



## ***Initiatives Influencing the Emergence of Results-Based Funding of Supported Employment Services***

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### **ABSTRACT**

An increasing number of state VR agencies are using results-based funding strategies to purchase supported employment services from community rehabilitation providers. In this article, results-based funding is discussed within the context of the evolution of supported employment funding practices. Results-based funding methods are presented as an alternative to traditional purchase of service agreements that make provider compensation contingent upon the provision of services rather than the achievement of valued results. This article describes recent government-wide initiatives to improve accountability for results that are influencing the operation of state VR programs. It also addresses concerns about outcomes and consumer satisfaction within the VR program that are leading state VR agencies to consider results-based funding approaches.

The Rehabilitation Act Amendments of 1986 added supported employment as a program option of the federal-state Vocational Rehabilitation (VR) program for the specific purpose of assisting individuals with significant disabilities to work successfully in competitive employment. By providing individualized and ongoing supports, supported employment made community-integrated, competitive employment opportunities available to individuals with disabilities who historically had not worked competitively or had worked only intermittently. Before supported employment, the service options available to this population were largely limited to segregated settings such as sheltered workshops, work activity programs, and nonwork-oriented day treatment programs (Wehman, Kregel, & Shafer, 1989).

Supported employment has made significant advances over the past 13 years of implementation. The 139,000 persons reported working in supported employment during Fiscal Year (FY) 1995 represent a fourteen-fold increase from service levels in FY 1986; the number of supported employment provider agencies has grown from 324 in FY 1986 to approximately 3,700 in FY 1995 (Wehman, Revell, & Kregel, 1998). The impact of supported employment services is particularly apparent within the Vocational Rehabilitation system. In FY 1995, state Vocational Rehabilitation counselors successfully assisted 18,142 individuals in obtaining community integrated employment through supported employment; this figure represents a 30% increase from the FY 1994 total. The number of individuals with successful employment outcomes through VR in FY 1995 more than doubled those in sheltered employment (Brooke, Revell, & Green, 1998). By expanding the service delivery options and improving the employment outcomes for people with significant disabilities, supported employment has played a major role in strengthening the consumer informed choice and self-determination provisions of the 1998 Amendments to the Rehabilitation Act. Core tenets of supported employment are contained in this legislation's emphasis on competitive employment in integrated settings and the presumption that individuals with the most significant disabilities can be successful in

employment if provided with appropriate services and supports (Inge, 1998).

Despite all of supported employment's successes, people with the most significant disabilities continue to face numerous barriers to achieving competitive employment outcomes. For example, state Mental Retardation/Developmental Disabilities agencies reported that approximately 450,000 individuals were enrolled in day/work services in FY 1996 as compared to 92,000 in supported employment. The number in day/work services grew by 21,000 from FY 95 to FY 96 as compared to a growth of only 7,000 in supported employment over the same period (Braddock, Hemp, Parish, & Westrick, 1998). The challenges still facing supported employment are well documented (Mank, 1994; Wehman & Kregel, 1995). There are concerns about the quality of employment outcomes in relation to service costs. To improve the record of success for supported employment, funding agents and service providers must recognize their accountability for assisting individuals with the most significant disabilities achieve valued employment outcomes. The continued predominance of day/work services and the high unemployment rate for people with disabilities who want to work (N.O.D., 1998) – an unemployment rate seemingly unaffected by our robust national economy – suggest a need for greater accountability in the use of public funds for the delivery of employment services.

A primary means by which accountability can be accomplished is through the ongoing evaluation of outcomes and program effectiveness (see Bond, Drake, Mueser, & Becker, 1997; Mank, 1994; Wehman et al, 1995; Wehman et al., 1998). By examining the extent to which goals are being achieved and understanding the relative success of various approaches to achieving these goals, the quality of supported employment services can be improved. Revell, West and Cheng (1998), for example, have

examined the effectiveness of various methods VR agencies use to purchase supported employment services from providers. The purpose of the present paper is to further examine one particular funding strategy that is increasingly being used by state VR agencies to encourage accountability for outcomes, results-based funding. Within Vocational Rehabilitation, results-based funding (RBF) refers to a funding design wherein the VR agency compensates providers based on the delivery of specified employment outcomes. Following a brief overview of the history of supported employment funding, we will explore the reasons behind the current trend toward results-based strategies for purchasing supported employment services.



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## **THE EVOLUTION OF SUPPORTED EMPLOYMENT FUNDING STRATEGIES**

The initiation of supported employment in the mid-1980s required a significant redesign of state agency funding arrangements with provider programs. Supported employment systems were created by combining the time-limited features of VR with the long-term supports typically funded by state developmental disabilities and mental health agencies. Supported employment represented a dramatic departure from traditional services for state VR agencies and long-term support agencies for people with significant disabilities. Not only were service features of the two systems combined, in addition, widely different funding approaches in the two systems were used in the interest of supporting people with significant disabilities in community jobs. VR agencies made the transition to funding extensive jobsite supports for a population of individuals with greater support needs than previously served. Long-term services agencies, which historically funded non-work or segregated work opportunities, were now funding job-related services in integrated settings.

State agencies such as Vocational Rehabilitation, Mental Retardation/Developmental Disabilities, and Mental Health use a variety of purchase of service (POS) methods to obtain employment services from provider agencies. Most POS methods have common elements: (1) defined services; (2) a purchasable unit for each service (e.g., day, hour, specific outcome); and (3) a unit cost for each defined service (Revell et al., 1998). Prior to the advent of supported employment, most work-related POS agreements were used to purchase facility-based services such as work adjustment and sheltered employment (Hill & Revell, 1987). The purchasable units for services were typically days of service or contracted slots that did not differentiate the charges based on the type, number, or intensity of the services received by participants. In contrast to facility-based services, supported employment involves professional job coaches providing discrete and individualized services to people with disabilities in community job situations. Funding agents concluded that POS alternatives were needed that provided individualized program information based on the specific units of services received by each supported employment customer.

As the number of supported employment provider agencies grew nationally, hour-based POS agreements gained in popularity (Wehman et al., 1998). A recent national survey of state employment funding agencies reported 45 examples of an hourly rate for supported employment in FY 1995 (Wehman, et al., 1998). The original intent of the hour-based POS approach was to respond proactively to the service needs of people with significant disabilities for whom there was little experience in providing support in competitive settings. Using this approach, the provider agency can be compensated for the costs involved in implementing an individualized service plan regardless of whether that plan involves 100 hours of services or 250 hours of service. For example, a provider agency may be

paid \$30 for each hour of job development, job coaching, or any related employment support service it provides to an eligible supported employment program participant.

Hour-based POS agreements have several advantages over earlier POS methods. The supported employment participant has available the degree of service intensity prescriptively needed for job success. The provider of services can customize services based on individual support needs, because it is reimbursed for each hour of service provided to an individual. The funding agency has access to individualized information on the specific services being provided and the impact of funds being spent. For these reasons, the hour-based fee-for-service approach has evolved as the predominant POS method for funding services leading to individual job placements in supported employment.

Despite its continued prevalence, there are growing concerns with perceived breakdowns in the benefits obtained from the hourly unit of service approach in comparison to its costs. These are two key perceived breakdowns. First, the hourly approach does not readily encourage quality assessment and quality control by service providers, because hours of services are paid for without regard to the success of those services. Second, there are limited incentives to encourage participant movement toward valued employment outcomes. Like the funding approaches before it, the hour-based POS approach emphasizes the provision of services and time spent providing those services rather than emphasizing what happens as a result of those services (Oklahoma Department of Rehabilitation Services, 1997).

There is currently a move from process-oriented approaches to funding supported employment services to more results-based approaches. Strategies are emerging that compensate providers for the outcomes of services

rather than the process of service delivery. These strategies are based on both the general concern that public funds ought to pay for valued outcomes and the specific concerns that individuals receiving employment services would benefit from a greater emphasis on outcomes within the funding system. The principal intent of RBF approaches is to pay for meaningful and measurable employment outcomes at a defined cost. Results-based funding may be viewed as a logical next step in the evolution of supported employment funding practices. Now that the costs of providing services can be more accurately estimated and many of the variables that influence costs have been identified, funding agencies are better equipped to reimburse providers based on outcomes.

A variety of results-based approaches to funding supported employment are being tested and implemented nationally. In a survey conducted by Wehman et al. (1998), state VR agencies were asked what funding methods they utilized in FY 1995 to purchase employment services from providers. Twenty state VR agencies reported paying providers based on a results-based funding approach. For example, a VR agency may reimburse a provider when an employee successfully completes key service steps such as assessment, obtaining employment, and continued job maintenance for a specific time period. There are multiple variations of compensation strategies in place and being tested by state VR agencies. Numerous examples are described in the companion report prepared by Novak, Mank, Revell, and O'Brien (1999).

The shift to greater accountability and results-based funding is not unique to supported employment or rehabilitation. While it is still somewhat novel in rehabilitation, this shift is a part of a much broader shift by society and government to emphasize accountability in the use of public tax funds (Else, Groze, Hornby, Mirr & Wheelock, 1992; Gore, 1993a; Kravchuk &

Schack, 1996; Osborne & Gaebler, 1992; Wedel & Colston, 1988). The remainder of this paper discusses the forces behind the current trend toward RBF approaches, highlighting forces at the federal level and forces within the federal-state vocational rehabilitation system. VR funding strategies will also be discussed within a systems framework and the nature and rationale of results-based compensation systems examined.



## **FORCES PROMOTING THE TREND TOWARD RBF APPROACHES**

The movement toward results-based approaches or funding supported employment services can be attributed to forces within the broader context of federal government reform and vocational rehabilitation. When considering the impetus for change within state VR agencies, it is important to take into account the influence of the federal government of which they are a part (Ginsberg, 1994). Recent government-wide initiatives to improve performance measurement and accountability are influencing the operation of state VR programs. Concerns about outcomes and consumer satisfaction are leading state VR agencies to consider results-based funding approaches. The ultimate goals of reform federal and VR agency levels of government are to improve their efficiency, quality, and effectiveness.

### **RECENT INITIATIVES TO IMPROVE GOVERNMENT PERFORMANCE**

The American government system has long been criticized for bureaucratic excesses and presumed ineffectiveness. As funding for federal programs has become more and more scarce, programs are being closely scrutinized and are under pressure to justify their value (Groszyk, 1995; Martin & Kettner, 1996). Public cynicism about the performance of government is growing. Taxpayers no longer appear willing to pay for

effort, they want to see results (King, 1995). The federal government has responded to such criticisms by implementing a number of reform initiatives on improving how government operates. Three of the most notable initiatives are the Government Performance and Results Act, the National Performance Review, and the Governmental Accounting Standards Board's Performance Measurement Project.

### **Government Performance and Results Act**

With the passage of the Government Performance and Results Act (GPRA) of 1993, the issue of performance measurement became a high priority within government agencies (Kravchuk & Schack, 1996). Taxpayers no longer seem satisfied with information about how many clients were signed up for a service, how many forms were filed, or how much money was spent; they now want to know, "What did our money accomplish?" (Gore, 1995; King, 1995; Theurer, 1998). GPRA requires federal agencies to define long-term goals, set specific annual performance targets, and report annually on performance relative to agreed upon targets. Annual performance plans, which are required government wide beginning with fiscal year 1999, must include measurable goals and performance indicators. When federal agencies begin submitting their annual reports, the first is due in March of 2000, the President, Congress, and the public will have a clearer picture of how well federal agencies are performing (Groszyk, 1995). In the United States, this emphasis on how well agencies are actually accomplishing their program purpose and objectives is referred to as "Managing for Results."

Demonstrations of the usefulness of outcome information have been cited at all levels of government (Olsen, 1997). Performance measurement has shown to improve accountability and program performance. Performance information has demonstrated to play a significant role in holding non-governmental service deliverers

(e.g., supported employment providers) accountable to government agencies who fund them (e.g., VR).

### **National Performance Review**

A second prominent initiative that emerged soon after passage of GPRA was the National Performance Review (NPR; Gore, 1993a). The NPR, headed by Vice President Al Gore, is a wide-ranging endeavor to make the government work better and cost less. Several parts of the NPR are directly related to performance, including a commitment to aid in the implementation of the Government Performance and Results Act of 1993. A NPR investigation of how federal agencies measure their performance found that most agencies are measuring the wrong things. The investigation revealed that federal agencies are measuring the resources that go into their programs, inputs, instead of the results of their programs, outcomes (Gore, 1995).

The National Performance Review is largely the federal government's implementation of the precepts contained in Osborne and Gaebler's 1992 book, Reinventing Government. The book, which focuses on improving how federal, state, and local governments operate, is having a substantial influence on public management practice (Martin & Kettner, 1996). The authors describe a new form of government emerging in the public sector (Osborne & Gaebler, 1992). This new form of government is intended to be less bureaucratic and utilize resources in more efficient and effective ways than traditional government. The reinventing government movement emphasizes systematic measurement and use of performance data in the public sector. In fact, an entire chapter of the book is devoted to principles for creating a results-oriented government (i.e., government that funds outcomes rather than inputs). These authors lay out seven simple yet eloquent statements about the

philosophy behind measuring performance and funding outcomes:

1. What gets measured gets done.
2. If you don't measure results, you can't tell success from failure.
3. If you can't see success, you can't reward it.
4. If you can't reward success, you're probably rewarding failure.
5. If you can't see success, you can't learn from it.
6. If you can't recognize failure, you can't correct it.
7. If you can demonstrate results, you can win public support. (Osborne & Gaebler, 1992)

In 1995, Vice President Gore declared that the combination of the Government Performance and Results Act and the reinvention initiative's emphasis on results has enabled federal agencies to begin serving people better with lower costs to the public. The NPR recently changed its name to the National Partnership for Reinventing Government (Laurent, 1998). Along with this new name came a broader vision, one which not only seeks to make government operate more efficiently but also promises to get results that are valued by Americans.

#### **GASB's Performance Measurement Project**

The federal initiative with the greatest potential impact on government accountability and performance measurement comes from the Governmental Accounting Standards Board (GASB) (Martin & Kettner, 1996). GASB's mission is to set the accounting standards followed by state and local governments. In response to growing frustration from taxpayers who are demanding to know what they are getting for their money, the GASB is redefining its accounting

standards to include the reporting of performance measures (Osborne & Gaebler, 1992). The GASB proposed reporting standards are intended to provide a more complete picture of the performance of governmental agencies than traditional reporting standards (Fountain & Roob, 1994; GASB, 1994). These standards would require state and local governments to report annually on what the GASB calls "service efforts and accomplishments" (SEA). SEA reports provide information about (a) the resources that went into government programs; (b) the services they provided; (c) whether those services achieved the established objectives; and (d) what effects the services had upon service recipients and others. An increasing number of government agencies are experimenting with SEA measures (GASB, 1994), and the GASB has recently been awarded a three-year grant to research and develop performance-reporting techniques to be used by state and local governments (American Institute of Public Accountants, 1998).

While compatible with GPRA and the National Performance Review, SEA reporting provides more guidance and greater specificity than these federal initiatives and may ultimately subsume them (Martin & Kettner, 1996). Together, these three public sector initiatives highlight the central role that outcome accountability and performance measurement are beginning to play in the administration of public sector programs. This trend will likely continue and intensify over the next several years. As state and local government agencies become responsible for reporting more performance information to the federal government, it will be necessary for them to collect such performance information from their private non-profit and for-profit grantees and contractors. With increased access to provider performance information, VR agencies will have expanded capacity to use performance information to assist consumers in making decisions about service providers and resource allocation.

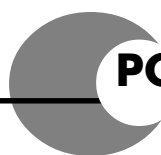
## IMPETUS FOR CHANGE WITHIN THE STATE-FEDERAL VR PROGRAM

Advocates have long highlighted supported employment's emphasis on outcomes as evidenced by improvements in wages and community integration realized by those who obtain employment through supported employment programs (McCaughrin, Ellis, Rusch, & Heal, 1993). While many individuals with the most significant disabilities have become employed with the assistance of supported employment services, people with disabilities, state VR programs, and service providers continue to voice concerns about acceptable outcomes. People with disabilities and advocates point to the need for better paying jobs, more hours, and a greater variety of employment settings. A common sentiment by people with disabilities is, "We are receiving countless employment *services*, but what we really want are *jobs*." Vocational rehabilitation agencies express concern about the high cost of supported employment relative to other VR programs, the temporary nature of many jobs, and the lack of emphasis on including people with the most significant disabilities. Service providers express concern about reimbursement rates not meeting true costs (Revell, West, & Cheng, 1998), difficulty in maintaining capacity to deliver high quality services, and excessive documentation requirements. In fact, while supported employment has successfully assisted many individuals with the most significant disabilities achieve competitive employment, considerable concern with regard to quality outcomes is expressed from many perspectives.

The federal-state VR program has recently taken several steps to enhance its accountability and effectiveness. In February of 1996 the Rehabilitation Services Administration (RSA) and the Council of State Administrators of Vocational Rehabilitation (CSAVR) entered into an agreement to streamline the public vocational rehabilitation service delivery system (RSA & CSAVR, 1996).

The streamlining initiative is an ongoing process of self-evaluation and continuous improvement developed in response to an identified need to improve the efficiency and effectiveness of the state-federal VR program. In line with the larger reinvention movement to make government more customer-driven and results-oriented (Osborne & Gaebler, 1992), the streamlining initiative endeavors to make the VR system more responsive to the persons it serves and to enhance the employment outcomes of individuals with disabilities. Streamlining efforts are directed at identifying and revamping policies and practices that impede the rehabilitation process and outcomes (RSA & CSAVR, 1996).

A performance-based monitoring system is being developed and implemented to complement streamlining activities (Schroeder, 1997). This initiative is similar to examples of performance-based emphases in welfare to work, early intervention, and home healthcare. The system includes standards and indicators for measuring VR state agency performance. As state VR agencies become more immersed in streamlining and performance measurement activities, they will likely seek similar accountability for results from supported employment service providers. One way to increase provider accountability is to tie compensation to service results rather than to traditional process requirements.



## POS ARRANGEMENTS USED TO DATE

A useful framework for comparing the POS agreements used to purchase SE services is a systems model. A systems approach has long been used to analyze the nature of human service delivery (Kettner & Martin, 1993,

Martin & Kettner, 1996; Rosenberg & Brody, 1974). Figure 1 shows the interrelated elements that constitute a human service delivery system.

Using the systems framework, it is possible to articulate four types of performance in human service delivery: inputs, process, outputs, and outcomes.

- **Inputs** are resources that a program uses to achieve its objectives (Gore, 1993b). Inputs can be thought of as the raw materials (e.g., program participants, staff, facilities, funding) that go into a human services program (Martin & Kettner, 1996).
- **Process** is the actual provision of services (Rosenberg & Brody, 1974). It encompasses all activities necessary to reach service objectives. In supported employment provider delivery systems, process may include activities such as transactions between staff and program participants, communications with employers and potential employers, and negotiations with the funding source.

- **Outputs** are the products of service delivery (Rosenberg & Brody, 1974). Outputs are often defined as service volumes (e.g., # of hours of job coaching provided) and service completions (e.g., number of individuals who completed community-based assessments; Kettner & Martin, 1993, Martin & Kettner, 1996).
- **Outcomes** are the benefits individuals reap during or after participating in program activities (Hatry, van Houten, Plantz & Greenwood, 1996). They reflect a change in the quality of life of program participants (Kettner & Martin, 1987; Martin & Kettner, 1996; Rosenberg & Brody, 1974). More specifically, outcomes refer to the impact services have on program participants as they relate to established objectives. This impact may be a change in what participants know or can do; how they behave; or their condition, status, quality of life or other attributes. Put simply, outcomes are the actual results or accomplishments attributed to a service program.



Table 1 on the following page represents a systems framework for understanding VR purchase of service agreements with supported employment provider agencies. As the table illustrates, VR agencies can make compensation contingent on inputs, process, outputs, or outcomes.

Grants, slot-based agreements, and fee-for-service arrangements are examples of payment methods focused on service provision. For example, when VR awards a grant to a provider agency, the provider's compensation is not linked

to outcome performance expectations but rather to the resources allocated to the program. This type of funding mechanism, in which providers are reimbursed for the costs they incur regardless of the volume of service provided or the results achieved, can be described as input-based. Alternately, VR funding systems that compensate providers for having a given number of program slots filled are most accurately identified as process-based funding structures. When a VR agency has a slot-based agreement with a service



**TABLE 1 -- SYSTEM COMPONENTS OF SUPPORTED EMPLOYMENT SERVICE  
DELIVERY PROGRAMS AND CORRESPONDING VR FUNDING METHODS**

<b>Component</b>	<b>Human Services Definition</b>	<b>Example(s)</b>	<b>Contracts or Agreements</b>
Inputs	Resources that go into a program	Staff, facilities, employee hours, program participants	Grants
Process	Program activities	Job development and job coaching activities	Slot-based
Outputs	Service products	Completion of 30 hours of job coaching per month	Fee-for-Service
Outcomes Intermediate	Benefits of a particular service in a series of services	Knowledge gained via completion of assessment	Results-based
Ultimate	Long-term quality-of-life changes	Desired, stable employment	Results-based

provider, the service provider is paid for the number of individuals with disabilities receiving employment services for a defined unit of time, typically a day, week, month, or year; (Revell, et al., 1998). Finally, when a service provider receives payment for units of service actually delivered (e.g., one hour of job development), it is being compensated for service outputs. Supported employment fee-for-service arrangements would be classified as output-based funding arrangements.

While it is possible to make distinctions between input-, process-, and output-based funding mechanisms, more important to the present discussion is the distinction between these three funding approaches (as a group) and outcome-contingent, or results-based, funding approaches. This distinction is in line with the Government Performance and Results Act, the National Performance Review, and Governmental Accounting Standards Board's emphasis on measuring and reporting service results rather than service efforts (Fountain & Roob, 1994; Gore, 1993a; Groszyk, 1995).

The human services field has been criticized for responding to the demand for accountability by emphasizing the process of service provision (Else, 1992). To measure performance in terms of process is, in reality, merely to specify and monitor service inputs, outputs, and delivery standards. Kettner and Martin (1993) refer to this perspective on accountability as the "triumph of process over results" (p. 62). Implicit in funding mechanisms that tie payment to inputs, process, or outputs is the assumption that if individuals are receiving services, they will attain meaningful results. While receiving services is an obvious prerequisite for reaching targeted outcomes, funding mechanisms that compensate providers solely for service provision neither guarantee desired results nor address outcomes directly.

VR purchase of service approaches have not escaped this criticism. They too have predominantly funded provider agencies to deliver services (process) designed to turn program participants (inputs) into individuals

who have received services (outputs) in the hope that this will improve the participants' quality of life (outcomes). Frequently, provider program descriptions focus on the plan for service provision (such as assessment, job development, job coaching) without defining a service outcome (e.g., chosen employment). Furthermore, it is not unusual for provider compensation to be delivered independent of the achievement of outcomes. This has led to situations in which program participants undergo a multitude of assessments and countless hours of job development without ever finding a job. And, if employment is secured, they may spend many months, or even years, receiving job coaching services without making measurable progress toward more stable employment. Apparently, an underlying assumption of these funding mechanisms is that services may be provided indefinitely without a reduction in service intensity or costs. Of course, it may be difficult to discern when more extensive services and long term supports will be needed and when an emphasis on outcomes will result in a more permanent outcome with lesser expense over time.



## **NATURE OF RESULTS-BASED FUNDING MECHANISMS**

The increased emphasis on accountability for results has led to a relatively new class of funding approaches in rehabilitation that make compensation contingent upon the outcomes of service provision. Provider compensation is now linked to affirmative answers to the following questions: Does the program work? What is the program accomplishing? Is the program changing people's lives for the better? Are program participants satisfied with the services they are receiving and the results of those services? A results-based funding arrangement is any pur-

chase-of-service agreement that ties at least a portion of a provider's compensation to the achievement of outcome performance measures. The defining characteristic of VR results-based funding is payment for the valued accomplishments of service recipients.

Central to results-based funding is the notion of outcomes. Some human services programs are viewed as having various "levels" of outcomes, with intermediate outcomes leading to longer-term ones (Hatry et al., 1996; Kettner & Martin, 1987). Supported employment programs, offer a series of services (e.g., vocational assessment, job development, job coaching, long-term employment supports) and for each service there is an expected outcome. For assessment, it may be increased understanding of job preferences, abilities, and support needs; for job development, securing a job position that matches these preferences, abilities, and needs; for job coaching, improved social integration and work skills, etc. Each of these, however, would be classified as an intermediate outcome; they represent movement toward a desirable quality-of-life change. The principal measure of successful employment services is integrated, competitive employment with opportunities for career advancement. This ultimate outcome may be measured in terms of length of employment retention, program participant and employer satisfaction, and compensation package, just to name a few. Attainment of intermediate and ultimate outcomes is intended to produce overall positive quality-of-life changes in program participants.

Some outcomes preclude direct measurement (Hatry et al., 1996). In such cases, it is necessary to identify measurable yet meaningful approximations of the targeted outcome. In measuring successful employment, various indicators of an outcome may be used to capture multiple aspects of the outcome. The challenge is to choose indicators that most directly and efficiently represent the outcome of interest.



## CONCLUSION

While somewhat new in the arena of supported employment, the notion of results-based funding and greater accountability for social services has been in development for over a decade. From the viewpoint of the taxpayer and the government, results-based funding ideas are attractive, because money and results are clearly linked. From the perspective of the recipient of services, there is presumably a benefit of greater clarity of expectations because expected service results are known when service delivery begins. From the perspective of the provider of service, the basic notion may be attractive because of the reduced emphasis on process, regulations, and service definitions. The notion might be troublesome for providers of services if the expected results seem unreasonably high given the payment level and structure. Regardless of the perspectives involved, results-based funding approaches will be further discussed and developed because of their potential benefit in rehabilitation and supported employment and because this movement is a part of a broader societal and government emphasis on results.

Another reason for discussion and development of results-based funding approaches for supported employment is the relative predictability of supported employment outcomes within and across states. Supported employment has repeatedly and reliably demonstrated that it produces economic and social outcomes far in excess of the outcomes of nonemployment programs and segregated employment programs for people with significant disabilities (eg., McCaughrin, et al., 1993; McGaughey, Kiernan, McNally, & Gilmore, 1993; Wehman, et al., 1998). However, after 13 years of implementation, the outcomes are now largely static (Mank, 1994). We know that people in sup-

ported employment will tend to have moderate and mild disabilities, that wages will tend to average less than \$500 per month, and that these individuals will work about 22 hours a week and realize moderate social integration benefits (e.g., Mank, Cioffi, and Yovanoff, 1997). These outcomes, while an improvement over the past, have been largely stagnant for at least the last five to eight years. At the same time, we know that people with disabilities and advocates are calling for better jobs, at better pay rates, in a greater variety of work settings, and for career development opportunities. If we continue to use the structures and the strategies we have used to date, it may be unreasonable to expect better outcomes in the future.

Results-based funding offers one method for rethinking the structure and the strategies of supported employment to create a new level of employment and social outcomes. We know that purchase of service arrangements have historically emphasized the process of service delivery. The question at hand is: To what extent can a shift to RBF (by emphasizing results) create incentives for funding agents and providers to produce better employment outcomes and create a new level of expectation for supported employment?

Vocational Rehabilitation results-based funding approaches are emerging in a variety of forms in states across the USA. From these experiences, questions have arisen that need to be answered: How exactly are these approaches working in the real world? How similar and how different are the strategies that are currently being used? What are the results in terms of quality jobs for people in supported employment? How do these results compare to traditional funding mechanisms? What system features seem to work best? What concerns do various stakeholders have? These and other questions are important to consider

whether you are a person with a disability, a supported employment provider, or a funding agent.

Supported employment began as a service method aimed at creating integrated, competitive employment opportunities for people with significant disabilities. In large part, it was a new way of delivering individualized services to people that

made use of traditional funding mechanisms to pay for those services. Results-based funding approaches will necessarily rely on the basic service methodologies that are already developed and used daily by supported employment programs; this change is about how the money works. And of course, “money changes everything.”

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