



## **ROI PROJECT REPORT – PHASE 1**

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## **PROJECT OVERVIEW**

It is the mission of the California Department of Rehabilitation to achieve employment for all of its citizens with disabilities. The DOR established in its 2009 State Plan a goal to increase the effectiveness and efficiency of vocational rehabilitation services delivery. To achieve this goal, the time has come for a redesign of the local service delivery model that will achieve efficient and cost-effective employment outcomes.

A necessary first step in this process is to understand the actual values of the services being delivered and the costs/benefits of the actual results achieved. A Social Value Return on Funding Analysis provides an accurate measurement of these values and results. This process helps identify effective and efficient Community Resource Providers and their successful practices.

Phase 1 of the California Department of Rehabilitation project involves measuring this Return on Funding Investment for a representative sample of provider organizations within the Central California area. This analysis measures both the overall ROI for their complete operations and the specific ROI for their Job Placement activities funded through the DOR.

This Phase 1 process also involved an examination of the impact of employment services on the consumer's lives, measurements of the financial impacts to their communities, an analysis of the financial benefits to employers that could result from hiring people with disabilities through these Job Placement services, and a description of the financial benefits that can result from alternative collaboration and consortium arrangements that could be developed in a Social Enterprise Alliance.

Phase 2 of this project involves using these financial measurement results to develop a blueprint for a more effective service delivery model, and to provide training resources for CSP's in the Central California area (and possibly statewide) to improve their effectiveness and efficiency and to assist them in meeting the DOR's employment development goals.

We would like to thank the participants in this project for their willingness to participate in a measurement of their actual values to the community with the knowledge that these results could show that their actual values did not match their tax-based funding.

## Executive Summary of Phase 1 Report

### Social Value Return on Investment and Job Placement Metrics

All organizations surveyed under CSACO's Step One Social Value Return on Investment analysis have the fundamentals of processes for employment placement services: intake, assessment, and counseling regarding the planning for employment outcomes.

The in-depth Return on Investment analysis of the five organizations illustrates that the challenge to employment services efficiency is the final outcome focused phase of the job development and actual placement of the job seeking consumer. Simply put, the more active, focused and intense the job development activity is in the outcome phase, the more efficient and effective the actual placement results are.

The ROI results show that the majority (80%) of placement organizations are providing very good Return on Investment value for their tax funding, particularly those organizations who are most focused on actual job placement results or who are specializing in certain functional areas.

The results of the Job Placement Metrics analysis further confirms that majority (80%) of the organizations show cost of successful placements well within the national average for such costs.

The analysis of Phase One Return on Investment and Job Placement Metrics data illustrates that all five organizations in the greater Fresno area would benefit from a "lead" job development and placement service that they could all contribute referrals to and benefit from a focused employment development and placement service for job seekers and employers.

All participating organizations would continue with their outreach to job seekers, conduct of their local employment planning

processes, and provide ongoing long term supports, but could refer their job seekers to one primary source and establish sound and fair business arrangements between the five members under the auspices of the State Department of Rehabilitation.

This recommended approach would provide greater efficiency, more optimized results in achieving placement goals, and internal cost reductions for all participating organizations with no overall cost increases.

In planning for next steps of the project, and, as a strategy for improving employment outcomes for all five organizations in the greater Fresno area, CSACO suggests that the five participating organizations, and other organizations providing job placement services, examine methods to collaborate for more optimal actual placement completion results from the entire process cycle of job development and placement.

All placement organizations should, in harmonious fashion, learn and share best practices for the intake, assessment, career counseling, as well as necessary supports and reasonable accommodations. All placement organizations are encouraged to enter into an outcome focused continuous quality improvement process, using actual placement outcomes as their guide for system change and enhancement of services delivery.

In order to free more resources for the purpose of services, CSACO also suggests that all placement organizations examine ways to reduce duplication of business costs involved in the direct services being delivered in the employment planning and job development process, as well as in the business operations of the organizations.

**COMMUNITY SERVICES ANALYSIS LLC**

## **WHAT IS SOCIAL RETURN ON FUNDING INVESTMENT?**

In normal financial analysis, Return on Investment is the ratio of money gained or lost relative to the money invested. In social service organizations, Social Return on Investment is an attempt to measure the financial value created by the organization through delivery of services to the community.

Social Return on Investment (SROI) is an approach to measuring and understanding the financial impact of a social services organization. While SROI is built on the logic of cost/benefit analysis, it is different in that it is designed to measure the comparable accountability and value of organizations whose results cannot always be measured in money.

There are three separate phases of SROI:

Phase 1 is the measurement of the value delivered to the community by the services currently being delivered by the organization (the “outputs”). The most accurate and understandable measurement basis for these outputs is the Fair Market Value of the services being delivered- what it would cost the community to acquire the same services that a disability service provider delivers if that provider did not exist.

Phase 2 is the measurement of the long-term value of the results of these outputs. These measurements may take decades to realize. As a specific example, it is understood that people with disabilities who receive training on independent living skills and how to integrate with the community require significantly less financial support from the community over the course of their life.

Phase 3 is the long-term measurement of the values resulting from the potential consequential results from the output services delivered – commonly referred to as the “outcomes”. The ability to measure these long-term results is under development and is the subject of much discussion.

**Return on Tax Funding Investment** is the measurement of the Phase 1 type of Social Return in terms of the public funding received by community service organizations such as those included in the study. The Fair Market Value of the total output services delivered is divided by the total tax-based funding received to calculate a comparable measurement of the efficiency of the service organization.

**It is critical to understand that the Return on Funding result does not mean that the service organizations are spending more actual dollars than is being provided through tax-based funding (and therefore could be subject to funding reductions while hoping that the same results would be achieved).**

**The result actually shows the efficiency of the provider in delivering a higher value to the community than would be realized if the services were not being delivered through the community services providers being measured.**

The analysis of these organizations has shown that not only do they deliver (for the most part) a high level of Return on Tax Funding Investment, but they also are very effective at developing integrated community support from a variety of sources:

- Their level of funding received from community donations is significantly higher than average;
- Their involvement in research and development partnerships with educational and community groups is much greater than normally found in disability service provider organizations.

## **PROJECT METHODOLOGY**

### **DETERMINATION OF THE SOCIAL VALUE RETURN ON INVESTMENT**

The measurement of Social Value Return on Investment can consist of up to three phases:

Phase 1 is the measurement of the value delivered to the community by the services currently being delivered by the organization (the “outputs”). The most accurate and understandable measurement basis for these outputs is the Fair Market Value of the services being delivered- what it would cost the community to acquire the same services that a disability service provider delivers if that provider did not exist.

Phase 2 is the measurement of the long-term value of the results of these outputs. These measurements may take decades to realize. As a specific example, it is understood that people with disabilities who receive training on independent living skills and how to integrate with the community require significantly less financial support from the community over the course of their life.

Phase 3 is the long-term measurement of the values resulting from the potential consequential results from the output services delivered – commonly referred to as the “outcomes”. The ability to measure these long-term results is under development and is the subject of much discussion.

For the purposes of this project, we have focused on the Phase 1 approach (the current Fair Market Value replacement costs of the services delivered). This is the most timely and understandable ROI measurement, and as such is the most appropriate basis for analyzing the current best practices and procedures of the providers studied, and is also the most appropriate basis for development of the “blueprint” for a new Job Placement delivery model. It is also the most appropriate measure in the current uncertain times when there is no firm knowledge of future tax-based funding resources or future service delivery levels.

The measurement of the Fair Market Value of replacement costs involves determining the exact quantities of actual services delivered and the most precise definition of what constitutes these individual services. During this process, CSACO also examines the internal records of each organization to determine the accuracy, reasonableness, and credibility of their reported services.

Once the quantities and definitions of each individual service are understood, CSACO surveys existing for-profit providers of comparable services in the local geographic area to determine their competitive pricing. We typically try to get a minimum of four different quotes for each services, and also verify these quotes against our database of comparable pricing nationwide developed through previous project to make sure that these quotes are “real” – and not just high-cost numbers quoted in hope of making a significant quick return. This comparison also helps both CSACO and the quoting company understand and verify the comparable level of services required.

If there are insufficient local providers of competitive services, CSACO gradually expands their geographic survey coverage until a sufficient number of valid quotes are received.

These quotes for each service are then compared for validity and consistency. Frequently a very high or very low quote is eliminated, as the quoting company may have too much current work (causing them to quote artificially higher prices), or not enough work (causing them to “lowball” the quote in the hope of raising prices later). We then average the remaining appropriate quotes to arrive at a reasonable Fair Market Value for each service.



**PROVIDER "A"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

<b>SERVICE PROVIDED</b>	<b>QUANTITY OF SERVICE PROVIDED</b>	<b>UNIT OF MEASURE</b>	<b>VALUE OF EACH UNIT TO THE COMMUNITY</b>	<b>TOTAL VALUE OF SERVICE DELIVERED TO THE COMMUNITY</b>
Production - Subcontracts	285,848	Production Sales	FMV	\$285,848
- Rest Area Care	1,697	Hours	\$25	\$42,425
- Offsite Janitorial	19,186	Hours	\$25	\$479,650
- Building Kits	\$1,378,763	Dollars	FMV	\$1,378,763
- Fire Eater Kits	\$1,547	Dollars	FMV	\$1,547
- Crews Retail Stores	2,770	Hours	\$20	\$55,400
- Crews Food Service	\$16,839	Dollars	FMV	\$16,839
- Food Hut	\$10,064	Dollars	FMV	\$10,064
Habilitation Revenue	174,236	Hours	\$8	\$1,393,888
Supported Employment	19,186	Hours	\$20	\$383,720
- Retail	4,249	Hours	\$15	\$63,735
- Juvenile	1,253	Hours	\$15	\$18,795
- Food Hut	718	Hours	\$10	\$7,180
- Rest Area Care	2,490	Hours	\$25	\$62,250
Individual Job Placement Revenue	54	Per Person	\$800	\$43,200
Assessment - Consulting	\$32	Per Person	\$500	\$16,000
Life Skills Learning Center	8,226	Days	\$64	\$526,464
Life Skills Seniors	432	Days	\$64	\$27,648
Adult Ed for School Dist. Rent - Life Skills	916	Sq. Ft. per Year	\$17/sq ft	\$15,572
Adult Ed for School Dist. Rent - Work Center	1,973	Sq. Ft. per Year	\$17/sq ft	\$33,541
Life Skills Training	\$22,832	Dollars	FMV	\$22,832
Work Center Training	\$151,687	Dollars	FMV	\$151,687
Contributions	\$1,337	Dollars	FMV	\$1,337
Contributions	\$4,953	Dollars	FMV	\$4,953
Contributions	\$2,600	Dollars	FMV	\$2,600

**PROVIDER "A"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

Recycling	\$403	Dollars	FMV	\$403
Sale of Equip	\$190	Dollars	FMV	\$190
United Way	\$7,726	Dollars	FMV	\$7,726
Interest	\$15,112	Dollars	FMV	\$15,112
Freight	\$2,271	Dollars	FMV	\$2,271
Postage Revenue	\$136,679	Dollars	FMV	\$136,679
Transportation - Offsite	1,515	Daily Fee	\$19	\$28,785
- Supported Employment	33	Daily Fee	\$19	\$627
- Life Skills	944	Daily Fee	\$19	\$17,936
Misc. Revenue	\$493	Dollars	FMV	\$493
Payables Discount	\$421	Dollars	FMV	\$421
Misc Revenue-Indirect	\$131	Dollars	FMV	\$131

**TOTAL VALUE OF SERVICES DELIVERED TO THE COMMUNITY** **\$5,256,712**

**TAX-BASED FUNDING RECEIVED** **\$2,136,529**

**OTHER FUNDING RECEIVED** **\$2,605,802**

**TOTAL FUNDING RECEIVED** **\$4,742,331**

**RETURN ON TAX FUNDING INVESTMENT** **111%**

**PROVIDER "B"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

<b>SERVICE PROVIDED</b>	<b>QUANTITY OF SERVICE PROVIDED</b>	<b>UNIT OF MEASURE</b>	<b>VALUE OF EACH UNIT TO THE COMMUNITY</b>	<b>TOTAL VALUE OF SERVICE DELIVERED TO THE COMMUNITY</b>
Book Sales	\$1,681	Dollars	FMV	\$1,681
Device Sales	\$3,078	Dollars	FMV	\$3,078
Misc. Items Sales	\$5,187	Dollars	FMV	\$5,187
Fundraising Income	\$16,353	Dollars	FMV	\$16,353
DOR Employment Preparation	8	Per Person	\$750	\$6,000
DOR Employment Services - Intake	15	Per Person	\$300	\$4,500
DOR Employment Services - Retention	2	Per Person	\$200	\$400
DOR Job Coaching	\$11	Hours	\$50	\$550
DOR Job Development and Placement	5	Per Person	\$800	\$4,000
Unearned Contract Income	\$30,550	N/A	N/A	-
Grant Income - Other	\$643,236	Dollars	FMV	\$643,236
Interpreting - Day	1	Day	\$960	\$960
Interpreting - Emergency	854	Hours	\$180	\$153,720
Interpreting - Emergency Evening	261	Hours	\$180	\$46,980
Interpreting - Half Day Court	4	1/2 Day	\$600	\$2,400
Interpreting - Half Day Legal	13	1/2 Day	\$600	\$7,800
Interpreting - Hours	11,739	Hours	\$120	\$1,408,680
Interpreting - Hours Evening	807	Hours	\$180	\$145,260
Mileage	98414	Miles	\$0.50	\$47,407
Parking Fees	\$29	Dollars	FMV	\$29
Room Rental	\$9,725	Dollars	FMV	\$9,725
Shipping	\$80	Dollars	FMV	\$80
Workshop Sponsoring VDF Booth	\$1,810	Dollars	FMV	\$1,810
Workshop Sponsoring VDF Other	\$3,375	Dollars	FMV	\$3,375
ASL Class Registration	\$302	Dollars	FMV	\$302
Crisis Relief Fund	\$1,038	Dollars	FMV	\$1,038

**PROVIDER "B"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

Deaf Blind Group	\$1,193	Dollars	FMV	\$1,193
Deaf Community Art Project	\$1,000	Dollars	FMV	\$1,000
Deaf Seniors Trust	\$1,247	Dollars	FMV	\$1,247
Donations	\$6,877	Dollars	FMV	\$6,877

**TOTAL VALUE OF SERVICES DELIVERED TO THE COMMUNITY** **\$2,524,868**

**TAX-BASED FUNDING RECEIVED** **\$1,605,999**

**OTHER FUNDING RECEIVED** **\$52,946**

**TOTAL FUNDING RECEIVED** **\$1,658,945**

**RETURN ON TAX FUNDING INVESTMENT** **152%**

**PROVIDER "C"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

<b>SERVICE PROVIDED</b>	<b>QUANTITY OF SERVICE PROVIDED</b>	<b>UNIT OF MEASURE</b>	<b>VALUE OF EACH UNIT TO THE COMMUNITY</b>	<b>TOTAL VALUE OF SERVICE DELIVERED TO THE COMMUNITY</b>
Work Activity Training and Preparation	4,524	Hours	\$40	\$180,960
Day Training - Living Skills	10,200	Days	\$64	\$652,800
Daily Skills Training Program - severely disabled	30,756	Days	\$64	\$1,968,384
Supported Employment - Outside Services	36,774	Hours	\$20	\$735,480
Transportation Fees	20,400	Trips	\$10	\$193,800
Supported Employment - Contract Services	9,489	Hours	\$40	\$379,560
Supported Employment - Landscaping Services	377	Hours	\$25	\$9,425
Supported Employment - Cleaning Services	52,357	Hours	\$15	\$785,355
Supported Employment - Sorting Services	2,599	Hours	\$15	\$38,985
Job Placement - without supervision	39	Hours	\$40	\$1,560
Educational revenues	\$201,086	Dollars	FMV	\$201,086
Apartment rental services	\$70,910	Dollars	FMV	\$70,910
Food preparation services	10,500	Per Unit	\$4	\$36,750
DOR Individual Placement	16	360	\$800	\$12,800
Donations	\$3,285	Dollars	FMV	\$3,285
Interest Income	\$21,591	Dollars	FMV	\$21,591
Refunds (Miscellaneous)	\$25,952	Dollars	FMV	\$25,952
Recycling Income	\$5,196	Dollars	FMV	\$5,196
<b>TOTAL VALUE OF SERVICES DELIVERED TO THE COMMUNITY</b>				<b>\$5,323,878</b>
<b>TAX-BASED FUNDING RECEIVED</b>				<b>\$4,370,218</b>
<b>OTHER FUNDING RECEIVED</b>				<b>\$163,808</b>
<b>TOTAL FUNDING RECEIVED</b>				<b>\$4,534,026</b>
<b>RETURN ON TAX FUNDING INVESTMENT</b>				<b>117%</b>

**PROVIDER "D"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

<b>SERVICE PROVIDED</b>	<b>QUANTITY OF SERVICE PROVIDED</b>	<b>UNIT OF MEASURE</b>	<b>VALUE OF EACH UNIT TO THE COMMUNITY</b>	<b>TOTAL VALUE OF SERVICE DELIVERED TO THE COMMUNITY</b>
Wellness Assessments	25	Each	\$150	\$3,750
Job Development	61	Person	\$750	\$45,750
Employment Preparation	95	Person	\$750	\$71,250
Job Development: ESA	187	Hourly	\$50	\$9,350
Employment Assessments	103	Person	\$500	\$51,500
Job Placement Development	86	Person	\$800	\$68,800
Individual Travel Training	9	Hourly	\$50	\$450
Fresno Program and Marketing Expenditures	29	Hourly	\$50	\$1,450
Wheelchair Tethering and Marking	6	Hourly	\$35	\$193
Grant Billing - AB204	22,078	Hourly	Multiple	\$655,905
Grant Billing - CAP-27177	% of Staff Cost	% Of Cost	FMV	\$90,905
Grant Billing - Fresno 80/20	% of Staff Cost	% Of Cost	FMV	\$1,047
Grant Billing - Fresno HPRP	% of Staff Cost	% Of Cost	FMV	\$3,973
Grant Billing - Homeless Prevention	% of Staff Cost	% Of Cost	FMV	\$2,236
Grant Billing - Homeless Prevention Case Mgmnt	% of Staff Cost	% Of Cost	FMV	\$938
Grant Billing - Homeless Prevention Outreach	% of Staff Cost	% Of Cost	FMV	\$322
Grant Billing - Homeless Prevention Rental assistance	\$525	Expenditures	FMV	\$525
Grant Billing - Homeless Prevention Rapid Re-Housing	\$2,233	Expenditures	FMV	\$2,233
Grant Billing - Homeless Prevention Financial Assistance	\$3,058	Expenditures	FMV	\$3,058
Grant Billing - Rapid Rehousing Stabilization	\$3,058	Expenditures	FMV	\$9,318
Grant Billing - SOAR/EPU	1,081	Hourly	Multiple	\$38,115
Grant Billing - VIIB Tech Asst	% of Staff Cost	% Of Cost	FMV	\$500
Grant Billing - VII.C	10,550	Hourly	Multiple	\$357,240
Grant Billing - WIPA	-	-	FMV	\$116,020
Sign Language Interpreting Services	494	Hourly	\$120	\$59,280
Misc. Services	Multiple Services	Multiple	Multiple	\$21,092

**PROVIDER "D"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

Misc. Services - Emergency Preparedness	Multiple Services	Multiple	FMV	\$17,000
PG&E Consumer Assistance	11	Hours	\$20	\$220
Promotional Event	-	-	FMV	\$2,730
Transition Funds	-	-	FMV	\$2,664
Whitney Foundation 09/10	-	-	FMV	\$20,000

**TOTAL VALUE OF SERVICES DELIVERED TO THE COMMUNITY** **\$1,657,814**

**TAX-BASED FUNDING RECEIVED** **\$1,236,755**

**OTHER FUNDING RECEIVED** **\$96,992**

**TOTAL FUNDING RECEIVED** **\$1,333,747**

**RETURN ON TAX FUNDING INVESTMENT** **124%**

**PROVIDER "E"**  
**RETURN ON COMMUNITY FUNDING INVESTMENT**  
**For The Calendar Year 2009**

<b>SERVICE PROVIDED</b>	<b>QUANTITY OF SERVICE PROVIDED</b>	<b>UNIT OF MEASURE</b>	<b>VALUE OF EACH UNIT TO THE COMMUNITY</b>	<b>TOTAL VALUE OF SERVICE DELIVERED TO THE COMMUNITY</b>
Evaluate Applicants and Open New Cases	15	Per Person	\$500	\$7,500
Develop Individual Plans	10	per Person	\$750	\$7,500
Employer education on ADA and other issues	200	Hours	\$50	\$10,000
Place clients in job or careers	8	Per Person	\$800	\$6,400
<b>TOTAL VALUE OF SERVICES DELIVERED TO THE COMMUNITY</b>				<b>\$31,400</b>
<b>TAX-BASED FUNDING RECEIVED</b>				
California Dept of Rehabilitation Funding				\$159,818
CSU Fresno Co-Op Agency Funding				\$54,348
<b>TOTAL TAX BASED FUNDING RECEIVED</b>				<b>\$214,166</b>
<b>RETURN ON TAX FUNDING INVESTMENT</b>				<b>15%</b>



**ANALYSIS OF COMMUNITY SERVICE PROVIDER'S  
RETURN ON INVESTMENT SUMMARY  
for ALL FUNDING SOURCES**

<b>ORGANIZATION</b>	<b>Total Revenues</b>	<b>Output Services Value Delivered</b>	<b>Output Services Return on Investment on Total Funding</b>
Provider "A"	\$4,742,331	\$5,256,712	<b>111%</b>
Provider "B"	\$1,658,945	\$2,524,868	<b>152%</b>
Provider "C"	\$4,534,026	\$5,323,878	<b>117%</b>
Provider "D"	\$1,333,747	\$1,657,814	<b>124%</b>
Provider "E"	\$214,166	\$31,400	<b>15%</b>
<b>TOTALS</b>	<b>\$12,483,215</b>	<b>\$14,794,672</b>	<b>119%</b>

**ANALYSIS OF COMMUNITY SERVICE PROVIDER'S  
RETURN ON TAX FUNDING INVESTMENT SUMMARY  
for DOR-FUNDED JOB PLACEMENT SERVICES**

<b>ORGANIZATION</b>	<b>Total Revenues</b>	<b>Job Placement Revenues (from DOR)</b>	<b>Output Services Value Delivered</b>	<b>Output Services Return on Investment</b>
Provider "A"	\$4,742,331	\$40,240	\$59,200	<b>147%</b>
Provider "B"	\$1,658,945	\$11,570	\$15,450	<b>134%</b>
Provider "C"	\$4,534,026	\$7,431	\$14,360	<b>193%</b>
Provider "D"	\$1,333,747	\$176,320	\$246,650	<b>140%</b>
Provider "E"	\$214,166	\$159,818	\$31,400	<b>20%</b>
<b>TOTALS</b>	<b>\$12,483,215</b>	<b>\$395,379</b>	<b>\$367,060</b>	<b>93%</b>

**DOR-FUNDED JOB PLACEMENT SERVICES  
ACTUAL RESULTS COST METRICS**

<b>ORGANIZATION</b>	<b>DOR PROVIDER COST METRICS</b>			
	<b>Job Placement Revenues (from DOR)</b>	<b>Cost per Individual Accepted</b>	<b>Cost per Individual Placed in Employment</b>	<b>Cost per Individual who succeeds in Retaining their Job (more than 90 days)</b>
Provider "A"	\$40,240	\$2,236	\$3,353	\$4,024
Provider "B"	\$11,570	\$1,446	\$2,314	\$5,785
Provider "C"	\$7,431	\$1,486	\$3,715	\$3,715
Provider "D"	\$176,320	\$1,533	\$5,688	\$8,396
Provider "E"	\$159,818	\$5,708	\$15,982	\$19,977
<b>TOTALS</b>	<b>\$395,379</b>	<b>\$1,883</b>	<b>\$6,590</b>	<b>\$9,195</b>

## DOR-FUNDED JOB PLACEMENT APPLICANT METRICS

ORGANIZATION	DOR JOB PLACEMENT APPLICANT METRICS				
	Job Placement Revenues (from DOR)	Referrals	Accepted	Placements	90-Day Retentions
Provider "A"	\$40,240	35	18	12	10
Provider "B"	\$11,570	15	8	5	2
Provider "C"	\$7,431	5	5	2	2
Provider "D"	\$176,320	127	115	31	21
Provider "E"	\$159,818	28	28	10	8
<b>TOTALS</b>	<b>\$395,379</b>	<b>210</b>	<b>174</b>	<b>60</b>	<b>43</b>

## **The Impact of Employment Services on Consumer's Lives**

### **Premise**

For working individuals, employment provides not only financial benefits, but also may be a source of structure, social support, role identify, and meaning. According to research by Dr. Andrew Blalock, “unemployed individuals generally report more depression, anxiety, social isolation, and low self – esteem than employed individuals”.

### **Research Review**

Research has found that employment was one of several factors associated with improved quality of life. However, the researchers also noted that the “fit” of the job and its related employment environment were very important to the subjective response of satisfaction or well being with the quality of life. In fact, longer term studies note that the individual responses could vary, as health and other life pressures may fluctuate and change during ones life time.

A further review of the literature reveals a wide spectrum of measurement approaches to assessing the core concepts in quality of life. Most authors make it clear that there is no consensus over a single definition of quality of life. However, in recent years, various authors have shifted their efforts to measure the concept of life quality from one of a “health or medical” perception by physicians, to the individual’s subjective feelings of their well-being – including their social health and functional abilities. One article by Stephen Beyer notes that indeed, quality of life is under represented as an outcome measure in vocational research. Beyer goes on to note that research needs to compare subjective, objective impressions and quality of work environments for adults to truly gain a perspective on this complex issue. This same author concludes with the following findings: The use of supported employment as a means to provide a constructive occupation and enhanced quality of life to people with disabilities is effective. However, closing the gape with respect to non-disabled co-workers on objective quality of life measures represents a challenge and will require improving the quality of job finding and workplace support and the training provided.

The realm of quality of life cuts across many measurement domains. They include functional ability, (including the use of environmental engineering and accommodations) health status, psychological well-being, social networks and social support, life

satisfaction and morale. *One author simply sums the concepts of quality of life as one of well being expressed subjectively by the employee.* While another author takes an approach trying to understand the social barriers and experiences of disabled people and the use of technology in the work place. Primarily, this author says that quality of the work and life are often confined due to the prohibitive attitudes of employers, colleagues and the rehabilitation professionals themselves. Clearly, the author of this research (Alan Roulstone) condemns equipment and environments that are not designed with the requirements of people with impairments in mind. Simply put, the community employment organization must individualize the services to achieve the individual's subjective well being. Therefore, the employment development organization, in partnership with its other community agencies and employers, keeps focused on the individuals, and, the aggregate impressions of the job seekers, to maintain quality services and enhanced quality of life.

In one research article "Notes on Quality of Life" the author reviews a wide range of factors and attributes to concise in approaching the quality of life measurement. Essentially, the best way of approaching quality of life measurement is to measure the extent to which people's happiness requirements are met – i.e. those requirements which are necessary conditions of anyone's happiness. Quality of life reflects the gap, between the hopes and expectations of a person and their present experience. Some of the quality of life conditions may include "I can do more things that I want", being free of worry and stress, I live where I want, I belong as I desire to family and groups, working at a job, meaningful leisure activities, and improving my physical health and changes in life.

## **The Use of Performance Indicators to Achieve Individual Quality of Life Results**

The work on quality of life research has been diverse and often dominated by the impressions and foundation of professionals in the medical and psychological realm of sophisticated research. In fact, many of the studies often find their conclusions "dated" by the time the data has been analyzed and published.

In the rapidly changing field of vocational rehabilitation, the applicability of such research by psychosocial, sociology, and medical professionals may not be relevant or timely to the diversity of persons served in the realm of vocational rehabilitation, the communities the persons served that they live in, and the unique support and service needs of each individual with profound challenges to employment in a worldwide economy. To stay current and responsive to the individual needs of the persons served, and, their ultimate personalized outcomes, an instrument designed with persons served input, tested and used by community services organizations is needed to help plan and manage to employment outcomes and perceived quality of life.

One such instrument developed in a ten year period is known as uSPEQ. This instrument is presently being introduced in such areas as community organizations, as well as national initiatives such as Ticket to Work, Veterans Affairs and several state associations. The resulting data and informational analysis can provide “in real time” focus on service design and delivery, often providing the community employment organization perspectives to change service designs and partnerships to achieve satisfaction with service experiences and personal outcome perspectives.

According to uSPEQ literature, this instrument was based on persons served input and cuts across in importance in all service settings of the rehabilitation industry. The considerations in the questionnaire include such areas as Service Responsiveness, Informed Choice, Respect, and Participation in everyday life as desired, Overall Value and improvements in my life. Per the domains of the uSPEQ instrument, some of the items inclusive in each domain are listed as examples as follows:

Employment Services makes significant impacts on consumer’s lives on several different levels:

- Impacts on people’s attitudes about themselves and their competencies;
- Impacts on their abilities to seek and achieve meaningful employment;
- Financial impacts affecting their direct situation and life;
- Financial impacts on their local and extended communities.

## **The measurement of impacts on people’s attitudes about themselves and their competencies**

The ability to deal with daily activities      80% agreement that employment services have helped with these abilities.

The ability to make important choices      90% agreement that employment services have helped with these abilities.

The ability to accomplish necessary actions without barriers.      85% agreement that employment services have helped with these abilities.

## **Financial impacts affecting their direct situation and life**

The average increase in lifetime earnings of a successful VR participant is over \$60,000.

**Measurement of the Financial Impact to the Community from the CRP services provided and the Financial Measurement of the benefits of Collaboration and Consortium Arrangements that could be developed in a Social Enterprise Alliance.**

**Financial impacts affecting their direct situation and life**

The average increase in lifetime earnings of a successful job placement participant is over \$60,000.

**Financial impacts on their local and extended communities**

The approximate multiplier effect of this personal income increase to the local region is 112% (Evaluation of Massachusetts' Public Vocational Rehabilitation Program, 2004) as a result of household and employer spending for a direct net community financial impact of \$67,000 per successful person.

Local tax receipts increase an average of 1.6% of gross earnings (projected total of \$1,072 per successful job placement client), and state sales tax receipts increase an average of 8.34% (projected total of \$5,588 per person). \* Utah Economic Impact Study 2006

There are also significant reductions of public assistance payments and services:

- Unemployment benefit payments are reduced.



- Public health benefit costs are reduced.
- Community crime and vandalism costs are reduced.
- Community property values (and resulting property taxes) are increased.

## Financial Impacts to Employers:

(Job Accommodation Network, U.S. Dept. of Labor Annual Research Findings 2009)

### Direct Benefits:

### Company Experience %

Ability to retain a qualified employee	88%
Employer accommodations increased the worker's productivity	72%
The company eliminated the costs of training a new employee.	59%
Increase in Employee Attendance	52%
Saved worker's compensation or other insurance costs	39%
Leveraging Tax Incentives	Not Measured

The primary direct cost savings that are most easily measured and most visible are the cost savings resulting from reduced employee turnover and resulting elimination of new employee training costs.

A good rule of thumb for total cost of employee turnover (including hiring costs, training costs, loss of efficiency during training, and administrative costs) is ½ of the position's wages plus benefits. People with disabilities frequently function in jobs that typically have higher turnover rates, and their increased length of service can result in very significant direct cost savings.

In addition, surveyed companies report the following indirect benefits from hiring people with disabilities:

### Indirect Benefits:

Improved interactions with co-workers	69%
Increased overall company morale	61%
Increased overall company productivity	57%
Improved interactions with customers	45%

Increased company diversity	43%
Increased workplace safety	43%
Increased overall company attendance	37%
Increased customer base	18%

### **Potential Collaboration and Consortium Relationships that could be developed in a Social Enterprise Alliance**

The first steps in this process are the currently developing actions of identifying community providers who are effective and efficient operations for investment of tax dollars and donations in the future.

Measurements of the efficiency and value of alternative providers can identify those who should receive additional allocation of limited funding resources, while those operations who are not effectively delivering value to the community may be faced with additional funding reductions.

Efficiencies on operations and corresponding increases in the values delivered for funding dollars can also be achieved through consolidations of activities into more efficient provider organizations, collaboration with other providers to share expertise and efficiencies in specific areas, and forming consortiums to reduce overall administrative and overhead costs while allowing individual providers to focus on those areas where they are most effective.

The promise of these alliances is to help community providers improve business efficiencies, pool their talents and resources to deliver a more effective mix of services, learn from each other the “best practices” that can lead to more effective results, and provide a more integrated resource for employment services and outcomes for both job seekers and for employers.

There are several types of collaboration and consortium arrangements that can be used to achieve these goals:

## **Community Employment Planning Alliances**

This form of relationship is less formal and does not require the sharing of actual operating authority or responsibility between provider organizations. This structure involves the sharing of multiple areas of expertise into a shared focus on consumers and job seekers actual outcomes. This structure also can help avoid duplication of services within a defined areas and a resulting potential reduction in overhead costs based on areas of specialization and improved efficiencies within these areas.

While the informal structure of this type or alliance cannot force participants to take specific actions that they may consider harmful to their organization, the members of these alliances should clearly understand that they do have a responsibility to collaborate with their partner providers – that they need to “get along with the enemy” and take actions that increase overall value to the community and that improve actual outcome results to their consumers.

Because these types of structures do not have common financial reporting systems or measurements, it is difficult to accurately measure the financial impact of the benefits from this approach. Anecdotal evidence, however, indicated that members generally feel that they have experienced a 2-3% increase in overall efficiencies.

## **Partnership Alliances**

A Partnership Alliance is a more formal organization than a Community Planning Alliance and typically involves the formation of a 501.c.3 organization.

The Chairperson, CEO's or Executive Directors of the member organizations would be the officers of the new Alliance organization.

This new organization would focus on identification of business duplications, services commonalties and areas of overlap, and member operating inefficiencies and problems.

The same issues of financial measurement exist in this approach as were described for Community Employment Planning Alliances. The overall estimates, however, are that due to the more stringent management approach and increased level of management control the anticipated overall efficiencies will increase by a greater factor to between 5% and 10%.

## **Purchasing Alliances**

Purchasing Alliances are more formal legal or contracted relationships that identify all aspects of their consolidated business operations that would benefit from group purchasing.

The members of the alliance have agreements for “all in” or agreements for “shopping” the purchasing list.

These consolidated purchasing efforts generally result in cost savings of approximately 7% of total costs of items purchased.

## **Partnership Alliances with Customers**

A Partnership Alliance typically has the same formalized structure as the previous Partnership Alliance with the Board membership consisting of the CEO’s of the member organizations – including the community member groups.

The primary focus is on involving community members in the understanding of the operations of provider members, the focus on business savings and efficiencies, and the involvement of community members (as hiring organizations) to become more directly involved in the potential use of provider’s clients as employees.

This framework also allows for member customers to choose among group purchases and projects from multiple provider organizations.

The actual increase in job placement results, business savings, and increased efficiencies is difficult to measure due to the relative newness of these types of structures, but anecdotal evidence suggests an overall increase in efficiency of 5-10% and an increase in successful job placement results of 10-20%.

## **Mergers (and similarly Acquisitions)**

A merger is a legal “folding in” of assets and operations (and sometime liabilities) from one organization into another. This is often an efficient emergency or stop-gap measure that becomes necessary due to the financial condition of one organization and the willingness of the other organization to merge.

There are multiple areas of concern involved in a merger:

- The levels of services to the community need to be addressed;
- The potential financial benefits and risks to both parties need to be understood;
- The organization cultures and traditions, and the “community history”, are at risk.
- Frequently the effort winds up with a winner and a loser.

The short-term financial benefits to the community from a merger are frequently the simple continuation of services at existing funding levels without significant cost increases due to emergency action requirements following a closure or reduction of operations.

The longer-term financial benefit is the frequent increase in efficiencies as the more effective organization implements their practices and procedures into the other organization and increases their level of efficiencies to the more effective organization’s standards.

## **Business Networks (or also known as Service Networks)**

These are legal organizations with their own CEO and Board structure. These Business Networks require the community services provider to join and to abide by the Network’s CEO and Board decisions.

The community service provider turns over their major business and administrative functions to the central Network. The community service provider's CEO reports to the CEO and Board of the Network. New roles will evolve for the provider's existing Board members.

The same overall concerns exist as with a Merger or Acquisition:

- The future levels of services to the community need to be addressed;
- The goals and directions of the Network may not match those of the individual provider;
- The potential financial benefits and risks to both parties need to be understood;
- The individual provider organization's cultures and traditions, and their "community history", are at risk.

The anticipated overall efficiency savings from this approach has been variously stated to be from 20-30%, but differences in cost and result measurements make these claims very difficult to verify without detailed in-depth analysis of existing Networks. There is a significant level of feeling, however, that this Network approach simply build another level of "middleman" management into the overall system hierarchy – and results in an overall reduction of services to the end consumer.