

LEG. FINANCE - BILLS 1977 - 1978 839

CSHB 901 cont.,

Mr. Robert B. Swain

Page Two

August 18, 1977

If your workshop is keeping good records of client performance, reviewing progress regularly, and establishing wage rates by effective time studies and cost analysis, you should have no difficulty with DOL compliance staff, the client or the community.

I hope these comments have been helpful in answering the questions posed to Mike Meyers. Because my DOL job does not relate directly to the wage and hour program it was necessary for me to respond as a consultant rather than as a DOL employee.

Yours sincerely,

Claude Whitehead

Claude W. Whitehead
14014 Flint Rock Road
Rockville, Maryland 20353

/ch

Enclosures

Add to HB 901

TO: NEBLE, HRO
FROM: APRIL, EBY

RE: FINANCIAL STATEMENT OF THE DIVISION OF VOCATIONAL
REHABILITATION

THE DIVISION OF VOCATIONAL REHABILITATION HAS BEEN OPERATING AS A LEGAL ASSISTANT
AND ONE VOCATIONAL REHABILITATION PROGRAM THROUGH THE
FEDERAL GOVERNMENT AND STATE GOVERNMENTS SINCE 1946. WE ARE
SERVING 600,000 PEOPLE THROUGH REVENUES AND THE
BALANCE OF \$1.75.

WITH THE LEGISLATIVE SUPPORT OF THE PAST YEAR WE HAVE ENJOYED
A PERIOD OF STABILITY WHICH IS UNUSUAL. WE ARE
LOOKING INTO A COMING BUDGET SHORT THIS YEAR AND REPORT
OUR FINANCIAL STATUS QUARTERLY TO THE DIVISION OF VOCATIONAL
REHABILITATION THROUGH THE FEDERAL JOURNAL.

THE VARIABLE IN OUR FINANCING STRUCTURE IS THE SALE OF PRODUCTION
ITEMS. IF THIS WERE AN ORDINARY PROFIT ORIENTED BUSINESS, IT
WOULD BE NEARLY PROFITABLE. AS REHABILITATION REQUIRES
LARGE STAFF AND NOT MUCH PRODUCTION, SALES-GENERATED INCOME
HAS NOT BEEN SUFFICIENT TO COVER INCOME EXPENSES. ACCURATE
PROJECTIONS OF FUTURE CONTRACTS IS DIFFICULT AT BEST. OUR BEST
VALID ESTIMATE OF CONTRACTS OBTAINABLE THROUGH 1954 WILL RESULT
IN AN INCOME DEFICIT OF \$25,000.00.

NEBLE: YOU SHOULD HAVE TWO OTHER SETS TO THIS MESSAGE.
IF SO, MESSAGE IS COMPLETE, IF NOT LET ME KNOW. PLEASE
ACK WHEN MESSAGE DELIVERED. THANKS. ZAA/504

POSITION PAPER

ON

HOUSE BILL 901

"An Act making a supplemental appropriation to the Department of Health and Social Services, community developmental disabilities, family support; and providing for an effective date."

Intent of Bill: The Bill grants the Association for Retarded Citizens of Anchorage \$84,246 without stipulating the purpose for which it is to be used.

Attached is a letter (dated March 29, 1978, from Robert B. Swain, Executive Director, ARCA) that specifies the intended uses of the funds by ARCA. There are ten intended uses identified in the letter ranging in amounts from (a) \$50,000 for payment of back-wages due to clients from March 1, 1976 to December 31, 1977, to (b) \$151.64 of interest charges due to delays in receiving previously appropriated funds.

Discussion: None of the intended uses have been verified by Departmental audit as of March 30, 1978. However, previous audit reports by the Department of Administration and communication to ARCA by the Division of Vocational Rehabilitation of the Department of Education, as well as by the Division of Mental Health and Developmental Disabilities of the Department of Health and Social Services indicate that ARCA historically has not managed funds in a way to balance revenues with expenses. Rather, ARCA has characteristically spent beyond projected revenues in the trust that Legislative action would correct any imbalance. In FY 1977, ARCA received a \$200,000 "supplemental" grant to pay obligations that extended beyond revenues. In FY 1978, ARCA received \$600,000 in a grant currently administered by the Division of Vocational Rehabilitation. This grant was expected to result in an increased quality of service to an increased number of clients. However there is a lack of evidence to date to show that the quality or number of persons served has increased substantially as a result of this \$600,000 appropriation.

Copies of a recent audit report as well as communications and site-review reports are attached to this position paper.

The above is not to say that the services currently provided to the developmentally disabled by ARCA are substandard. However, given the financial management history of ARCA, and based on the information presently available, it is not felt that additional supplemental amounts from the general fund are necessary for ARCA to develop or to maintain viable programs. As a private corporation, it is felt that ARCA has the capability and

POSITION PAPER

ON

HOUSE BILL 901

(Continuation)

responsibility to explore other alternatives or to redirect existing resources and revenues to cover the "unanticipated" obligations to which House Bill 901 is directed. An additional consideration is that the amount requested exceeds amounts proposed in the Governor's budget for FY 1979.

Recommended Position: Based on current information available to the Department, the Department does not recommend passage of this Bill.

Jerry L. Schrader
Jerry L. Schrader, M. D., Director
Division of Mental Health and
Developmental Disabilities

3/31/78
(Date)

Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health and Social Services

4/3/78
(Date)

Copy also given to
Mr. B.

Introduced: 3/21/78
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

HOUSE BILL NO. 901

2
3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services, community
8 developmental disabilities, family support; and pro-
9 viding for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$84,246 is appropriated from the general fund
12 to the Department of Health and Social Services, community developmental
13 disabilities, family support, to be paid as a grant to the Association for
14 Retarded Citizens of Anchorage.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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ARCA

ASSOCIATION FOR RETARDED CITIZENS OF ANCHORAGE, INC.

2330 NICHOLS STREET • ANCHORAGE, ALASKA 99504 • TELEPHONE (907) 276-4353

March 28, 1978

Dr. Robert Gregovich
 Department of Health & Social Services
 Office of Developmental Disabilities
 Pouch H-04B
 Juneau, Alaska 99811

RE: Request for a Legislative Supplemental Appropriation
 for ARCA in the Amount of \$84,246.06

Dear Robert:

A supplemental legislative appropriation of \$84,246.06 is requested because of governmental demands or unforeseen problems directly related to the operation of the new ARCA multi-purpose facility. It should be noted that all expenses have been encumbered during this fiscal year. Additionally, specific items and costs caused by the two factors mentioned above are described below:

1. Procurement and installation of a sprinkler system for the ARCA Early Childhood Center	\$10,000.00
2. Repair of the furnace and ventilation system and installation of fire door at the Early Childhood Center	1,500.00
3. Paving parking lot (materials only)	8,000.00
4. Security system for ARCA multi-purpose facility	7,168.00
5. Security system monitoring	1,080.00
6. Municipality water demand charges (new ordinance)	2,508.00
7. Relocation of Evaluation Unit within multi-purpose center	3,000.00
* 8. Interest on bank loans	838.42
* 9. Interest on payroll taxes	151.64
10. Back wages for clients. Result of ARCA's request for (approx.) Federal assistance to assure that ARCA was in compliance with the Fair Labor Standards Act	50,000.00
TOTAL	<u>\$84,246.06</u>

March 28, 1978

* If ARCA had received the entire previous legislative appropriation on time, the '*' expenses would probably have not been incurred, and the interest received on the appropriation would have further reduced the other deficits encumbered by ARCA this fiscal year.

Support documentation for items referred above are enclosed.

If you have questions or require additional information, please do not hesitate to telephone me at 276-5411.

Sincerely,



Robert B. Swain
Executive Director

RBS:dw

Enclosures

EXAMINATION OF THE
ASSOCIATION FOR RETARDED CITIZENS OF
ANCHORAGE, INC.

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
STATE INTERNAL AUDITOR



EXAMINATION OF THE ASSOCIATION FOR
RETARDED CITIZENS OF ANCHORAGE, INC.

We have examined the Association of Retarded Citizens of Anchorage, Inc., (ARCA). Our examination was initiated at the request of the Office of the Governor, for the purpose of determining the reasonableness of ARCA's request for a supplemental appropriation of \$200,000 for the remainder of the current fiscal year 1977. In addition, we reviewed ARCA's budget request for FY 1978 which includes an increase in funding support from the State, over and above those funds received in FY 1977, in the amount of \$816,000.

We reviewed the accounting records of ARCA at their offices in Anchorage, Alaska. We observed the clients, programs and daily operations of the two ARCA facilities. We met with representatives of the ARCA Board of Directors and interviewed key program and administrative personnel.

BACKGROUND

The Association for Retarded Citizens of Anchorage, Inc., (ARCA) is a non-profit organization which operates two primary service delivery systems, in Anchorage, Alaska, the Early Childhood Center and the Rehabilitation Industries System. The primary purpose of the association is to prevent the institutionalization of handicapped people and to create vocational training programs that will allow for the employment of those handicapped people.

ARCA was first founded in 1957, under the name of Parents Association for Retarded Children of Anchorage (PARCA). The primary purpose at that time was to provide special education program for mentally retarded children. In 1964 incorporation occurred and the name changed to Association for Retarded Children of Anchorage, Inc. In 1971 Chugach Rehabilitation, Inc., a program that was providing vocational services to handicapped adults, merged with ARCA and was renamed to Rehabilitation Industries. In 1974 ARCA changed their name to what it is presently.

In October 1976 ARCA was accredited by the Commission of Accreditation of Rehabilitation Facilities (CARF) and is presently the only accredited facility of its kind within the State of Alaska.

PROGRAMS

ARCA's services are divided into two distinct divisions, within these divisions are specific programs for the Developmentally Disabled.

These two Divisions are:

1. Early Childhood Center
2. Rehabilitative Industries

EARLY CHILDHOOD CENTER

The Early Childhood Centers primary function is to prepare handicapped pre-schoolers for entry into the School District by providing infant stimulation and educational components of a program that would render the individual involved ready for special education at the age of three. Additionally, this program provides for day care assistance in the form of respite for families with handicapped children during the afternoon and evening hours. The program operates from 7:00am until 10:00pm and until Midnight on Saturday and Noon to 10:00pm on Sunday.

Another program which comes under the Early Childhood Center Division is the Infant Stimulation Program. This program is carried out under the terms and with the funding of a State contract from the Department of Health and Social Services, (HSS), Division of Public Health. This program provides a similar service to that provided within the ARCA Day Care facility but requires that the teachers travel outside the facility to the child's home. This program is carried on within the Anchorage and Matanuska Valley area.

The number of children who receive services within these programs daily, average about 45 for the Day Care facility and 18 for the Infant Stimulation program. However, of those 45 within the Day Care facility, approximately one-third are considered normal and do not require special education programs.

The staffing for this Division consists of three teacher's for the Infant stimulation program with a Director, Assistant Director and six aides for the Day Care facility. In addition the staff is supplemented by Senior Citizens supplied by a federal agency, through a "Foster Grandmothers" program.

REHABILITATION INDUSTRIES

Rehabilitation Industries is the vocational rehabilitation division of ARCA. The emphasis of the programs within this division are to prevent institutionalization by teaching the skills necessary to survive in the community and support those skills by introducing vocational training.

Distinct programs which we could identify are as follows:

Vocational Evaluation
Sheltered Employment
Adult Development
Training
Job Placement

VOCATIONAL EVALUATION

This program tries to evaluate the current and future employment potential of clients. The primary goal is to provide referring agencies, such as the Department of Education, Division of Vocational Rehabilitation, (DVR), with meaningful information and recommendations to be used in planning client services or vocational placement.

Program testing and evaluation is performed by a person with a Masters Degree in this field of work. The services are provided on a fee service basis, with a large volume of business coming from DVR. However, at present the program is operating without a qualified person, which is preventing DVR from currently using their facilities.

SHELTERED EMPLOYMENT

The sheltered workshop provides gainful employment in a non-competitive setting wherein a disabled or handicapped person is able to earn to his maximum capacity, without fear of being laid off or discharged because of inability to meet production demands.

This program is made up of two types of clients, a sheltered employee and an extended sheltered employee. A sheltered employee is considered potentially capable of competitive community employment and sheltered status will be relatively temporary. However, an extended sheltered employee has probably reached maximum vocational capability, and will not be able to compete in the community. Thus sheltered employment is considered permanent.

The majority of the clients in this program appear to fit the extended sheltered status. Our review indicated that more than half the clients have been in this program for an extended period of time. This was confirmed in conversations with ARCA's staff and review of client records.

ADULT DEVELOPMENT, SOCIALIZATION, AND WORK ACTIVITIES CENTER (ADSWAC)

Adult Development: The primary objective of the Adult Development Training program is to provide the handicapped individual with the skills necessary to live and survive in the community. Training ranges from counting and time telling to basic oral communication. Necessarily the class ratio's are sometimes quite small, ranging from 2:1 to 9:1 depending on class demand.

Socialization and Work Activities: The emphasis here is not on production but on providing developmental, vocational, recreational, and social activities. Work activities provides a service for the more severely handicapped people who according

to ARCA staff would be institutionalized or confined to their homes. Some people in Work Activities will be provided with this program indefinitely. Others are being trained and prepared for entering sheltered employment.

TRAINING

Persons in training programs are considered potentially employable, either in sheltered employment or in the community; but they are not as yet feasible for this placement, whether because of vocational skills, lack of social living skills, inappropriate work behavior, or other problems or deficiencies.

Work Adjustment training attempts to correct, reduce or modify certain vocational liabilities. This is done by encouraging and strengthening work patterns and attitudes conducive to on-the-job adjustment. Since some trainees are potentially competitively employable and others will be extended sheltered employees, some training programs teach a particular job skill, while others aim at bringing the employee's work up to sheltered workshop level.

Vocational training programs are available in laundry work, wrapping silverware for Airlines, rolling oshis (wash cloths for Japan and Korean Airlines), and telephone repair. They have also started a janitorial training program with the assistance of a one-time federal grant, from the Department of Health, Education and Welfare, which according to ARCA staff has been highly successful. They are also in the process of trying to set up a wood working shop. Training is to accomodate the use of selected power and manual tools. Equipment is currently on hand with work anticipated by May. Another program which they have recently started is in food service, which appears to be geared for the fast food restaurants with training emphasizing the serving of food, clearing tables and running cash registers.

JOB PLACEMENT

Job Placement Service objectives are to assist the job ready to secure and retain employment within their capabilities. This program formally began in September of 1976. There is currently a staff of one and since September he has placed two clients from within ARCA and has found employment for thirteen individuals referred from DVR.

There appears to be a great need for a program of this type if ARCA expects to put many of its people into outside employment. The staff indicated that in general the business community is often reluctant to hire their people. However, some of those that have employed people trained at ARCA have expressed that these people have worked out much better than they had hoped. The emphasis of this program is to find those employers willing

to hire the disabled person and prepare them with information and follow up services to help them overcome their initial fears.

FINANCIAL FINDINGS

In our examination of ARCA's fiscal records we relied heavily upon audit reports from two independant CPA firms. Our examination was expedited by the fact that ARCA's records are readily accessible, well organized and are kept current and up to date.

Using the audit reports and the current financial records we have made a comparison of ARCA's financial operations for a four year period, including estimated figures for the remainder of FY 77 and the proposed FY 78 budget. (Schedule A). The schedule indicates a rather steady if not excessive increase each year in operating expenditures with a decrease in funding sources. ARCA explains the increases in expenditures to the fact that they moved to new and larger facilities at the beginning of FY 77 and have increased their number of clients and services. The decrease in revenues is the result of a change in policy. They felt that they were concentrating too much on production, in fulfilling their private contracts, that they were neglecting the needs of their clients. As a result they have not obtained any additional contracts and have in fact decreased the size of some.

The figures shown in exhibit A for FY 77 are a combination of actual figures through March 31, 1977 and our estimates for the remaining three months of the fiscal year. The figures representing the Estimated Budget for FY 78 are reproduced from the budget document submitted by ARCA. Those figures in their FY 78 Budget indicate that the methods used to establish these figures were based upon a liberal policy for expenditures and a conservative basis for revenues. This is reflected in an estimated increase in expenditures over FY 77 of 38% and a decrease in revenues of 22%.

The material increase in ARCA's FY 78 Budget is made up almost entirely of an increase in personal services. ARCA justifies this increase due to the belief that their clients will sharply increase in the coming year and in order to maintain their accreditation and staff to client ratio they will in turn need to increase their staff. In addition, they wish to raise their staff salaries and benefits to be more competitive in the job market.

CURRENT FINANCIAL POSITION

At the time our field work was completed, April 15, 1977, ARCA had no available funds and was in the process of obtaining a loan from a bank to meet their current payroll. We estimate that at ARCA's current staffing and operating level that by

June 30, 1977 they will have approximately a \$277,000 total operating deficit for the year.

There is presently a supplemental appropriation to ARCA of \$200,000 for the remainder of FY 77. Although this is approximately \$77,000 less than their operating loss it should be sufficient in that at the beginning of the fiscal year ARCA had fund balances from the previous year of \$72,508.

FINANCIAL SUPPORT

FUNDING SOURCES FROM THE STATE OF ALASKA

Presently ARCA receives direct State funding from two sources within the State, the Department of Health and Social Services (HSS) and the Department of Education, Division of Vocational Rehabilitation (DVR). (Schedule B).

In the current fiscal year 1977, ARCA has two contracts with HSS, one through the Division of Mental Health (DMH) and the other with the Division of Public Health. (DPH)

The Division of Mental Health has a contract by which ARCA is to provide (1) a Sheltered Workshop program for up to 14 developmentally disabled persons. (2) A Living Skills program for up to 13 developmentally disabled persons. The total cost of the contract being \$122,422, payable in 12 monthly payments. 14
27 units

The Division of Public Health has contracted for a teacher and paraprofessional for the Infant Stimulation Program. The program is to serve handicapped or developmentally delayed infants and children up to 3 years of age in the Anchorage and Matanuska Valley. This contract is for \$18,300, payable from monthly billings, based on actual expenses.

DVR provided funding in two ways, one by contracting with ARCA on a per client basis for specific program services. ARCA, had as of March 31, 1977 received \$80,869 from these contracts. In addition DVR provides funding through grants. Currently ARCA received \$26,684, for the purchase of equipment, in this way.

The total direct State funding to ARCA excluding any potential supplemental appropriations will be approximately \$248,000. The funding presently planned for ARCA in FY 1978 will not be substantially different than it is currently. There are however, no new grants available at present from DVR.

OTHER FUNDING SOURCES

ARCA's other major funding sources are private contracts, the Federal Government, and the Municipality of Anchorage. ARCA will receive approximately \$397,000 from these sources in FY 1977. (Schedule B)

The largest of these sources is private contracts. These funds are generated from the Rehabilitative Industries Section of ARCA, within the Sheltered and Extended Sheltered Workshops. These contracts are for laundry services, telephone repair, and utensil packing and Oshii rolling. These contracts will generate about \$107,000 in FY 1977.

The second source of funds is received from the Federal Government, Department of Health, Education and Welfare. These funds were received through a one-time grant to ARCA to provide a janitorial training program. This grant amounted to \$96,817 in FY 1977. However, these funds will not be available in FY 1978.

The last substantial source of funds comes from the Municipality of Anchorage. These funds are received through their Early Childhood Center for Day Care services. These funds are in the form of a grant and amounted to \$62,980 in FY 77. This grant is anticipated to continue in FY 1978.

ADDITIONAL STATE SUPPORT
BUILDING AND LAND

The main ARCA building was recently constructed at a cost of 2.2 million dollars financed primarily from State and Federal funds. Construction was started in late 1975 and completed in mid 1976, and subsequently occupied. In addition, the land upon which the building is located is leased, from the State of Alaska, to ARCA for a cost of one dollar per year.

STATUTES

✓
A.S. 18.05.031. Program planning for developmental disability (a) the department shall (1) plan for and take other steps leading to comprehensive state and community action to combat developmental disabilities.

The intent of this particular statute appears to be extremely broad and flexible as far as defining the states responsibility to the Developmentally Disabled. The department of Health and Social Services has not tried to define the intent of this statute in that there are no regulations at present. Leaving unanswered basic questions as to the kinds of services which are needed to provide adequate programs for persons with Developmental Disabilities, the categories of persons for whom such services may be provided, and the standards as to the scope and quality of services to be provided for persons with Developmental Disabilities. used
Pete

At present the Department interprets A.S. 47.30.010(a), and (b) (para. 1,2,3,4,5,6,7,8,9,11,12) as providing authority to contract with ARCA or similar facilities to provide services for the Developmentally Disabled. However, again this statute

lacks the definitions need to define the states responsibility to these persons.

It has recently come to our attention that there is currently new legislation being drafted which may possibly define the State's role and responsibility as it relates to the Developmentally Disabled. However, until this legislation is made statute, these principles should be adopted in the Administrative Code.

ACCREDITATION

The Commission on Accreditation of Rehabilitation Facilities (CARF) has accredited the ARCA facility for its programs of Vocational Development, Sheltered Employment, and Work Activities. CARF is a nationally recognized commission, which distributes listings of accredited facilities as a reference source to government and voluntary agencies in the rehabilitation field.

ARCA has the only accredited facilities of its kind in Alaska. Accreditation is based upon a number of factors two of which are, physical condition of facilities, and number of qualified persons available per client. According to ARCA representatives they have worked hard to achieve accreditation and in order to maintain this status they must increase their number and qualifications of their staff as the number of clients increases.

The State of Alaska has an interest in helping to maintain ARCA's accreditation, because the Division of Vocational Rehabilitation can only contract with accredited facilities to provide services for their clients. However, DVR does not require that all programs within the facilities be accredited, but only those services for which they are contracting.

CONCLUSIONS

There appears to be a number of options available to the State with regard to the future of ARCA, these are by no means all-inclusive but do reflect some available alternatives.

1. Provide all ARCA funding and make the board a State Commission and the staff members State employees.
2. Provide all ARCA funding and leave it as a private corporation.
3. Help fund only that amount the State determines as reasonable.
4. Only partially fund ARCA, rely instead on the entity to come up with the remainder on its own.
5. Increase funding in this area in order to help establish more facilities of the ARCA type.

1. Presently ARCA resembles a State Agency in almost all respects. The main facility in which ARCA is located was constructed largely from State funds. The land upon which the facility was built is leased from the State for a token fee of one dollar per year. And if ARCA receives that amount requested from the State for its FY 1978 Budget, the State will be providing over 85% of ARCA's operating funds.

If ARCA was to become a State Agency their program goals and operating budgets would be subject to review by Budget and Management. They would also be subject to the Administrative Manual with regard to accounting and internal control. [As a State agency ARCA would be operated in a more controlled manner.]

However, ARCA is presently operated and controlled by a membership which consists of parents, relatives, guardians and other concerned with the care and well being of the Developmentally Disabled. This group is very vocal about the areas of weakness as they concern the Disabled. They have done a commendable job in organizing and operating their facilities in a manner which appears to provide within their capabilities the best possible environment for the Developmentally Disabled. If this group perceived the State agency as failing to adequately deal with the problems they would certainly become highly critical of the agency.

2. ARCA could be fully funded by the State and left as a private corporation. One advantage of this option is that it is probably less expensive than organizing ARCA as a State agency. The most obvious disadvantage of ARCA remaining a private corporation is lack of control over fiscal and program matters by the State. However, these problems can be overcome. As a private corporation ARCA can operate in a manner apparently independent of the State and yet with a good deal of actual control by the State. [The relationship of ARCA and the State would have to be formalized in an agreement which included provisions covering all pertinent details of each parties rights and duties.] For example, ARCA could be required to submit periodically financial information which would indicate how closely they are following their budget, ARCA presently has an independent audit of their operation each year, this report could easily be sent to the State. In addition, ARCA's budget could be thoroughly reviewed before appropriations are requested.

The State could compel ARCA to comply with these or similar provisions by simply withholding a periodic disbursement if reports are not timely or satisfactory.

3. The State should help fund only that amount which it determines as being reasonable. Again this will require either a new statute or an administrative interpretation of the present statutes to define those people to be provided services, and of which type of services to provide. Once accomplished a thorough review would

be required of those programs presently being provided and those clients being served at ARCA.

However, the lack of funding in the past has not deterred ARCA from expanding their programs as they see fit and spending the funds necessary to maintain them. They have presently done exactly that, they knew how much funding they had for this current fiscal year, yet, knowing full well that they did not have the resources to maintain their current operations at the present level for the full year they expended those funds anyway. They have since come to the legislature and requested the funding needed to make it through the remainder of the fiscal year.

Perhaps the rate at which ARCA has expended it's funds represents what is reasonably takes to operate their facilities. However, they have not shown any fiscal responsibility and if they fail to obtain additional funding, their entire program is jeopardized.

If the State does negotiate a contract which represents what it would reasonably take to provide such services, it would be well advised to put some fiscal controls over ARCA to assure that they do not over expend their funds.

4. Fund ARCA as we have in the past, by negotiating contracts with ARCA to provide services to a select number of clients and let ARCA seek additional funding from other sources. By negotiating on a fees for service basis the State could select those clients it feels are in need of the most help and choose those programs that it feels will more adequately benefit the client.

However, we do not believe this system will work. As was pointed out the State has not defined those services which are needed to provide adequate programs for persons with disabilities or the catagories of persons for whom such services may be provided. In addition, those contracts negotiated in the past were not developed in a meaningful fashion, {the amounts and clients did not appear to be chosen with any anticipated objectives in mind.}

(Furthermore, as was pointed out in the previous alternative)
(some sort of fiscal control will probably be required to assure)
(that ARCA stays within its funding limits.)

5. Increase all funding to institutions of the ARCA type. This alternative has been frequently brought out, and was formally recommended in the Governor's Management and Efficiency Review. That report recommended that the State close Harborview Memorial Hospital and establish plans to develop alternative facilities for the care of the mentally retarded and the Developmentally Disabled. In addition the report stated that "the Department of Health and

Social Services (HSS) favors the concepts of normalization and least restrictive treatment for the mentally retarded or other developmentally disabled persons. Institutionalization of such individuals is considered a last resort."

There would appear to be but a few ways in which to accomplish either the recommendations or those favored concepts. Those being either to build smaller State run institutions geographically located throughout the state or to purchase these services from those private facilities which already exist and a third possibility being a combination of the two.

There is speculation that by deinstitutionalizing these people and putting them in smaller facilities at/or closer to locations near their homes that the cost of care would decrease. The cost of care per patient may possibly decrease or remain the same, however, the overall cost effect will in all probability increase.

By bringing services to communities which previously did not have such services, we will probably find that there were many persons that were in need of help that due to the distance to our present facilities or numerous other reasons had not previously tried to obtain such services. Thus by creating local service we will increase costs by increasing the number of people served.

RECOMMENDATION

We recommend the State elect to fund only that amount it determines as reasonable. However, in order to determine what reasonable funding is, an evaluation of the programs at ARCA needs to be undertaken. This analysis would encompass information concerning clients, staffing, the capability of ARCA to obtain funding from other sources and their ability or need to acquire private contracts.

In addition the State must be willing to publish Administrative Rules and hold public hearings to define those areas within the existing statutes which are vague and in need of interpretation. Areas of concern are the definition of who is an eligible person to participate in these programs and the types of services which should be provided to those people. Also, these rules should be able to serve as a vehicle to administer the possible introduction of other like programs providing these types of services.

In order to assure that ARCA stays within those limits determined to be reasonable, sufficient controls and restraints must be imposed upon any appropriations designated for them. This will require that the State establish a system for monitoring ARCA's operations. This does not mean only a review at the beginning of the year but a plan of continuous analysis.

This may be accomplished through a system of monthly or quarterly reports and periodic observations of ARCA's facilities. These efforts to monitor the operations of ARCA must jointly incorporate all State agencies who provide substantial funding.

Richard A. Smith
George Elgee

June 22, 1977

01-49

ARCA
Schedule of Comparative Operating Statements
for FY 75, 76, 77, 78

	From Audited Fin. State 1975	From Audited Fin. State 1976	Actual 9 months + Estimated 3 mos. 1977	Proposed ARCA Budget 1978	Percentage Increase (Decrease) between FY 77 & FY 78	\$ Increase or (Decrease) between FY 77 & FY 78
REVENUES:						
Public Support:						
Contributions	\$ 13850-	\$ 6097-	\$ 4041-	\$	\$	\$ (4041-)
Grants	151414-	283446-	223451-	184000-		(39451-)
Fees for Services	278492-	192022-	102869-	150000-		47131-
-State of Ak., Direct						
Legislative Approp.				53000-		53000-
Contract Income	194795-	277053-	309917-	120000-		(189917-)
Membership Dues	1369-	1375-	500-			(500-)
Other	23057-	17154-	5269-			(5269-)
Total Revenue	\$ 662976-	\$ 777147-	\$ 646047-	\$ 507000-	22%	\$ (139047-)
% Increase (Decrease) over previous year		17%	(.17%)	(22%)		

	From Audited Fin. State 1975	From Audited Fin. State 1976	Actual 9 months + Estimated 3 mos. 1977	Proposed ARCA Budget 1978	Percentage Increase (Decrease) between FY 77 & FY 78	\$Increase or (Decrease) Between FY 77 & FY 78
EXPENSES:	\$	\$	\$	\$	%	\$
Salaries & Wages - Staff	320222-	383447-	487005-	615851-	.26%	128846-
Salaries & Wages - Clients	93306-	136918-	158582-	297278-	.87%	138696-
Payroll Taxes	29695-	40567-	56567-	96181-	.70%	39614-
Employee Benefits	6839-	4231-	6016-	146283-	2331%	140267-
Consulting Fees	2700-	22002-	14793-	10400-	(30%)	(4393-)
Supplies	40303-	41803-	37993-	25381-	(.34%)	(12612-)
Repairs & Maintenance	4077-	1779-	16190-	17709-	.09%	1519-
Rents & Utilities	50650-	47897-	30368-	23899-	(.22%)	(6469-)
Janitorial	2406-	7219-	25432-	16969-	(.34%)	(8463-)
Vehicle Operations	4285-	5531-	8033-	8233-	.02%	200-
Insurance	3814-	14312-	11385-	8970-	22%	(2415-)
Equipment Rentals & Purchases	10054-	419-	31349-	10178-	(.68%)	(21171-)
Publicity, Printing, etc.	11801-	2507-	2648-	1921-	(28%)	(727-)
Travel	4673-	5261-	10463-	5720-	(46%)	(4743-)
Inservice Training	319-	1413-	212-	2600-	1126%	2388-
Licenses & Fees	825-	1020-	136-	1497-	1000%	1361-
Interest	1718-	2220-	479-	--	(100%)	(479-)
Bad Debts	4329-	3178-	3000-	--	(100%)	(3000-)
Other Expenses	41969-	5043-	23117-	33988-	47%	10871-
Depreciation	17315-	18275-	30000-	--	(100%)	(30,000)
Total Expenses	\$ 651300-	\$ 745042-	\$ 953768-	\$ 1323058-	.38%	\$ 369290-
%Increase (Decrease) over previous year		.13%	.28%	.38%		
Operating Gain (Deficit)	\$ 11676-	\$ 32105-	\$ (307721-)	\$ (816058-)		

*NOTE: At the end of FY 76 the New Building was completed and ARCA moved to the new location.

ARCA
Source of Revenue for Fiscal Year 1977
Early Childhood Center Rehab. Industries

REVENUE SOURCES	FY 1977		Est. FY 1978	
	Actual 9Mos + Est. 3 Early Childhood Center	Actual 9Mos + Est. 3 REHAB. Industries	ECC	Rehab. Ind.
<u>STATE</u>				
Ed. Div. of Voc. Rehab. (DVR)		\$107,553.19		\$ 150,000.00-
H&SS-Div of Mental Health		122,422.00		122,000.00-
H&SS-Div. of Public Health	\$18,300.00			
Direct. Leg. Appropriation				53,000.00
Sub Total	<u>\$18,300.00</u>	<u>\$229,975.19</u>		<u>\$ 325,000.00-</u>
<u>FEDERAL</u>				
Dept. of HE&W		\$ 12,000.00		
Dept. of HE&W		96,817.00		
Sub Total		<u>\$108,817.00</u>		
<u>LOCAL</u>				
Anchorage Municipality				
Dept. of Health	\$62,980.00		\$ 62,000.00-	
Sub Total	<u>\$62,980.00</u>	<u>-0-</u>	<u>\$ 62,000.00-</u>	<u>-0-</u>
<u>OTHER</u>				
Contracts		\$187,495.22		\$ 120,000.00-
Fees for Service (Private)	\$22,000.00			
Match for Grants		\$ 1,891.72		
" " "		4,779.00		
Contributions		1,000.00		
Fund Rasing Campaign		269.62		
Restricted Donations	3,041.96			
Membership Dues		500.00		
Miscellaneous		5,000.00		
Sub Total	<u>\$ 25,041.96</u>	<u>\$200,935.56</u>		<u>\$ 120,000.00-</u>
TOTAL	<u>\$106,321.96</u>	<u>\$539,727.75</u>	<u>\$ 62,000.00-</u>	<u>\$ 445,000.00-</u>

REC'D BY D.V.R.

JUL 22 1977

CENTRAL OFFICE

910 MacKay Building
338 Denali Street
Anchorage, AK 99501

Michael C. Morgan
Director

May 18, 1976

Mr. Claude Millsap

Dear Claude:

In reference to our previous conversation, I will attempt to address why I believe the workshop activities at ARCA should be under the direction of a separate board rather than the membership and Board of Directors as it is now administered.

Good management is an essential element in a successful operation of a workshop. The fundamental principles in management, whether for a factory, hospital, department store, etc., are planning, organization, and control. It is not possible to control what is not organized nor is it possible to organize what has not been planned. The fact that the workshop's primary goal is to serve people, not to make a profit, does not preclude its using good business practices--quite the contrary. The community can be looked to for subsidies for necessary supportive services, but it is not reasonable to expect it to subsidize excessive operating costs. The workshop's total role in a community is: (1) Provide a realistic work climate, which includes the continuous calculation of workflow in relation to volume and variety required to evaluate, train, and place clients into industry; (2) utilize production as a means of developing the productivity and employability of the worker; and (3) recognize, meet, and deal with the rigid demands of a competitive industry in the production and distribution of goods.

If the above goals are accepted as being the role of a workshop that will deal with all physically, mentally, and emotionally disabled, then it is my belief that the board should be made up primarily of good, substantial business people who understand competition, competitive bidding processes, wage and hour regulations, etc. The present organization of ARCA is, as you know, primarily for the purpose of advocacy and it advocates only for the mentally retarded. The workshop must be able to function for all the disabled, including the mentally retarded. It has been some time since I attended a board meeting, but the majority of your board members are primarily interested, and probably rightfully so, in services for the mentally retarded. The board answers to a total membership which, by its very nature, is interested only in services to the mentally retarded and, through its very nature, mandates that the board advocate for the retarded. I'm not saying that this is wrong, but I believe it is too narrow and concerned too much with a specific disability to encompass the total philosophy that workshops

Claude Millsap

5/13/76

Page 2

should have. In fact, I think advocacy is good, and a good active ARCA advocacy group could assist the organization in finding those services and agencies that could supplement programs that the workshop is not able to provide. I view the board as needing to wear two hats-- that of a business board for the workshop, and that of an advocacy role for the membership. I view that you have your executive director in the same position where he too falls under two masters.

Claude, to summarize, it is my belief that if a workshop is to operate and provide services for all the physically disabled who need workshop services, it must truly operate like a competitive business and, consequently, needs that kind of guidance from a board. The board needs to be made up of those who understand the total complexities of running a business so that the workshop can function as close to a natural industrial setting as possible to enable it to assist the disabled Alaskans into local competitive employment. I hope this has been of some assistance to you and would be very happy to discuss any questions that you might have.

Sincerely,

Donald L. Hitchcock
Chief of Rehabilitation Services

:8W

REC'D BY D.V.R.

JUL 22 1977

CENTRAL OFFICE



SPECIALIZED TRAINING PROGRAM

Center on Human Development
University of Oregon
Eugene, Oregon 97403
(503) 686-5408

May 6, 1977

Mr. Robert Swain
Executive Director
Association for Retarded Citizens of Anchorage
2230 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

The attached report summarizes the recommendations based on our visit to the ARCA workshop last week. I do hope it will be useful to you and the ARCA Board in your future planning for the rehabilitation program.

The hospitality and openness of the board members and staff made our visit both more enjoyable and more efficient. As the board now faces some difficult planning decisions, we hope you will feel free to call if we can clarify our comments in any way.

Because of their interest and involvement in the ARCA program, I have sent copies of the recommendations to Mr. Bob Gregovich, Mr. Larry Bissey, and to the Department of Education Talent Bank, which supported our trip.

Thank you again for the opportunity to be involved in your planning process.

Sincerely,

G. Thomas Bellamy, Ph.D.
Director

Rob Horner
Program Coordinator

Encl.

Recommendations for Future Development of the
ARCA Rehabilitation Program, Anchorage, Alaska

Prepared by G. Thomas Bellamy and Robert H. Horner
University of Oregon

The preparers of this report were approached by the ARCA Board and engaged by the Alaska Department of Education Talent Bank to review current programs and recommend a course of action for improvement of the Rehabilitation Industries program. Rehabilitation Industries is one component of the Association for Retarded Citizens of Anchorage, and is the principal sheltered workshop and daytime service program for developmentally disabled adults in the Anchorage area.

This report will summarize the observations made during a visit to Anchorage on April 27-28, 1977. During these two days, we met and talked with the ARCA officers and board of directions, several individual board members, program directors currently employed by ARCA, and representatives of the University and public school programs who were interested in the facility. We toured and observed some programs in the workshop and activity center, and visited classrooms for trainable retarded students in the schools who could be future candidates for ARCA services. By telephone we were able to discuss the rehabilitation program with representatives of the State and Regional Vocational Rehabilitation and Developmental Disabilities agencies. Although the necessarily brief visit no doubt precluded our obtaining much relevant information, we did learn a great deal about the rehabilitation program. We feel the information we obtained provides a sound basis for several recommendations.

Context for the Visit

Several aspects of the timing of our observations should be noted. The visit came soon after the ARCA board of directors decided to change the focus

rehabilitation program. They had determined that services to retarded adults, specifically moderately and severely retarded adults, should be emphasized. The rehabilitation and vocational training aspects of the program seemed to be receiving less attention, because of an apparent belief that the more severely retarded could not participate meaningfully in this aspect of the program.

Our visit occurred just prior to election of new officers of the ARCA corporation and while a large number of professional staff vacancies existed. Although the latter condition probably prevented us from observing several aspects of the current program, it also, as one board member suggested, may create a situation in which our recommendations can be quickly used to change the organization.

Values and Objectives of the ARCA Board

Our first efforts were to learn the specific goals of the ARCA Board, as they related both to the Rehabilitation Industries and the other aspects of the corporation. It was apparent that the board members were asking several basic questions about the services they were providing. Many of the feelings were consistent with widely held professional values in the fields of mental retardation and rehabilitation. Others reflected a concern for program availability and quality similar to positions which have been taken very effectively by other parent organizations. Specifically, the board members felt the goals for Rehabilitation Industries should include: (a) providing a wide range of services to retarded adults to assist in successful deinstitutionalization and normalization; (b) emphasizing services to the moderately and severely retarded as the group perceived as in the greatest need of services; (c) providing maximum possible vocational opportunities to all persons served in the program; and (d) providing adult developmental services and education to the moderately and severely retarded adults in the Anchorage area.

The board also identified objectives related to the expansion and improvement of preschool services, and to all aspects of advocacy. The board seemed particularly committed to serving as advocates to maximize the quality and quantity of services provided by generic service agencies.

The specific objectives on which our observations concentrated were those related to the rehabilitation programs. In our observations we identified several unique resources and several barriers which could affect the attainment of these objectives.

ARCA Resources relevant to attaining these objectives:

In our view the corporation has several assets which should facilitate design of a habilitation program consistent with the board's values. These include a group of active, interested board members; a staff which describes themselves as flexible and adaptable to whatever direction is set by the board; a facility which is well equipped, spacious and adaptable for a wide range of programs; few, if any, competing corporations in the Anchorage area which provide similar services; and several good work contracts which can provide a basis for vocational programming. The large number of current staff vacancies could facilitate rapid implementation of board policy by allowing immediate employment of new staff persons committed to the board's objectives.

Apparent barriers to accomplishing the objectives

We observed several circumstances which seemed likely to hinder ARCA's attempts to reach the objectives voiced by the board:

(1) The breadth of the objectives themselves was the first apparent barrier. The objectives seemed useful as long range goals, but lacked the definition, precision and focus necessary for dealing with immediate short range demands. Without carefully defined priorities and timeliness, it seems unlikely that ARCA will be able to give sustained, intensive attention to

the rehabilitation program. A closely related problem is the conflict, which was freely acknowledged by most members of the board, between its advocacy and service delivery goals. It has been difficult historically for ARC groups to perform both functions effectively. Recognizing this conflict, the board has often planned to divest itself of all service programs, including the vocational program, but this has never been accomplished. The failure to establish another corporation to manage the service aspects of the program, and the view of many board members that such a spin-off is not an immediate likelihood, led us to the conclusion that the breadth and inherent conflict in the board's objectives presented a major impediment to accomplishing service objectives in the rehabilitation program.

(2) Another barrier to effective habilitation may be the board's apparent perception that a desired focus on the moderately and severely retarded is incompatible with the vocational objectives of Rehabilitation Industries. With an increasing interest in this population has come a decreasing emphasis on work and a focus on providing adult education and developmental services, apparently on the belief that available work was beyond the limits of the moderately and severely retarded. This is inconsistent with a great deal of current program practices and research results. Examples of work performed by severely and profoundly retarded adults at the University of Oregon were used to illustrate the potential vocational competence of these individuals on tasks like those in ARCA's workshop.

(3) A perception of instability in the ARCA corporation could present a barrier to effective habilitation services by reducing needed agency and staff support. Several staff members voiced a feeling of uncertainty about what the board's goals really were, as well as a sense of caution that, historically, these goals had been prone to change. Rapid staff turnover,

changes in makeup of the board, and continuous review of management decision by the board and the ARCA membership all were cited by other agencies as evidence of instability in the service program. Any present program improvement, therefore, should be accompanied by structural changes which convincingly illustrate the boards commitment is for an extended time to a particular set of objectives.

(4) The board's interest in the service aspects of the rehabilitation program, rather than its management aspects, was apparent. The board members were clearly active in a variety of service programs and profession in the community. However, they did not appear to include those persons with local business expertise who are typically sought for sheltered workshop boards of directors.

(5) One final barrier deserves note. Traditional sheltered workshop programs have typically not been effective in providing habilitation services for the moderately and severely retarded adults in whom the board is now interested. Although professional literature is replete with illustrations of the vocational potential of these individuals, they have frequently been excluded from the work programs in sheltered worksh9ps.

It is not surprising, therefore, that as a group of advocates the ARCA board is disenchanted with the operation of a shetlered work program. The board thus seems faced with the option of operating a program which they feel discriminates against the more severely retarded or attempting to create a new approach to service provision. The paucity of good model programs for moderately and severely retarded adults in meaningful vocational programs thus presents a significant barrier to the ARCA corporation.

Recommendations

Our first and major recommendation is organizational. We feel that it is very unlikely that the boards' vocational habilitation objectives will be

accomplished in the present organizational structure. An alternative is needed which simultaneously: (1) demonstrates to agencies and staff that the corporation is committed for an extended time to particular objectives; (2) provides management stability by eliminating continuous review of decisions by the board and membership; (3) involves members of the Anchorage business community in workshop management; and (4) separates the workshop operation from advocacy functions of the board.

Establishment of a second corporation to manage Rehabilitation Industries could meet these needs. Another method which seems to be more consistent with the board's current feelings is suggested here:

We recommend that ARCA establish a separate Management Board for Rehabilitation Industries, with complete authority for operation the program. This Management Board should have a stable members which represents the interests of ARCA as well as the community at large. We suggest that members serve for three year terms, with half of the members being appointed by the ARCA Board and half being elected by other Management Board members. For example, if a total of 6 members were desired, the ARCA Board would appoint 3 and these individuals would then select the remaining 3. By initially staggering terms of office the ARCA Board would be able to appoint at least one member each year to the Management Board. A proposed organizational chart is appended to this report.

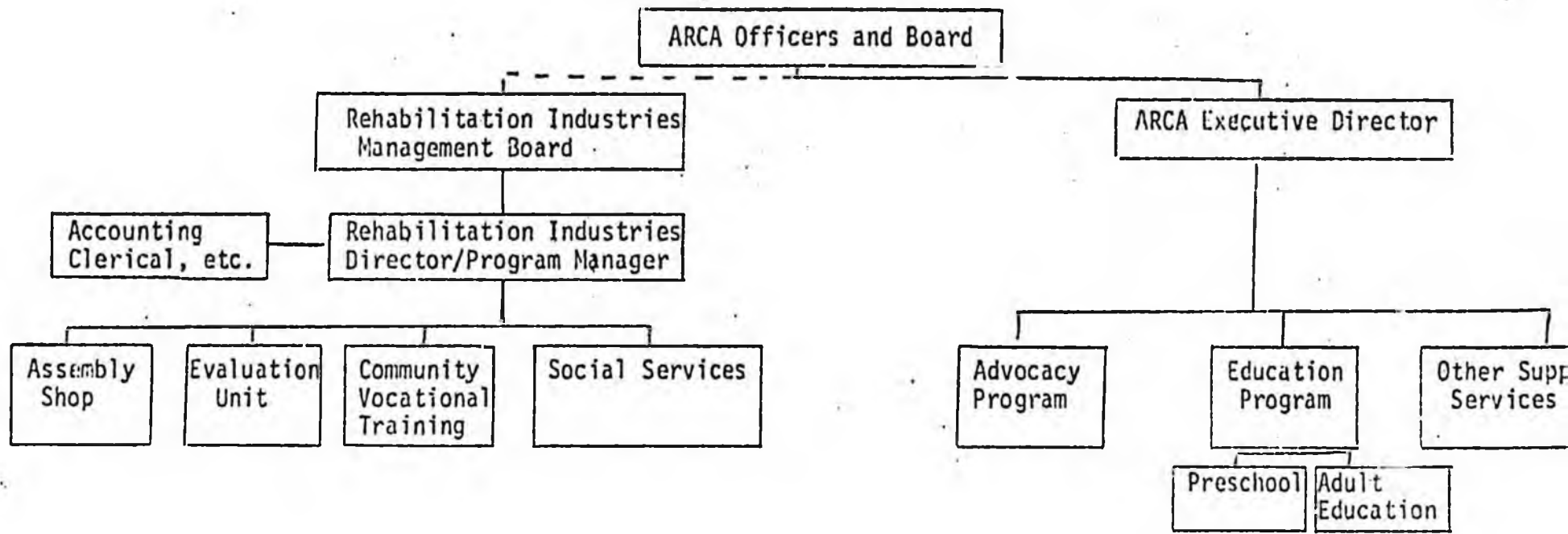
Responsibilities of the Management Board. It is recommended that the Management Board function as a semi-autonomous unit within ARCA. Instead of having power to review and possibly overrule all decisions of this group, the ARCA Board and membership would have only the more extended control involved in annual appointment of Management Board members. By thus assigning full responsibility to the Management Board, the ARCA Board will be able to function more effectively in the preferred advocacy role. Further, the

stability of this board could provide a vehicle for convincing staff and other agencies of a long term commitment to specific objectives in Rehabilitation Industries.

Role of the Executive Director and Program Director. It is recommended that the Management Board recruit and hire a director of the Rehabilitation Industries Program (the currently vacant Program Director position). This individual would be responsible directly to the Management Board for all aspects of the Rehabilitation program. The present ARCA Executive Director could then be freed to pursue advocacy functions, to manage the preschool and adult education services, and to work toward the provision of more services by generic agencies. With this division, more accurate accounting of the rehabilitation program would be possible, since the advocacy tasks of the Executive Director would not be charged as overhead to rehabilitation programs.

Organization of Rehabilitation Industries. The only organizational change we recommend at this time is a separation of the rehabilitation and educational programs, with a transfer of the adult education (developmental services) out of the Rehabilitation program and into the educational program. (We are not recommending a change of building, only a change in management). This suggestion is made for two reasons. First, development of this program has been largely accomplished by Sheril Horn, the director of the preschool program. She seems to be the best qualified person to continue its supervision. The second reason derives from long range planning. If ARCA is ultimately to become an advocacy, rather than a service provision group, both the rehabilitation and education programs will ultimately be spun off. It seems reasonable to distinguish now between those services which might be spun off as a separate corporation (Rehabilitation Industries) and those which might best be provided by existing generic agencies (pre-school and adult education programs).

Program Recommendations. During the course of our visit we discussed several potential program directions. Foremost among these were the development of an assembly shop for extended sheltered employment of the more severely retarded persons now in the activity center and expansion of the vocational (custodial) training program as a method of providing services to the less severely handicapped. We discussed several ways in which the staff of the Specialized Training Program might be of assistance in making these program improvements, including both on-site assistance and staff training. However, we feel that solution of organizational problems discussed above should be achieved prior to any further involvement on our part.





DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

REGION X

ARCADE PLAZA BUILDING M.S. 622
1321 SECOND AVENUE
SEATTLE, WASHINGTON 98101

REC'D BY DVR

AUG 08 1977

CENTRAL OFFICE

August 3, 1977

OFFICE OF THE REGIONAL DIRECTOR

Office of Rehabilitation Services

IN REPLY, REFER TO: FC 01

Michael Morgan
Division of Vocational Rehabilitation
Pouch F, Mail Stop 0581
Juneau, AK 99811

Dear Mr. Morgan:

Attached is our lengthy report of the ARCA review. We included more detail than we normally would, hoping it would be of value to ARCA persons in rethinking the objectives of the vocational rehabilitation elements under that organization.

The Training Services Grant, itself, appears successful. There is a larger problem, however, in the availability and adequacy of supporting services. To summarize our findings very bluntly, we found all vocational rehabilitation services offered by ARCA, with the exception of janitorial training under the Training Services Grant, to be very inadequate. We attribute this inadequacy to the inability and or lack of interest on the part of the ARCA board and management to develop a viable vocational rehabilitation facility and workshop. ARCA has so many other interests beside the development of a sound vocational rehabilitation facility and workshop that, in our opinion, development of adequate services, recruiting and retention of high quality staff and development of a compatible philosophy of operation and objectives does not exist in the foreseeable future.

In spite of considerable discussion regarding "spin-off" of the vocational rehabilitation components, including (1) vocational evaluation, (2) prevocational and vocational adjustment, (3) situational job sampling, (4) vocational training, (5) sheltered employment and (6) placement and their support services, we do not see this as an immediate solution to your need for good services.

An immediate solution is necessary for adequate services to clients of DVR. We recognize your reluctance to develop a state owned and operated vocational rehabilitation facility. We agree that in most circumstances it would not be desirable, particularly where it might be in competition with a private organization providing similar services. We think, however, that you can no longer overlook this as a likely option for obtaining needed services which do not now exist in the South Central Alaska area.

Page 2 - Michael Morgan

One option you may consider is to negotiate with ARCA for the return of the considerable sums you have put into that organization for the development of vocational rehabilitation facility, equipment, etc. in exchange for a release of DVR's interest in ARCA's building and facilities. The funds for ARCA to reimburse the DVR interests could come from the recent State appropriation of \$600,000 for ARCA's use. This would provide DVR with an immediate fund for establishing and developing the needed VR services, either as a State owned facility or through some other method.

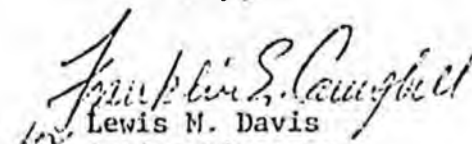
Another option you may wish to consider is to claim the space in the ARCA building equivalent to DVR's investment and to staff the facility with your own employees and management, to achieve the necessary quality and scope of services for all handicapped clients.

Still another option would be to negotiate with ARCA for DVR's unobstructed management of the vocational rehabilitation components of the organization. This would require the ability to recruit appropriate staff, develop services in a professional manner and obtain appropriate contracts for workshop trainees and employees. Staff and support services would be on ARCA's payroll with the exception of the manager of the workshop and evaluation unit, who would be a DVR employee. Fees for service would be negotiated for services based on the ARCA staff necessary for the provision of VR services and an appropriate proportion of support services.

This is not an exhaustive lists of options, but clearly the tenor of our suggestions indicates that we are not optimistic about early and satisfactory resolution of the difficulties encountered by DVR in developing quality VR services through the present ARCA organization.

If we may be of help in clarifying this report or our recommendations, don't hesitate to call upon us.

Sincerely,


for Lewis M. Davis
Acting Director

Attachment

cc: Robert Swain

AUG 24 1977

CENTRAL OFFICE

August 4, 1977

M.S. 622

Office of Rehabilitation Services

IN RESPONSE, REFER TO: DK 65

Mr. Robert Swain
Executive Director
Association for Retarded Citizens
of Anchorage, Incorporated
2330 Nichols Street
Anchorage, AK 99504

RECEIVED BY D.V.R.

AUG 12 1977

CENTRAL OFFICE

Dear Mr. Swain:

I wish to thank you and your staff for the time spent with our review of the rehabilitation services at ARCA in response to a request for extension of the budget period for the Training Services Grant at your facility. As you are aware, our review considered not only the TSG, but the general atmosphere in which it is being conducted, including its relationship and relevance to Alaska Division of Vocational Rehabilitation.

I have carefully reviewed the report developed by my staff and have every confidence that it is a valid picture. I have also had lengthy discussions with State DVR staff, and visited your facility personally. While recommendations of the site review report (which are enclosed) consider a variety of aspects of rehabilitation services beyond the training services grant, we contend that this represents a valid interest, especially in light of the considerable investments made in this facility.

We have incorporated the findings and recommendations of the report into a set of recommendations to the Alaska Vocational Rehabilitation Division. We are enclosing a copy of this letter for your information.

In order to maintain training services being provided DVR clients under the Training Services Grant for a period of time, I am recommending the approval of a five-month extension of the budget period of the ARCA training services grant. The only contingency that will be attached to this extension is as follows:

By September 30, 1977, evidence of an agreement with Alaska Division of Vocational Rehabilitation for the provision of quality rehabilitation services, as defined in the site review report dated August 1977, will be presented by ARCA to the Region X Office of Rehabilitation Services.

Robert Swain - Page Two

This will allow services to continue while negotiations between your facility and DVR are in process. The Notice of Grant Award will also reflect budget changes, as requested.

If you have any questions regarding the site review report or this letter, please do not hesitate to contact Ms. Diana Koreski or Dr. Franklin Campbell at (206) 442-5331.

Sincerely,

Lewis M. Davis
Acting Director

Enclosures

RECD BY D.V.R.

AUG 12 1977

CENTRAL OFFICE

AUG 08 1977

Report of Site Visit to

Association of Retarded Citizens of Anchorage, Inc.
Anchorage, Alaska - June 19-23, 1977

GENERAL OFFICE

Purpose:

- A. On May 9, 1977, Region X Office of Rehabilitation Services (ORS) received a request from the Association of Retarded Citizens of Anchorage, Inc. (ARCA), dated April 12, 1977, for a five month extension of budget and project period of Training Service Project #38-P-50325/0-01 "Vocational Training" (janitorial). In response, ORS requested a site review in a letter dated June 3, 1977, which outlines some of our questions and concerns:
1. Utilization of the facility by counselors from the Alaska Office of Vocational Rehabilitation (which includes the use of the referral process and communication patterns for both the TSG and other facility services).
 2. Utilization of other janitorial work sources than on-site facility work.
 3. A methodology for stabilization of management of the facility (i.e., any consultation recommendations available).
 4. Review of grant match and part-time staff time records discussed during the last review.

The main purpose of the on-site visit was, therefore, to determine the advisability of extending the grant period, as requested by ARCA.

- B. Secondary objectives of the site visit were to observe ARCA, as a principal statewide resource for sheltered workshop employment, training, work evaluation, work adjustment and other services for severely handicapped individuals, in order to advise and support ARCA in efforts of mutual concern and to advise the Alaska Division of Vocational Rehabilitation (DVR) with regard to its annual State Plan and Statwide Facilities Plan.
- C. Closely related to the above, the site visit to ARCA presented an opportunity to observe the Alaska DVR operations with regard to ARCA as the major facility in Alaska for vocational rehabilitation services and to determine whether DVR is, in fact, receiving the client services which it is authorizing and paying to ARCA, as a vendor of those services.

0 01 D.V.R.
AUG 08 1977

CENTRAL OFFICE

Background:

- A. The Rehabilitation Act of 1973, as amended, provided for a variety of grants in support of the basic State-Federal rehabilitation program, including the Training Services Grants (TSG). Because of the intent and conditions of the grant authority, we must be concerned with the entire progression of vocational services, including the core skills training under the TSG, provided by and/or available to the grantee agency (in this case, ARCA).

According to 45 CFR 1362.44(a)(5) (Vocational Rehabilitation Regulation - Implementation Provisions, dated November 25, 1975), which governs the execution of TSG grants, Vocational Training Services include (1) training with a view toward career advancement, (2) training in occupational skills, and (3) related services including work evaluation, work testing, provision of occupational tools and equipment required by the individual (client) to engage in such training and job tryouts, and (4) payment of weekly training allowances to individuals receiving such training and related services.

- B. The Rehabilitation Act of 1973 also provides for and requires the State Vocational Rehabilitation Agency to prepare and maintain a State Facilities Plan. The plan sets forth the State VR Agency's method of certification of rehabilitation facilities and workshops (which is necessary prior to purchase of services or issuances of grants from the State VR Agency or grants from Regional ORS or the Rehabilitation Services Administration (RSA). The plan also sets forth objectives for future support and development of facilities and services based upon statewide needs assessments. The State VR Facilities plan and the ARCA long-range development plan, as it pertains to the vocational rehabilitation services and facility, should be developed with mutual input and consultation if they are to serve a common purpose.

Review Approach

The Review Team consisted of Dr. Franklin Campbell, Regional Rehabilitation Representative for Alaska, and Ms. Diana Koreski, Regional Rehabilitation Facilities Specialist, both of Region X ORS, Seattle,

100-100000-1000
AUG 08 1977

Page 3 - Site Visit to ARCA

CENTRAL OFFICE

The review included observation of the ARCA facility, case records review, a superficial fiscal review and interviews with the following persons:

Robert Swain, Executive Director, ARCA
Tim Pinneo, ARCA
Patricia Johnson, ARCA, Director of TSG
Robert Jackson, ARCA, Fiscal Manager
Lou Bennett, ARCA Placement Officer

Pat Young, DVR Deputy Director, Juneau
Dale Reeves, DVR
Don Hitchcock, DVR
Larry Bissey, DVR
Wayne Black, DVR

(Pat Young and Larry Bissey participated in the review at ARCA).

Findings

A. With respect to the Training Services Grant:

1. It is being administered well and knowledgeably by its director, Pat Johnson. The regulatory expectations of the TSG (see below) are generally being met. With the exception of the planned volume of trainees referred to the project and certain reservations we have regarding the adequacy of related support services, we have no complaints and will recommend the requested five month extension of project period based upon stipulations developed from the section on "recommendations."

It appears, however, that part of the problem of the the low volume of trainees stems from poor understanding of the DVR processes and lack of ARCA's understanding of DVR's referral mechanisms. It was reported by ARCA that five known, suitable candidates for the TSG training were available but they were not DVR clients. We advised Mr. Swain that these candidates should immediately be referred to DVR with recommendations that they be considered for the TSG training. Mr. Bissey, present when we advised this, assured expeditious review of these referrals. It should not have required the presence of Seattle Regional Office persons to remind ARCA of this procedure.

B. With respect to other vocational rehabilitation services:

1. PLACEMENT

The recently initiated Job Placement Specialist position shows potential for developing into a needed service component. Mr. Bennett reports placing approximately 44 mentally retarded persons in jobs since his joining the ARCA staff about October 1976. Four of these placements were graduates of the TSG project. Mr. Bennett was not readily able to identify which or how many of the 44 placements were clients of DVR (other than the four TSG graduates, who are clients of DVR by definition).

Information provided at our request following the site visit indicates that about 19 of the 44 persons were past or present clients of DVR, although "placement" includes persons placed in On-The-Job training situations which may not lead to employment. Placement, as defined by the Division of Vocational Rehabilitation, is more precise, including the federal regulatory requirement that a client "achieve a suitable employment objective which has been maintained for a period of time not less than 60 days." It is incumbent upon DVR to assure that a "placement" includes reasonable safeguards for the health and well-being of the client, an employment level compatible with abilities, and satisfactory evidence that the client's labor is not exploited. These sorts of assurances are necessary prior to a fee-for-service agreement between ARCA and DVR. Nevertheless, we feel that Mr. Bennett's placement services, when fully developed, will provide a useful service to DVR.

2. EVALUATION

The evaluation component was in process of transfer from one part of the facility to another at the time of review, making direct observation of this unit impossible. Interviews lead us to comment that a surprising amount of evaluation data is dependent upon paper-and-pencil type tests. The evaluator or psychometrist is not qualified to administer Class A psychometric instruments (as classified by the American Psychological Association) such as the Wechsler Intelligence Scale for Children, the Stanford-Binet, the Thematic Apperception Test or a variety of others that might be useful in evaluation situations. There appeared to be no methodology thought out for utilization of "situational" job evaluations, although several opportunities exist within the facility

itself. The Singer System work sampling stations were evident at the facility, but it was reported that they are subject to frequent breakdowns and were not all that useful in evaluating mentally retarded clients.

Based on our case file reviews, we were unimpressed with the quality of evaluations, even for the mentally retarded. Conclusions and recommendations did not appear to flow clearly from a logical synthesis of the data obtained in the evaluation process; nor was there very strong evidence of the evaluator's familiarity with the world of work or social skills required on the job. The evaluation system as presently set up, does not have the breadth to deal with clients other than mentally retarded.

The five OVR staff members interviewed, while complimentary about the TSG services, were unanimous in their dissatisfaction with the ARCA evaluation services. OVR is the principal potential purchaser of evaluation services and has expressed a critical need for a comprehensive vocational evaluation service for the full spectrum of VR clients in the Anchorage area. A good evaluation should normally precede the selection of clients for the TSG project training program.

We are enclosing Attachment A, an example of vocational evaluation methodology, which may be of interest to you.

3. WORK ADJUSTMENT SERVICES

Our review in this area was superficial but we could not detect an appreciable difference in treatment of those receiving "work adjustment" services from those who are regular employees of the workshop. There are definitions, descriptions, methodologies, and training available in this area. See Attachment B for information which may be of help to you.

The Regional Office of Rehabilitation Services grants funds to Seattle University in order to finance and make available a variety of training for all levels and types of staff of facilities and sheltered workshops. Information on course offerings is contained in Attachment C. We are aware that problems of work adjustment services and conclusions have been discussed previously with ARCA staff. See Attachments D1 (letter from DVR to Ray Kent, dated March 2, 1977) and D2 (letter from DVR to Ray Kent dated Dec. 21, 1976) as an example.

4. SHELTERED WORKSHOP OPERATIONS

ARCA certainly contains one of the most desirable physical plants for a sheltered workshop and supporting services in the four-State area of Region X. The workshop's principal contracts are in the areas of (1) laundry (2) utensil assembly and packing (3) folding "OCHI BORI," and (4) telephone renovation. We note from ARCA's application to Northwest Association of Rehabilitation Industries (NARI) dated April 15, 1977 and included in the TSG continuation request, the Industrial Sewing Contracts over the past two years yielded income of \$282,281, although this contract was not mentioned nor visible to the reviewers. The OCHI BORI folding contract appears to be purely charitable, as hand folding can in no way compete with folding by machine as is done at the airport facilities. The utensil packaging contract was observed. We noted no standard set up of work stations and no observation of health rules such as washing hands after breaks or covers over the utensils. The laundry facility was not inspected. However, the only contract shown on the NARI application was for laundry from Hope Cottage. We have conflicting reports about the telephone renovation contract which no longer provides significant work or income. We have heard that another workshop in Seattle has substantially taken this contract because of poor quality control at ARCA although this report is not confirmed. We have also heard that this contract, as lucrative as it was, did not meet the needs of ARCA and its employees and therefore was minimized or terminated.

We also note in the NARI application that the staff to employees ratio is higher than the ratio of staff to trainees. It is the experience of industry in general and workshops in particular that higher ratios of staff are required for trainees than for employees.

Typically, an employee of a sheltered workshop will be identified as "terminal" or "transitional" by VR and the workshop staff. The latter are presumed to have potential to move on to other jobs in competitive labor markets. The capability of an employee to move to normalization in jobs in the competitive labor markets depends in part upon the nature of contracts procured by the workshop and the production-oriented approach of the workshop staff. We did not find a clear philosophy or methodology of work (contract) procurement, training in work skills and attitudes or a distinction between the levels of "work activity," "worker trainees," "transitional workers" and "terminal workers."

C. With respect to support services and miscellaneous observations:

1. FISCAL AND BUDGET MANAGEMENT

We were pleased to interview Mr. Robert Jackson at some length. Although he has been on the staff for a short period of time, he seems to have a satisfactory grasp of fiscal and budget problems and solutions. It would benefit him and his office to have a full orientation to the business aspects of DVR (what they can and cannot purchase or grant and under what conditions). It is apparent that ARCA has not utilized DVR capabilities to pay fees for services (developed by DVR and the client in the Individualized Written Rehabilitation Program (IWRP) for such services as placement and transportation among others.

A substantial discrepancy exists between ARCA reports and DVR records as to the funding of the ARCA programs. Mr. Swain reported an operating budget for the current year of \$1.2 million for ARCA activities. ARCA's application to NARI for Wagner-O'Day contract eligibility indicates different figures for what we presume to be substantially the same time frame. Assume the following:

Operating Budget		\$1,200,000	
Operating Income (from NARI application)			As percent of <u>Operating Budget</u>
Industrial Subcontracts	277,053		23.1
Rehabilitation fees	18,529		1.5
Federal, State, County grants	481,565		40.1
TOTAL		<u>777,147</u>	
Deficit planned		422,853	35.2

We understand that ARCA has received a special State appropriation which will at least cover the apparent deficit. We also understand that the above figures and conclusions are approximations, but we believe them to be indicative of budget and revenue.

Meanwhile, preliminary figures from a DVR audit of grants awarded and services purchased from ARCA show that DVR has paid out the following:

<u>Fiscal Year</u>	<u>Purchase of Case Services</u>	<u>Award of Grants</u>	<u>Total Received from AOV</u>
1977 to date	\$53,612	-0-	\$53,612
1976	166,144	26,683	192,827
1975	155,930	20,535	176,465
1974	31,892	200,000	231,864
1973	<u>48,572</u>	<u>24,738</u>	<u>73,310</u>
	\$456,120	271,956	728,076

This would suggest that DVR's contribution to ARCA's operating income from purchase of services alone is substantially more than the 1.5% or \$18,529 level reported by ARCA in the application to NARI.

These funds from the Alaska Office of Vocational Rehabilitation were augmented with DVR's recommendations by direct grants to or for the benefit of ARCA from the Regional Office of Rehabilitation Services as follows:

Training Services Grant	\$96,817 (subject to approval of continuation request)
Technical Assistance Grants	<u>1,874</u>
Total for Regional ORS	\$98,691

Of the \$271,956 ARCA received in grants from Alaska DVR, \$200,000 was for construction and the remainder was for equipment purchases and initial staffing.

For your information, there are certain Federal requirements around the use of the establishment authority under the Federal-State Vocational Rehabilitation program. Equipment granted to private non-profit rehabilitation facilities must continue to be used by the facility for the rehabilitation purposes for which it was granted. (See Attachment E).

Staffing grants are made for the purpose of expanding or establishing services for vocational rehabilitation clients. Staffing grants are not intended to provide a direct continuous subsidy of facility operations. (See Attachment F).

Construction grants are made for the purpose of developing a rehabilitation facility. The definition of a rehabilitation facility is enclosed (Attachment G). In summary, it means that the State VR Agency is the organization which determines whether or not you are a certified rehabilitation facility for VR purposes. If your purposes change and you become other than a VR certified rehabilitation facility, recovery of Federal funds may be initiated as described in Attachment H.

As described above, all funds authorized by the Rehabilitation Act of 1973 are made available for the purposes of supporting vocational rehabilitation services through the State VR Agency. If at any point, the State VR Agency declares the the facility is not a certified rehabilitation facility, all grants made by the State VR Agency or RSA must be determined and efforts must be made to recover funds and equipment as identified.

Furthermore, we note and concur with the report of the State Internal Auditor's findings of recent date which we quote:

"However, the lack of funding in the past has not deterred ARCA from expanding their programs as they see fit and spending the funds necessary to maintain them. They have presently done exactly that. They knew how much funding they had for this current fiscal year; yet, knowing full well that they did not have the resources to maintain their current operations at the present level for the full year, they expended those funds anyway. They have since come to the legislature and requested the funding needed to make it through the remainder of the fiscal year.

"---They have not shown any fiscal responsibility and if they fail to obtain additional funding, their entire program is jeopardized." (From Page 10, Auditor's Report, underlines added.)

The jeopardy to which the auditor refers also includes, in the present structure and organization, a clear and present danger to the vocational rehabilitation facilities and services and to the substantial investment DVR has made in the facilities and services.

2. TRANSPORTATION SERVICES

As discussed with Mr. Swain and Mr. Jackson, ARCA's four vehicles and four drivers appear to have potential for income services to DVR. Transportation of VR clients in support of an Individual Written Rehabilitation Program is reimbursable on an individual case basis, whether or not ARCA provides other services for the VR client.

3. PHYSICAL PLANT

As stated earlier, the space, layout and, we understand, virtually debt-free status of the structure makes it potentially a model rehabilitation facility.

4. MANAGEMENT PHILOSOPHY

ARCA has a long and exceptional record of advocacy services to mentally retarded children and adults, and to their parents. In our review, we became appreciative of the many activities engaged in by ARCA and we made every effort not to intrude upon areas of activity which were not related to vocational rehabilitation services. However, the operations of a sheltered workshop and VR facility require more objectivity, business understanding and broader focus of contracts and vocational rehabilitation than we found to exist in the ARCA table of organization, staff assignments and operations.

5. THE FIVE YEAR DEVELOPMENT PLAN

We received and reviewed copies of the five year plan. Because of the broad interests of ARCA, we found the majority of objectives were beyond the scope and legislative authority of the State-Federal Vocational Rehabilitation program participation. Those issues of interest to DVR (Age 19 and above, Priority 1, Objectives 1, 2, and 3) did not contain language specific enough to allow a response. As pointed out earlier in this report, it is imperative that ARCA have input to DVR Facilities Planning and the DVR have input to ARCA's long-range planning with respect to the vocational rehabilitation services of ARCA. This was not evident in the five year plan.

6. ORGANIZATIONAL STRUCTURE

ARCA's organization, which calls for each of three principal positions, the fiscal manager, the program manager and the executive director, to be directly responsible to the Board, is unique in our experience. It seems analogous to a car constructed so that one passenger has a steering wheel, another has a brake and a third has the accelerator. We did not, however, explore the effect of this innovation on the objectives of the organization.

7. SPIN-OFF

The issue of the development of the sheltered workshop and vocational rehabilitation is of great interest to DVR and the Rehabilitation Services Administration. From the time ARCA "adopted" the former Chugach Rehabilitation, Inc, the intention and agreement was to "spin-off" the workshop as an independent operation. It was with this understanding that the Alaska Division of Vocational Rehabilitation granted or endorsed construction, equipment, initial staffing, training and technical assistance grants in the amount of \$370,647 over the past several years, further supported by fees for services of about \$456,120. The DVR objective was to develop and support a comprehensive sheltered vocational rehabilitation facility to serve, more or less state-wide, all appropriate handicapped persons, with appropriate and professional services, from evaluation through terminal and transitional employment. The Planning Committee's five-year plan, submitted to ARCA Board of Directors on May 16, 1977, states in the first paragraph, with reference to "spin-off" that "it was deemed that the immediate achievement of this goal (spin-off) was more than more than remote." (underlines added)

ARCA has not been able to provide the stability nor recruit and hold able staff nor provide the products, with the exception of the TSC janitorial training, which would be much in demand by Alaska DVR. It is not likely, because of the present board philosophy, that ARCA will be able to meet the needs of DVR clients. This is extremely unfortunate since DVR has made a sizeable investment in ARCA for the sole purpose of serving multiply disabled (not just MR) DVR clients.

Our review leads us to conclude that DVR will be unlikely to purchase rehabilitation services from this facility as it now exists. We are presently advising the Alaska Division of Vocational Rehabilitation of the options available to it to develop the appropriate facility services. We are also advising DVR of the

procedures necessary to reclaim construction and equipment grants. This is a serious matter which the Board of ARCA should understand before adopting the Planning Committee posture of "spin-off" as a "more than remote" possibility.

8. THE ROLE OF THE ALASKA DIVISION OF VOCATIONAL REHABILITATION

DVR exists to provide vocational rehabilitation services to all eligible handicapped persons. It may provide or purchase a wide range of services so long as the services are in support of evaluation or an employment objective as stated in the IWRP and regulated by the individual situation. In pursuing its mission, DVR must certify (45 CFR 1361.43 and .49) that a workshop or rehabilitation facility meets certain criteria of organization and service quality, prior to awarding grants or purchasing services from such a facility. State VR certification of facilities is also required prior to the award of a variety of direct Federal rehabilitation grants (such as the Training Services Grant). ARCA was most recently certified in 1976, along with Hope Industries, Fairbanks, Alaska.

Following certification, the State VR Facilities Specialist, in this case, Mr. Bissey, acting for the Director, Mr. Morgan, is in a position to consult with the facility with respect to services for which DVR can pay fees, services for which DVR and its clients have a need (and technical assistance in developing those services), and the types of funding which may be available to establish, initiate, staff, or improve services needed by DVR. As in any business, the purchaser of services has certain options in specifying the amount, quality and method of delivery of these services. The vendor, of course retains the ultimate option of whether or not to provide the services sought by the purchaser. Any differences of opinion, can usually be negotiated satisfactorily to each party through the facility administration and the DVR Facilities Specialist.

The DVR Facilities Specialist is also in a position to provide feedback information to the facility with regard to strengths and weaknesses in its services. The DVR Facilities Specialist can act as a consultant and provide the facility with ongoing information on trends and new methods in rehabilitation, requirements of wage and hour laws, contract opportunities, grant opportunities, etc. In other words, the VR Facilities Specialist is normally considered an asset to the facility, not an adversary.

We found a lack of understanding of this role and resource and and adversary relationship developing, both within ARCA and DVR. We are of the opinion that this condition stems from ARCA's inability to secure and retain qualified staff for VR related services and to spin-off those components. ARCA's reluctance to establish a plan for "spin-off" of the workshop and related facilities and services, furthermore, perpetuates a conflict and competition for priorities within ARCA which, in our opinion, will not serve the best interests of ARCA, handicapped persons, or the Alaska DVR. DVR has demonstrated its needs and concerns for vocational rehabilitation services over the past decade with well over a million dollars of support to ARCA, Rehabilitation Industries and predecessors, for the handicapped people in Alaska.

9. Further Comments

For your information, we quote the Federal definition of a "rehabilitation facility" (45 CFR 1361.1(u)): "Rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation services to handicapped individuals and which provides singly or in combination one or more of the following services for handicapped individuals: (including)

3. Prevocational conditioning and recreational therapy
6. Psychological and Social Services
7. Evaluation of rehabilitation potential
8. Personal and work adjustment
9. Vocational training - - -
12. Transitional or extended employment - - -

We do not feel that ARCA, in its present structure and organization, can be said to exist for the "primary" purpose of providing vocational rehabilitation services to handicapped individuals, and the services being provided are, for the most part, of spurious quality. Nor does ARCA appear willing to protect the existing facility resources by separating or isolating them from other ARCA involvements.

Recommendations

A. To ARCA

1. Regarding Training Services Grant.

- a. Immediately reaffirm and clarify referral techniques and methods between TSG and DVR to increase number of DVR clients referred and trained.
- b. Establish a fee-for-service agreement with DVR for training services in order to maintain continuity of program after the grant period, should ARCA and DVR determine it desirable to continue the program.
- c. Continue exploration of janitorial contract operations.
- d. Establish criteria for "placement" from TSG program that is consistent with and approved by DVR.

2. Regarding Vocational Rehabilitation Services.

- a. In order to maintain DVR support and use of ARCA vocational rehabilitation services, an urgent review of vocational evaluation services, methods, instruments, philosophy and documentation is recommended. This review should include consultation from DVR and result in a formalization of the service including a desired position description for staff required to conduct the evaluation program.
- b. Closely related to the above, situational vocational evaluation potentials should be considered as an adjunct to the basic vocational evaluation regimen. This evaluation concept has been used in various circumstances, particularly where more formal techniques are inconclusive and where alternative resources are scarce. Since the community and the facility offer numerous opportunities for this approach, we suggest that it be considered after the basic evaluation system is developed.
- c. Work adjustment services need to be defined, reviewed and evaluated. They must have some clearly defined methods and objectives in practice as well as on paper to be of any value in the vocational rehabilitation process. We recommend, also, that ARCA staff concerned with this process be exposed to the appropriate training course offered by Seattle University.

d. A review of policies and practices in seeking or soliciting workshop contracts is in order. The objective of a sheltered workshop is not only to provide work for the handicapped but also to enable the worker to compete in the marketplace for useful work that provides reasonable wages according to his maximum sustained ability, and to provide a reasonable margin for overhead, including necessary supervision. We would recommend that a financial manager such as Mr. Jackson be directly involved in contract negotiation to assure that ARCA does not assume a position of (1) subsidizing a contractor for work performed by ARCA employees or that (2) ARCA workers do not subsidize the many other programs of ARCA.

3. Regarding ARCA organization and planning.

a. Review the effectiveness of the chain of command which allows for three separate persons to report directly to the Board. If this arrangement is considered to be functional, then one would have to inquire as to the separation of roles and duties between the chairman of the Board and those administrative functions which generally are the responsibility of the Executive Director.

b. Planning efforts, such as the five year plan, should be developed with (or subsequent to) input from other organizations and agencies which have overlapping interests with ARCA, particularly those agencies with a financial and program interest in ARCA such as DVR. We recommend a formal plan for conjoint planning between ARCA and DVR as to matters of joint concern and interest.

c. Recommend immediate development of an ARCA position statement on the development of appropriate vocational rehabilitation related services and workshop management, together with allocation of appropriate space and facilities.

Note: During our discussions with Mr. Swain, the reviewers offered the resources of the Region X Office of Rehabilitation Services with DVR approval to provide a Technical Assistance Grant and the services of one or more qualified independent consultants to help ARCA address the above recommendations. If

ARCA desires such consultation, it should initiate a Technical Assistance request in the usual manner.

B. To Alaska Division of Vocational Rehabilitation

1. We recommend, for the immediate future and perhaps longer, that DVR designate one person as liasion and sole point of contact with ARCA. This person would represent the Director in the following capacities:

- a. Negotiating fee-for-service agreements.
- b. Consulting with the Board and administration of ARCA in matters of planning and facility improvements.
- c. Explaining DVR services and case methods to staff and directors of ARCA.
- d. Establishing and reaffirming procedures for referral of clients to and from ARCA.
- e. Coordinating DVR audits, program reviews and other monitoring activities.
- f. Acting as liasion between ARCA staff and DVR counselors on individual case services and DVR client programs at ARCA.
- g. Communicating information about ARCA services available to the counselor staff of DVR.

2. We recommend that DVR formalize, routinize and intensify its efforts at statewide facilities planning. DVR should, if it is not now doing so, formally communicate to the principals of each facility, particularly to ARCA, the background of facility planning (legislative base and intent, DVR objectives, etc.), the type of input desired from the facilities and the means and schedule for that input. Due to high turnover rates among some facilities, this communication should be repeated at the beginning of each cycle. A copy of the resulting annual facilities plan should be forwarded to each certified facility, as well as to other interested parties. (ARCA should be aware of the fact that utilization of Federal VR funds in a facility requires that DVR have a facilities plan and that the receiving facility is operating and providing services in a manner consistent with the plan and acceptable to DVR.

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CENTRAL OFFICE

3. We recommend that DVR review the services available from ARCA and assist ARCA in identifying which services can be purchased by DVR and under what conditions. We recommend also that DVR advise ARCA of the kinds of services desired by DVR which are not presently available so that ARCA may respond to those needs. In this regard, we note services for which fees might be negotiated on an individual basis, e.g. transportation, placement, and at the expiration of the TSG, training in janitorial services.

4. We recommend that DVR establish a quality control monitoring system for each DVR client served at ARCA. This system should provide ARCA with constructive criticism and evaluation of its services from the perspective of DVR (the purchaser of services) and provide DVR with data for future planning and facility development.

5. We recommend that DVR immediately review its facilities plan, particularly with respect to its requirements for facility certification and decertification. We also recommend that DVR review its legal responsibilities for utilization of certified facilities and for recapture of appropriate Federal and State funds from a decertified facility.

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REHABILITATIVE PROGRAMMATIC APPROACHES

FBI OFFICE

This section of the document is concerned with the programmatic approaches used in sheltered workshops and vocational training centers for the severely handicapped. It is an attempt to address that which might be innovative and collectively usable in programs and services.

As stated earlier in the document, "Vocational development is a process which begins in middle childhood," one may look at the educational process as primarily leading to the acquisition of skills which develop the individual to the point where vocational competency would lead to the ability to become independent by virtue of obtaining a position in the world of work.

It is evident that the severely handicapped reaching working age have had lesser opportunity, compared with other youth, to participate in the typical educational and vocational growth experiences. In a real sense this severely handicapped group is disadvantaged. It is also this group which constitutes a major part of the facilities client population. It appears equally evident that it is the system--the complex of governmental, educational and consumer forces setting policy and allocating resources--which is ultimately responsible for minimizing handicapping conditions to educational and vocational endeavors. In the meantime, it is the facility which is one of the major bridges for this population from vocational unproductivity to vocational productivity. It behoves the facility, therefore, to examine its programs and services from the perspective of how these may be improved for this vocational entry population and also for those who become severely handicapped in later life. Such an examination along several dimensions follows in the body of this chapter.

Evaluation and Then Some

The effectiveness of assessment tools, psychometrics in particular, for severely handicapped populations has been widely questioned. A central point of criticism is that diagnosis which offers no base for prescriptive remediation is of little value. Given the inadequacy

of particular sets of assessment tools for particular purposes, the approach in evaluation should be the employment of assessment tools for the purposes these may realize and the use of successive sets of assessment tools to supplement and refine understanding of vocational potential.

Illustrative of the recommended approach to evaluation is the following scheme, adopted from Nadolsky, 1971. This scheme traces successive stages in occupational choice and determination, providing in its totality an in-depth evaluation. The stages involve particular tools and methods and these are discussed in terms of use.

*Work
Eval
process*

(a) Biographical Data - Information received and placed into case record within the facility becomes the initial referral resource data and should be supplemented by any information that may not have been transmitted by the referral source by directing inquiries to the organizations to whom the client may previously have been known.

(b) Initial Interview - Very often the information gained in the initial interview of the client can be used to establish questions and concerns about the vocational goals of the client. The emphasis is on clarifying and supplementing biographical data to help understand the client's present situation and the bearing this present situation has on the occupational future.

(c) Screening - The biographical data and initial interview data are examined in terms of what is indicated about: (1) client vocational growth needs, (2) beginning delimitation of occupational choices and selection of areas of vocational potential to be assessed. Typically, this stage should involve the use of standardized tasks to measure intellectual functioning, academic achievement and vocational interest areas. Routine assessment by use of standardized tests provides a base for selection of appropriate specialized assessment instruments later in the evaluation process.

(d) Occupational information and exploration--having some informational base, acquired through previous stages which suggests suitable areas of work, occupational exploration is initiated and occupational

information is provided. The situation here, is that of the individual, the client, considering some tentative vocational possibilities in terms of their meaningfulness and also beginning to explore their possibilities from the view of realistic attainment.

(e) Prescribed Psychometrics - Selected psychometric instruments are employed at this stage to pursue an in-depth consideration of the feasibility of occupations of particular interest. A simple illustration, for example, would be the use of tests of clerical aptitude, for the individual whose interest and prior exploration have indicated an attraction to clerical occupations. The points to be re-emphasized are, one, that the tests used accommodate to the handicap, so that it is potential and not the handicap that is being measured and two, that the findings be communicated understandably to the client to aid that particular client's decision making.

(f) Work Samples - Professional judgement may indicate that a standard psychological test or tests may be inappropriate for the client or irrelevant to the actual job situation for which the client is being evaluated. This situation may be more prevalent with the severely disabled than with other populations. Reliance, then, as a next stage is on work samples, which are close simulations of an actual industrial task, business operation or a component of an occupational area. This practical "hands on" experience provides near direct vocational exploration. It also provides for evaluation based on actual performance with job related tasks.

Work samples have their limitations in evaluation. Many are essentially non-standardized and have not been validated to the point where they can be successfully predictive without major components of subjective observation. These objections are being slowly dealt with by the combining of various components of a number of different job sample evaluation units to adapt testing procedure to the needs of the handicapped population being served. Education toward this end is being undertaken in such places as the Institute for the Crippled and Disabled in New York City, where a grant has been established to train evaluators in the use of a number of

different job sample techniques, such as the Tower System, Singer Graflex, Valpar, Jewish Vocational Evaluation System, etc. This approach is primarily to develop an understanding of the various components of job sample evaluation and to provide flexibility and integration of the evaluation systems in meeting the needs of the handicapped in a particular geographic region and type disability.

Another limitation of consequence with work samples is that many of the work sample batteries employ industrial norms. Use of such norms may not serve the needs of the severely handicapped in that the effect of training and practice, a potentially significant factor, may be ignored. Further, the use of norms as cut-offs may be prejudicial. (Dunn, 1976) in viewing this situation reasons, "to say that clients who fall at the 25th or 10th or even at the 1st percentile cannot do the job is incorrect. The norms indicate that 25% or 10% or 1% of employed workers function at that level or below. In other words, a client functioning at those levels is doing as well as some employed workers in the occupation. Allowance for practice time and the development of local norms for work samples would make for better indicators of the potential of the severely handicapped."

An interesting and perhaps fruitful development in work samples for the severely handicapped is found in the introduction of computers and micro-processors. This technology is presently being utilized within a modified job sample approach embodied in an experimental evaluation unit at the Association for the Help of Retarded Children, Nassau County Chapter, Freeport, New York. This unit is specifically geared to the severely disabled through test presentation by the video tape medium which does not require the use of paper-and-pencil testing or strictly verbal psychometrics. This unit also attempts to get at the problems inherent in the non-competitive area such as ADL programming, community living skills and those syndromes symptomatic of institutionalization.

(g) Situational Assessment - In addition to work sample evaluation

units, which are essentially of recent vintage, other than the Tower System, onsite evaluation or situational assessment has taken its rightful position in combination with job sample techniques. A few facilities across the country have already installed television cameras and videotape recording capability, to evaluate the performance of client on the production floor of a sheltered workshop. It should be noted that these techniques are rather new and have not been fully evaluated as to their potential, nor have methods been established for the utilization of these techniques.

In addition to the programs within the traditional vocational setting such as sheltered training, the advent and proliferation of hostel programs, otherwise known as residential community programs may be included within situational and assessment techniques and have proven to be beneficial in evaluating community living potential as well as training individuals who are severely disabled to cope with and participate in traditional recreational type aspects of community living. These residential programs have particular value when established in combination with vocational programs, also for evaluation and training purposes. In this manner, all aspects of the client's lifestyle may be combined to form a particularly valuable assessment of his total living potential. Here again, the formalization of this approach has not been studied to any great degree and therefore, should be in the top priority area of investigation.

(h) On-the-Job Evaluation - It would seem that the logical extension of situational assessment would be on-the-job evaluation. The rationale for this development lies in the embodiment of a more realistic setting in which to evaluate client's specific potential. It also provides the opportunity for the evaluation of a client in an area that may not be readily available within the sheltered work program. Additional benefits may be derived from this methodology in the utilization of the expertise of personnel already engaged in industry within these type of occupational titles, in order to derive a more qualitatively valid assessment of client potential

In addition, the modeling effect can be utilized by providing the client with integration of himself and normal workers.

(i) Formal Staffing - The culmination of all the material previously mentioned in the foregoing stages may be brought together in a formal staffing procedure which involves all individuals who have come into contact with the client. This then allows for discussion and the establishment of rehabilitation plan and vocational goal for the client in question.

(j) Vocational Counseling - This counselor-client interaction is not a discrete stage. It starts early in the evaluation process with the communication of test findings and continues throughout, helping the client incorporate the successively acquired data about vocational potential and in decision making about suitable vocational objectives. Vocational counseling may be conceived as an end stage in the sense that its concluding activity is the arrival by the client at a suitable vocational objective.

Evaluation as a Whole: Some Implications For Use

It should be evident that all of the steps in the progression from biographical data to formal staffing, do not necessarily run smoothly. It, therefore, may be necessary to retrace some of these steps in order to provide affirmation and support of the client during the evaluation process. In accordance with the previously described evaluation components, the future vocational evaluation report might look like the following:

(A) Biographical Data - Clients may have been placed in special education program at an early age due to educational diagnosis of mental retardation. Since that time, has had occasion to spend a number of years in institutional settings for the mentally retarded.

(B) Initial Interview - Client presents withdrawn behavior along with extremely slurred and halting speech pattern.

(C) Screening - Information from referral and other resources inadequate due to extreme age of materials which at this time would appear to be no longer valid.

(D) Occupational Information and Exploration - Exploration of vocational needs and goals on the part of the client established

through modification of Interest Inventory testing done on a 1-to-1 verbal basis. Information scattered and unreliable because of communication problems.

(E) Prescribed Psychometrics -

1. Perception - Client's perceptual areas are intact; testing indicates functioning at slightly above societal norms.
2. Attention and Recall - Client functioning at approximately 10% of workshop norms.
3. Speed and Reaction Time - Client functioning at well above workshop norms, slightly below average industrial worker.
4. Verbal Recall - Not possible to test due to dysarthric condition.
5. Reading Skill and Letter Assembly - Client scored well below workshop norms due to dyslexic condition.
6. Abstract Thinking - Client functions at workshop norms due to early placement in special class for the trainable

(F) Work Samples - (For workshop setting based on norms established by entry clients within sheltered workshop program.) Levels of manual dexterity and perception would appear to agree with psychometric testing. Further exploration of level of difficulty and higher order job sample operation not feasible at this time.

(G) Situational Assessment -

1. Community Skills - Client functioning at workshop norms due to early placement in special class for the trainable and lack of parental stimulation.
2. ADL Skills - Production supervisor and rehabilitation counselor report that all ADL skills are adequate; client essentially is capable of functioning slightly above workshop norms in this area. Client functions adequately in hostel setting as well.

(H) On-the-Job Evaluation - Not recommended at this time.

(I) Formal Staffing -

Summary: Client functioning in some areas is depressed due to early placement in special classes for the trainable and institutionalization at age 13. Indications are that diagnosis of mental

retardation made at age 5 was due to lack of proper speech pattern and inability to read. Speech disability possible caused by cleft palate and dysarthric condition. Zero reading capability due to dyslexia, previously undiagnosed.

Recommendations:

1. Referral to oral surgeon for surgical correction of cleft palate.
2. Referral to remediation program at workshop for correction of intellectual dysfunction due to special class placement.
3. Referral to university training program for correction of dyslexic condition.
4. Review of on-the-job evaluation at earliest possible time if surgical and remediation techniques show promise.
5. Diagnostic re-evaluation in six months in order to ascertain progress.

Does this sound like a vocational evaluation to you? Perhaps not, but it could be in the not-so-distant future.

What about all the vocational information? This can be used when the client's level of functioning has improved through recommended treatment and vocational potential is then based on improved functioning.

What about the ingredients described above in this evaluation report? Should these not be included when making a vocational assessment of a client's ability? The point to be underscored is that evaluation has a purpose larger than identifying existing level of functioning. This purpose is to provide a basis for remediation.

In the diagnostic evaluation previously stated, and we assume that in this situation, the corrective measures were not possible to institute, and instead of dysarthria and cleft palate, this person had a primary perceptual problem which totally disabled his ability to read and speak. The major perceptual problems were causing the primary disability of mental retardation, which no remediation of any kind could correct. Since all other sensory areas were intact, would it not be possible to treat this individual as though he were blind? Would it then be possible to train this individual to read through the utilization of Braille and essentially train him in

travel techniques and all other areas of functioning, which the facilities for the blind do so well. The question is, if the client could learn to read, eventually utilizing Braille technique, would this client be mentally retarded at all?

Through minor experimental work, there are some indications that this hypothesis may not be entirely science fiction. Why not go back to the very beginning and reverse the whole procedure? Let us take the client, for example, who comes to a sheltered workshop program after being told and after having many indications, both in school and at home and in the community, that he cannot do much of anything. He steps across our threshold and comes face to face with an individual who tells him that we are going to train him to do something. We don't know quite what yet, but something. The client is appropriately dubious.

Now we proceed to place him in what is commonly known as an evaluation unit for hours and days at a time, under test conditions which the average person could not withstand. Just recall your days in school when under the pressure of knowing you will have to take at test in the next few days, and then remember your concern and fear when walking into the classroom to take that test? Well, these are some of the conditions which we present to our clients and yet expect him to function to the extent of indicating his vocational potential. Even industry knows that there is a time during which the average producer not only needs to be trained, but also will require weeks of training, coaching and practice to get to the expected normal productive rate. And yet, we insist on placing our disabled and handicapped population in a condition that we would not give to a normal population. It may be argued, that this would create fear, distrust and mental anguish to the point that would disallow function rather than support it. Why is it we do not follow the lead from industry and allow this person to adjust to a setting and try out many different areas and then be allowed to perform on work that he seems suited to for a period of time in order to reduce the kind of fear that occurs from being dropped into the pool to learn

how to swim. In other words, why don't we simply reverse the process and evaluate the client after he has adjusted to the setting rather than before, recognizing this is not expedient for the referral sources but perhaps would be beneficial to the client.

ADJUSTMENT SERVICES

Personal Adjustment Training

As the scope of VR services has expanded through the years, it's gratifying to note that recognition is being given to the fact that a person's interpersonal skills are extremely important successful job performance. People must not only be skilled to perform a job, they must often adjust to factors in the work environment which are not totally to their liking--flexibility is the key. In some instances a person with proper vocational skills may still be unsuccessful in employment if certain aspects of the work environment are not to his liking.

With the severely handicapped the situation, in terms of adjustment, can be even more complicated. Because of the lack of work experience often found with this population, the effects of modeling and other types of learning experiences (which usually provide the basis for work behavior) are unavailable. It is, therefore, imperative that the sheltered workshop environment provide for these experiences. Since many, if not most, of the co-workers in such a setting share the same limited experience, the selection of staff--whether they be rehabilitation professionals or production supervisors--is a major concern to the management of such an employment program. These key staff members provide the client with opportunity to relate to possible role models.

In light of what is written above, for purposes of this document, personal adjustment training is defined as the dealing with or development of work related attitudes and worker traits which will enhance the possibility of competitive or sheltered employment.

And, as also stated above, every staff member of the facility

to cope with the outside world and needs the understanding and concern of all staff in order to function initially. For this reason, accommodation should be lessened as time goes on to bring the client to realistic concerns relating to his behavior in the community and on the job.

WAT (WORK ADJUSTMENT TRAINING) (WORK ACCOMMODATION)

The feeling is that WAT and PAT need to be separated at this time of progress within sheltered work situations. In order to utilize these two terms separately, it is necessary to define WAT as stated by VEWA: "Work Adjustment: An individualized, structured and planned, closely supervised, remedial work experience, designed to promote the acquisition of good work habits, to increase physical and emotional tolerance for work activity and interpersonal relationships, and to modify attitudes and behavior which inhibit the satisfactory performance of work." (Reference: Vocational Evaluation and Work Adjustment Bulletin, Volume 8, Special Edition, August 1975, Vocational Evaluation Project Final Report, Part 2).

Just as PAT deals with the psychological aspects of worker traits, WAT should deal with the hardware and production utilization techniques which enable the client to view progress in the form of increasing units produced, which in turn translates to his weekly earning power. To the client, the pay check becomes a measure of self worth, and also a measure of progress as reported by the rehabilitation personnel. In order to attain these goals, the physical plant and productive capacity of the organization is of major importance. Here again, the production foreman and management personnel related to the production area are the primary individuals engaged in development of aids to the client, as well as seeing to the caliber of work and the ease of function within the work station.

Work Accommodation

In the area of work adjustment training, the accommodation aspect relates primarily to the manufacture of jigs and helping

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CENTRAL OFFICE

devices which allow for maximum productivity and accommodation to the handicapping condition. In this instance, of major importance is the acquisition of machinery which will aid in the productive aspects of the clients' effort as well as the reduction of interference due to handicapping conditions.

A mop should not be provided when a cleaning machine can do the job better and faster. By the same token, it is neither economical nor rational to use manually operated equipment on contract work or prime manufacture when the same job is accomplished by automated equipment in industry. This not only tends to lower wages paid to clients, but also reduces the self worth and status of the client. An additional important feature of work adjustment training is an emphasis on housekeeping procedures and attitudes toward maintenance of the work station, inclusive of the tools and equipment being used by the client.

Extended Employment

The growing pressure of numbers to be accommodated in vocational workshop settings has recently become a primary topic for discussion and of great concern due to the high costs of providing adequate services in such quantity. The trend toward deinstitutionalization has placed large numbers of severely handicapped persons in the community who need intensive sheltered work training and new concepts of community care are needed. The cost of providing service is a major concern for this type of population and is an on-going and long-term expense which has not been a part of the normal funding provided by referring agencies.

The extensive growth of sheltered work programs within the United States and the need for expansion of existing facilities are due to the acceptance of the needs of the severely disabled and the inclusion of this group in work programs. One recent approach to helping sheltered workshops obtain the needed quantity of work, on a more enduring and rational basis than contract work, has been the coincidental establishment of the Wagner-O'Day-Javitz Act. It has already begun to aid facilities in securing and producing larger quantities of work to

accommodate the extended employee. While there are many shortcomings in this type of operation and the anticipated amount of work has not been forthcoming, at least this is a step in the right direction. Some states have also approved and initiated a similar concept within the areas of providing work through state governmental agencies.

Two other concepts in relation to extended employment should be explored to clarify some of the programmatic approaches being used in facilities at the present time and those contemplated for the future. One of these approaches may be termed as the use of satellite workshops in order to accommodate the problems created by geographic location, as well as number of clients to be served. Unfortunately, in a number of cases, the use of satellite programs has become an expedient factor with relation to cost factors rather than the answer for proper programming for severely handicapped clients. While this has enabled program to be brought to geographic areas closer to the homes of potential clients, there has also been a watering-down of ongoing programmatic approaches toward rehabilitation of the client; evaluation and counseling being the most notably absent from satellite programming.

Another concept being looked upon favorably at this time is the development of industries for the handicapped with a profit-making concept and reduced rehabilitative services.

There are very few differences between sheltered work programs and those concepts put forth by commercial industry. If we remove the rehabilitation personnel and constructs of the sheltered setting for a moment and strictly concentrate on the productive concern of the facility, it becomes evident that similar practices are taking place in both instances. Workshops are producing goods and services in the same manner as industry.

Of course, we must remove the profit motivation since most rehabilitative facilities are not for profit. The sheltered work program must be looked upon and the community educated to the point that they will accept the production of goods and services to be a part of community function since the wages earned by both staff and clients within the facility are spent within the community.

*Inter-
employment
done
by HC staff*

There is no doubt that the problem of extended employment will grow as time goes on. It's imperative that the governmental resources be increased, both in terms of funding as well as industrial manufacturing orders. There is no better way to support a rehabilitative program than by the efforts of the program itself. The infusion of work, either by legislation or education, will become a paramount need in order to extend the services of the rehabilitative community to those people who will need them for life.

While contemplating this problem, we should not leave out the very important contribution which society and the community may make, once they understand the plight and valuable services of the severely handicapped. Attempts should be made to not only secure contract work from industry, but also to contact those individuals responsible for sales and procurement of manufactured items. One of the most important lacks found in most rehabilitation facilities processing work is the ability to sell its prime manufactured commodities along with the capability and productive abilities of handicapped people.

Although the quantity of work produced by a large segment of the handicapped population does not meet the industrial output criteria, and although in some instances the skill levels of each individual are not up to par, this does not mean that they should be excluded from the right to work or the right to compete with normal industry.

The Care and Feeding of Technological Advances

New industries have grown from automation and the gross national product has grown with it. While we recognize the need to retrain the working population in order to take their place in this new technology, and the fact that it may take time to do this, this is being accomplished as evidenced by the fact that this new technology is being exported to other countries. Experience within workshops shows that automation has increased the flow of additional work and has also created the ability to develop preassembly operations which previously were not obtainable. It has increased dollar volume returned, as well as freeing semi-automatic and manual equipment for the training of new clients.

To effectively utilize this type of equipment, one must understand the necessity of including personnel in the production areas who represent a knowledge of management and production techniques, as well as maintenance personnel to support this effort. Although this may seem to be an additional expense, the including of this type of personnel is very cost-effective. As a rehabilitative methodology, the inclusion of machine equipment should be viewed as a compensatory mechanism, similar to that of a wheelchair.

The physical therapist may have as his goal (for the lower-extremity, physically-involved client) treatment and training toward the use of a wheelchair, the wheelchair representing the ability to be mobile and participate in community activities. Likewise, to enhance the vocational placement possibility of this individual, we should view the inclusion of machine equipment as an enabling device which could reduce or totally dissipate the effect of disability. As an example of this, one might look to the type of equipment which would automatically place and position an item for work to be performed on it. This would allow a client who has perceptual or visual motor problems to perform productive operations through the use of this equipment which he would not ordinarily be able to do manually. In some cases, modification of this equipment may be necessary but should only be accomplished as specifically required so as not to place a barrier in the way of competitive employment.

There should be no question that the introduction of machinery and engineering techniques are required to be at maximum level for those individuals needing the benefit of this type of aid to a much greater degree than the non-severely handicapped population. Unfortunately, we often find this to be the contrary because of the subordinate role taken by production to social and psychological rehabilitative techniques.

The well-rounded and well-functioning program should provide equalization between these two processes rather than opposition.

Physical Plant (Is something better than nothing?)

The rationale for proper facility construction and design is not necessarily only a psychological one. An individual who has a handicapping condition, and the resulting psychological trauma, does not

need the additional trauma of walking into somebody's "basement" to go to work. It is inappropriate to delve into the psychological disservices we do to handicapped clients in many of the workshops throughout the country (for the purposes of this paper), but just to mention some of the areas such as the lack of benefits, good working conditions, and all of the things the unions fought for many years. Many of the handicapped population in the United States are unable to avail themselves of these benefits and, at the present time, have no mechanism for fighting for these privileges, other than consumer groups.

Taking into consideration all the worker benefits that the average worker may have available to him, it is important to at least consider the primary work environment in which this severely disabled individual is forced to participate, primarily by virtue of the handicap. Naturally one is not forced into a rehabilitation program, but when there is no place to go it is doubtful there is another term that can be used. If the goal of vocational rehabilitation is to bring the handicapped individual to his fullest vocational potential, one can only assume that this would be a difficult task when involved in a working environment which is less than equal to that of the non-severely handicapped worker.

To have equality of opportunity is the goal of the handicapped worker. To accomplish this goal the environment in which an individual works must be similar to that of the people to which he wishes to aspire.

Experimentally, much has been done in the past to establish productivity goals; not the least of which are generally not available to the handicapped worker in the same manner they are to non-handicapped workers in industry.

Under the best conditions, the establishment of a sheltered work program falls short to that of normal industry. There are benefits derived from this which may or may not have been planned by the facility in the form of creating a work attitude which enables the handicapped worker to look forward to becoming a part of the normal work world and not having to contend with some of the shortcomings of a sheltered work program. Of benefit also is the sheltered aspect of the environment which generally does not allow for layoffs due to lack of production material availability and the rehabilitative services made available by the facility which helps the client to function in the community.

*Notes:
Vocational
training
program
should
be
designed
to
help
the
handicapped
worker
function
in
the
community*

With the advent of industrial parks and the movement of industry out into the suburban areas, the work environment has also become more pleasant, modern and more productive. This, of course, has created or contributed to the slow demise of the urban industrial condition. Along with this trend, there has been a steady development of rules and regulations regarding the operation of industrial facilities, promulgated by the federal government. Anyone who has had the occasion to view these regulations will readily understand that it would be foolhardy to establish a facility of any type without understanding and complying with standards. When taking into consideration those standards, plus those established for facilities dealing with the handicapped in relation to barrier-free construction, it becomes possible to establish an adequate physical environment for a facility work program. Violations of these regulations, parenthetically, would also lead to a substantial amount of financial loss.

When contemplating the construction of a new facility, one should not only be familiar with the regulations governing construction, but also realize that the establishment of various aspects of the program. e.g., cafeterias, are controlled by these regulations.

When planning the entrances to a building, there are also regulations, in terms of barrier-free construction if one is using federal money, which control installation of door sizes, steps, curbs, etc. Consideration has to be given as to the cost of the construction of these accommodations and, therefore, may very well negate the establishment of a work program. Eventually it will prove to be of greater cost if these installations are not properly designed. The loss of funding may occur with reference to state organizations who may refer clients to a work facility. This can wind up being more costly in the long run than if the installation was done properly initially.

For this reason, and many others along the same lines, it behooves any organization to understand that they must not go into the establishment of a sheltered program without having the proper funding to realize a barrier-free, well-constructed, well-lighted, highly-productive facility.

The concept of "Beware of the Greeks bearing gifts", should also hold here. It is all too easy to look for someone who may have space available at no charge, thereby reducing the overhead cost, but such space should meet minimum requirements as specified in regulations or

else it should be refused. Any organization wishing to establish a work program should be clear in its goals and cautious of the funding mechanism.

The state offices, in turn, should advise such organizations to seek help from people who are familiar with industrial construction techniques and request technical consultation from the federal government. Many of these services are available at no cost, in particular from the regional offices of the Rehabilitation Services Administration, as well as architectural associations and engineering groups. Visits to industrial plants in the community to have discussions with the owners of these operations would be very helpful to ascertain whether or not their plant is suitable for their own production.

Personal observation by some of the writers of this document in visits to sheltered work programs in the United States and other countries found that some of the major flaws are primarily in the areas of lack of office space and, in particular, lack of storage area. It should be evident to any operator of a sheltered work program that lack of storage space means lack of contract work. In turn, lack of office space or the ability to build on proper operating space will mean a lack of expansion of rehabilitation programming.

In general, a sheltered work program must have major flexibility in order to provide a meaningful work program with a variety of work processes available to the client. This requires open area and a large amount of aisle space for the movement of material. The classroom concept in this situation is totally ineffective and contrary to good management. If we use the example of aisle space in a 100,000 square foot facility, there may be as much as 15,000 square feet of aisle space, which ordinarily would be considered by the average onlooker as wasted area. Consider the utilization of pallets and skills used in moving materials and that the average pallet size is approximately 42" x 48". This would mean that to move a pallet in any aisle in only one direction would require four feet of width for each aisle. If one wished to move two pallets in either direction, the aisle now has to be eight feet wide. If this amount of space seems to be inordinate, please keep in mind that one person can only carry one box at a time. A pallet can handle as many as 150 boxes at any one time. This efficiency would then make the width of the aisle .

an important consideration when doing productive work.

Concern must also be registered here for the staff who participate within the program. All too often their needs are not taken into consideration with regard to many of the concerns enumerated here on the part of the client. The motivation of the staff becomes of paramount importance when working with the handicapped and, therefore, usable and well-run facilities need to be established in order to provide motivation for the staff as well as the client.

The use of open cubicles, for instance, in which a counselor has to elicit some of the most meaningful and private information from a client, could be considered as improper working conditions; or a production supervisor who cannot set up a table in his area to do a job because of lack of space, and has to place clients too close to each other in order to get a production line operation running. A well-constructed facility leaves time for the production supervisor to do his job, as well as negating some of the problems that he would ordinarily run into which takes time away from the client.

Since the sheltered work facility in most cases operates on subcontract work or contract work from industry, consideration should be given to attracting the proper kinds of work and, in turn, the good type of company to do work for. A well-designed facility encourages the customer to feel that his work will not only be cared for, but produced properly and when he wants it.

If nothing else, the primary goal of a sheltered organization of any type should be to provide the best possible environment available so as to not handicap the individual even more than he presently is, while keeping in mind the type of industrial facility generally found in the community.

Rehabilitation and Production - Is There A Conflict

From time to time, comments are heard by rehabilitation counselors such as "Workshop A is too business oriented and should be more concerned with rehabilitation of the client." Most often, this means that production deadlines have to be met and workers are needed to get the work out. The problem arises when a client may be ready for employment but the decision is delayed in order to meet such deadlines.

Another complaint is that "Workshop B has no variety of sub-contracts. The clients are exposed to dull routine work, often unrelated to their needs and actual jobs in the community."

This becomes a problem in that work evaluation and adjustment training services are based primarily on what work is available in the workshop. In the average workshop, this is true.

To treat the philosophical differences between a so-called rehabilitation orientation and business orientation requires more space and time than can be allowed.

The two examples given (and there are others) are the most common ones that lead many to conclude that a basic conflict exists between rehabilitation and production. At first glance, this appears true.

Good! But is it really so? Is not work (production) an important part of the rehabilitation process? If work is not synonymous with rehabilitation, then many people are in violation of the federal regulations under the Vocational Rehabilitation Act of 1973.

Vocational Rehabilitation counselors make referrals to sheltered workshops, hopefully, to gain information in the following basic areas: (1) to determine whether a person can work; (2) to determine the type, nature, and extent of work he can do; (3) to prepare the individual for the world of work. As a result of the services, the counselor hopes and expects the end result will be employment. If this is true, it seems logical to conclude that experiences in the workshop somehow should relate to the employment market. One way this can be done is by duplicating work found in the community, in the workshop - either through sub-contracts or appropriate non-sub-contract work - i.e., food services, custodial, domestic, etc.

In order for the workshop to measure what it is supposed to measure, (a person's ability to work), it must take on many of the characteristics of business, manufacturing, etc. similar to that found in the competitive labor market. The problem arises when the pendulum swings too far in that direction without regard to other needs of the client.

In this regard, the workshop staff becomes a key factor. A good balance of staff usually results in a balanced program. For example, too many staff with a business background increases the probability of neglecting the psycho/social needs of the client. On the other hand, too clinical a staff may lend less value to a work assessment report.

Seattle University

RECEIVED

2722 EASTLAKE AVE. EAST, SUITE 360
SEATTLE, WASHINGTON 98102
TELEPHONE (206) 626-5766

JUL 25 1977

July 8, 1977

REGION X
OFFICE OF REHABILITATION
SERVICES

MEMO

TO: Workshops and Work Activity Centers

SUBJECT: Foreman's Role in the Work Adjustment Process
August, 17-19, 1977, Seattle, Washington

AUG 08 1977

CENTRAL OFFICE

Who Should Attend?

Priority will be given to personnel who directly supervise clients in a work program, who have attended the Workshop Foreman's Role institute, and have been employed in a work-oriented facility for at least one year; it is also appropriate for client rehabilitation program managers.

What Should Result?

Persons attending will:

1. be able to identify the requirements of an effective work-adjustment program of services.
2. be able to describe the roles of various staff persons in the work-adjustment process.
3. be able to identify the information that is required to develop a work adjustment plan for a client.
4. know how to gather the information that is required for a work adjustment plan.
5. have an understanding of the determinants of client behaviors.
6. know how to develop or implement a work adjustment plan for a client.
7. know how to analyse work itself for use in evaluating clients and developing work adjustment plans.

Who Will Instruct?

Joel Anderson, Hunter Tynes, Patty Ruegg,

**REHABILITATION WORKSHOP ADMINISTRATION
TRAINING CENTER**

**Seattle University
2732 Eastlake Ave. E., #360
(206) 626-5756**

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**Providing short-term study
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**September 1976
through
January 1977**

STATE OF ALASKA

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

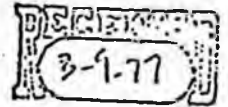
MICHAEL C. MORGAN

DIRECTOR

JAYS. HARRINGTON, GOVERNOR

338 Denali Street
910 MacKay Building
Anchorage, Alaska 99501

March 2, 1977



Ray Kent, Executive Director
ARCA
P.O. Box 933
Anchorage, Alaska 99510

AUG 08 1977

CENTRAL OFFICE

Dear Ray:

On 02/07 and 02/09/77, I made a brief on-site review of the ARCA-RI facility to familiarize myself with the institution and evaluate their capability to provide work adjustment and assessment training and the janitorial program. This was accomplished through direct observation.

First, your staff was exceptionally helpful and cooperative. Their concern for the disabled was obvious and I think you are fortunate to have them. Special thanks go to Mr. Buckner for arranging a fire drill during my presence and I would like it noted that the building was evacuated in a professional manner and I think you have little to worry about along those lines.

I continue to be impressed with Pat Johnson's janitorial program. There are going to be some significant success stories from this program and I hope Rehabilitation Industries will be able to continue this beyond the Grant expiration date. It might be advisable to begin developing some cost figures for future trainees after the Grant expires. In the production area (silverware and Oshii sections), there really appear to be no major problems but there are numerous minor problems. Many involve technical application or supervisory skills. Your current staff shortage makes it hard for Mssr. Erwin and Buckner to provide adequate supervision and training of clients. Several times they were required to actually do the work or were busy with an administrative function that ordinarily would be handled by the director. Overall, relatively few changes in supervising and training could have a significant impact on the learning and/or productivity of the clients. (We have previously talked about some of these and they need not be reiterated here.)

The juxtaposition of work activities and production sections represents a less than optimal configuration for the accomplishment of either sections goals. A disturbance in the production section tends to precipitate a similar reaction or, at least, an interruption in work activities functioning. The reverse is also true. There does not appear to be an immediate solution to this but some version of a barrier or retaining wall might be appropriate. The silverware racks could be moved between the two areas or even a suspended curtain


In observing the production section, it was noted that there was no standardization of the work stations. At one station, the forks would be on the left and at the next on the right. It would seem appropriate to standardize the silverware packaging station. There will always be situations requiring deviations as a job engineering consequence but even this would be easier if standardized lay-outs were the starting point.

During the course of doing some time studies, it was learned the workers were either misinformed as to their potential earnings ability or simply had no understanding of the relationship between performance and result and remuneration. Obviously, there are some difficulties in having all workers clearly understand the relationship between performance, production, and pay. However, the need is rather high. A multi-media approach using graphs, charts, and pictures showing the relationship between productivity and pay might be particularly appropriate.

Throughout the facility, there are numerous opportunities to create behavior modification programs aimed at improving production and vocational competency. Utilization of these opportunities appears to be restricted with worker knowledge very limited. Most workers focused only on the quantity with essentially no understanding that inappropriate behavior is a negative factor in determining overall vocational competency. As a part of this, it appears important for each person to know his job, what is expected, where the job station is, the rate of pay, and the what the behavioral consequences are. While this will create some additional work for your staff, it would seem well worth the effort in terms of pay-off for the clients.

I would like to thank you for the opportunity to observe without interruption. I learned a great deal about your facility and I hope these observations are of some help to you.

Sincerely,



Larry J. Bissey
Facilities Specialist

LJB/rrr

cc: Dale Reeves
Mike Morgan

AUG 28 1977

CONFIDENTIAL OFFICE

Michael C. Morgan
Director

910 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

December 21, 1976

Mr. Ray Kent
Executive Director
ARCA Workshop
2330 Nichols Avenue
Anchorage, Alaska 99504.

RE: NAME DELETED
SSN -
DOB .

Dear Ray:

Another situation concerning a client of mine has arisen recently which needs immediate attention. Last Friday, December 17th, I attempted to determine (NAME DELETED)'s progress in the Workshop, and the situation I discovered has left me quite upset.

CLIENT is a 19 year old Athabascan male who was brought to Anchorage for the first time by Hope Cottage to help him gain some independent living skills. Lawrence had already been given a psychological evaluation, and was found to have a general I.Q. of the 55 range, although his performance score went up to 70. In the intake staffing, based on the psychological evaluation and CLIENT's performance at Hope Cottage, and the fact that he will probably be returning to Ft. Yukon where work is available at the base, I specifically requested that CLIENT be evaluated in the food service and janitorial areas for potential training programs. I also stated that it would be all right to put him in situational assessment, however, I felt these tasks should be in those two areas, and specifically requested that he not be put in Oshis or silverware for over one full day. Last Friday as I was checking on CLIENT's progress, it came to light that in his first week at ARCA he was overwhelmed by pen and pencil tests and situations in which instructions were given to him with no follow-up. This situation was somewhat rectified when Tom Myford of Hope Cottage came out and had a talk with Kal, which relieved CLIENT of the anxiety producing situations, however, resulted in almost no evaluation at all during his second week. As of December 8th, he was put in the Oshii section where he remained despite my request that he not be there over one day, until the 17th when I discovered the situation.

In all fairness, I have to say that after talking with John Christiansen, he made a terrific effort to discover what tests Lawrence had taken, and how

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long he'd been there, and has facilitated placing Lawrence in the janitorial program as an evaluative technique. Despite Mr. Christiansen's help, the client was in evaluation for eleven full days in which no information was gained concerning his ability to work in the areas which I requested, and in which it looks as though CLIENT was simply forgotten once it was discovered he was under stress and having a difficult time dealing with evaluation.

This is just one more example of the problems that ARCA's having which make counselors at DVR very tense and pessimistic concerning the future for other clients. In this situation, I had asked for a specific type of information, and as far as I can determine, very little effort was made to obtain that information in those eleven days. Because of this, I'll have to talk the situation over quite carefully with Larry Bissey, and if left up to me, I certainly will not pay for this time in evaluation.

Sincerely,

Theda Mason-Smith
Rehabilitation Counselor

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cc: Larry Bissey