to ensure that they are adequately designed and implemented, so that all required reevaluations are made and are complete, documented, and timely.

Because the Congress intended that all former clients be reevaluated, persons excluded from reevaluation because they were placed in sheltered employment before the States implemented a reevaluation process should be identified and reevaluated.

Even with an improved reevaluation process, there may be many handicapped persons who remain in sheltered employment for reasons beyond the control of State vocational rehabilitation agencies. However, these should not be considered permanent conditions. We live in a changing environment, and the application of the right counseling technique, the opening of new jobs, the expansion of public transportation, and changing laws may make competitive employment more available and desirable for handicapped persons in sheltered employment.

RECOMMENDATIONS TO THE  
SECRETARY OF HEW

Because many handicapped persons in sheltered employment have not received adequate reevaluations of their capabilities for competitive employment, we are recommending that the Secretary of HEW direct the Commissioner of RSA to:

- Clarity headquarters responsibility for managing the reevaluation program and provide RSA regional offices the guidance they need to assist States in establishing effective reevaluation programs.
- Revise guidelines to require reevaluations to include all former vocational rehabilitation clients in sheltered employment, including persons placed in work activities centers but classified as not rehabilitated by the State agency.
- Revise guidelines to clearly establish that reevaluations should be continued so long as the handicapped persons remain in sheltered employment and provide additional guidance to States regarding the conditions under which limited scope reevaluation may be warranted.
- Require the States to develop and report the number of persons requiring reevaluation to provide a basis for measuring their reevaluation efforts.
- Review and test State reports to learn whether they are reliable, why some States are more successful in achieving movement to competitive employment, and to learn how reevaluation aided the movement; and determine why some States are not reporting reevaluations.

- Monitor State procedures and provide assistance to assure that annual reevaluations are made and that they are comprehensive and timely.
- Identify States which did not reevaluate clients placed in sheltered employment before reevaluation procedures were implemented and require that any such persons still in sheltered employment be reevaluated.

GENERAL ACCOUNTING OFFICE  
REPORT TO THE SECRETARY OF  
HEALTH, EDUCATION, AND WELFARE

BETTER REEVALUATIONS  
OF HANDICAPPED PERSONS  
IN SHELTERED WORKSHOPS  
COULD INCREASE THEIR  
OPPORTUNITIES FOR  
COMPETITIVE EMPLOYMENT

D I G E S T

With better management oversight, the Rehabilitation Services Administration (RSA) and some States can be more effective in providing maximum competitive employment opportunities for handicapped persons in sheltered workshops. Annual reevaluations of these persons, as required by the Rehabilitation Act of 1973, will help determine their potential, but RSA and the States need to do more to make sure this is carried out. (See pp. 3 and 5.)

GAO estimator, that as many as 11,400 handicapped persons were not reevaluated in 1977. In addition, many reevaluations were not comprehensive, and others were not performed annually as required by Department of Health, Education, and Welfare (HEW) regulations. (See pp. 10, 11, and 19.)

GAO noted the following conditions:

- RSA has not clearly established headquarters' responsibility or management oversight of reevaluations and has not adequately instructed its regional offices for assisting States in developing their reevaluation process or for monitoring State's performance--this was evident in Regions V (Chicago) and VII (Kansas City). (See pp. 5 to 9.)
- RSA was slow in providing States with instructions needed to implement reevaluation. HEW published proposed regulations in May 1974 and final regulations in November 1975. However, RSA

did not provide detailed guidelines until August 1976, nearly 3 years after the act was signed. (See pp. 5 and 6.)

--Guidelines for reevaluation are not comprehensive. They provide that persons who are placed in sheltered employment and classified as rehabilitated by the State are to be reevaluated. As a result, States did not reevaluate persons who were classified as not rehabilitated. In addition, because the guidelines did not clearly define conditions for limited scope reevaluations, States were confused as to when and how reevaluations could be reduced in scope. (See pp. 5 and 6.)

--States are required to report the total number of reevaluations made, but not the number of persons subject to reevaluation. Therefore, RSA was not able to determine whether the States were making all the required reevaluations. (See p. 6 and 7.)

--RSA did not follow up on States that were not reporting reevaluations and did not use data on the relative performance of the States to identify successful programs or those in need of assistance. (See p. 7.)

GAO analyzed national data on sheltered employment procedures and implementing instructions for reevaluations, and the reevaluations themselves. GAO found that:

--Some States excluded persons from reevaluation because they were placed in sheltered employment before reevaluations began. (See pp. 11 to 14.)

--Five States in RSA Regions V and VII do not classify persons in a work activities center (a sheltered workshop program) as rehabilitated and, thus, these persons are not reevaluated. (See pp. 14 and 15.)

GAO also found that:

- Only 4 of 89 reevaluations completed by Illinois and Missouri met headquarters criteria for determining the competitive employment potential of the handicapped person. (See pp. 19 to 22.)
- Although reevaluations are to be made at least annually, 20 (about 26 percent) were completed from 4 to 30 months late. In addition, 38 persons had been in sheltered employment 2 or more years, but 27 of them received only one reevaluation. (See pp. 22 to 25.)

Even with an improved reevaluation process, many handicapped persons may remain in sheltered employment for reasons beyond the control of State vocational rehabilitation agencies. However, these should not be considered permanent conditions. We live in a changing environment—the application of the right counseling technique, the opening of new jobs, the expansion of public transportation, and changing laws may make competitive employment more available and desirable for handicapped persons in sheltered employment. (See pp. 26 and 27.)

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- Clarify headquarters responsibility for managing the reevaluation program and provide regional offices the guidance needed to assist States.

- Revise guidelines to require that reevaluations be performed for all former vocational rehabilitation clients in sheltered employment, including persons placed in work activities centers but not classified as rehabilitated by the State agency.
- Revise guidelines to clearly establish that reevaluations should be continued so long as the handicapped persons remain in sheltered employment, and provide additional guidance to States regarding the conditions under which limited scope reevaluation may be warranted.
- Require the States to develop and report the number of persons requiring reevaluation.
- Review and test State reports to learn whether they are reliable, why some States are more successful in achieving movement to competitive employment, and to learn how reevaluation aided the movement; and determine why some States are not reporting reevaluations.
- Monitor State procedures and provide assistance to assure that annual reevaluations are made and that they are comprehensive and timely.
- Identify States which did not reevaluate clients placed in sheltered employment before reevaluation procedures were implemented and require that any such persons still in sheltered employment be reevaluated.