



## State of Wisconsin Statutory Council on Blindness

### ***Recommendations for the BEP Program 2015***

Question 1: Managed services not out for bid for 10 years should it be?

- **RESPONSE:** The SLA has had discussion with the Department's Procurement Director. The SLA and Procurement Office is developing a timeline for a future service bid announcement.

**SCOB recommendation:** Set a process in place now where the Managed Services is either eliminated or put out for bid with specifics regarding preference factors, timing and value. In 25 other states a division or department of Blind Services manages the BEP program and hire blind or visually impaired people into roles performing the duties described in Managed Services contract.

- 2 examples: Operations Specialist and Training Specialist. Verified by Art Marshall.

Question 2. How is the SLA measured for success or failure?

- **RESPONSE:** The Department of Education, Rehabilitation Services Administration (RSA) oversees the national Randolph Sheppard program. RSA has the authority to request information and perform a monitoring review at any time.

**SCOB Recommendation:** Everyone has viewable expectations for success or failure in their roles. Current answer has no defined parameters. Maybe it could be number of newly registered operators, number of locations added or lost, earnings/yr per BEP operator or some combination.

Question 3. How is RSVW measured for success or failure?

- **RESPONSE:** In active participation, the SLA, ECBV and RSVW establish goals for the state fiscal year. RSVW meets with the SLA monthly to discuss the programs progress or determine solutions to possible challenges.

**SCOB Recommendation:** Again there is no defined standards of success or failure here. If the Managed services is responsible for the program then maybe they should be measured by the number of locations, BEP earnings, Clients gained/lost. Something defined and measurable that relates to the success of the program and not just administrative.

Question 4. How are BEP operators measured for success or failure?

- **RESPONSE:** RSVW reviews the businesses progress on a monthly basis and works directly with operators, facility managers and state agencies to ensure the operators are meeting our customer's expectations.

**SCOB Recommendation:** BEP operators could be measured by facility machine/cafeteria cleanliness, relationship with facility, growth within facility, adaptability to change, advanced management training, number of additional operators trained, number of blind or VI individuals hired, revenue generated per location volume or a combination of factors but it needs to be clearly defined. If I am an operator and I don't know what I should try to accomplish then how do I know if I am succeeding?

Question 5. If a BEP operator succeeds beyond all expectations what is their career growth path?

- **RESPONSE:** Notification of vacancies provides upward mobility for operators within a competitive selection process. Every operator has the option to expand their business into private locations by actively pursuing new customers.

**SCOB Recommendation:** BEP operators may seek to remain in their role and grow their business. What if they want to take on management within the program? Why not allow them the option of becoming part of the SLA or Managed Services organization? Why not have them become the training manager for new operators, why not have them receive recognition and involve them in the process of

finding and developing new locations for operators? Why not promote them to the DVR Contact point regarding what being an Operator is and how to do it? How about discovering new cheaper technology solutions through new vending machines directly from vending companies? Provide them an option outside of just business expansion. That is not really growth that is just income increase.

- Question 6. How many total operators there have been each year since RSVW has had the contract.
- 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014
  - RESPONSE: Available on the RSA website is the published RSA-15 reports and the following are the total vendor person years of employment total:
    - 2008 = 31, 2009 = 30, 2010 = 29, 2011 = 28, and 2012 = 28. Unpublished RSA-15 reports for 2013 = 27, 2014 = 27

**SCOB Recommendation:** With this consistent loss of participation by the blind or VI wouldn't this be a chance to examine the effectiveness of the RSVW in managing the day to day operations? If 70 of the blind are unemployed then the RSVW should be reaching out to the blind communities trying to convince that 70% that BEP is an option. The SLA should be gaining more sites instead of losing them. We should be reaching out to find businesses that have an interest and not rely on the operator to find the new business location. The Randolph Sheppard Act indicates that finding a new facility is the responsibility of the SLA not the person. Promote those effective operators into roles in the SLA to grow the program.

- Question 7. Has the number trended to stay the same at 27 licensed BEP operators?
- If so, what is SLAs or FSVW's action plan to increase capacity?
  - RESPONSE: In the last two federal fiscal years the total vendor person years of employment have been 27. Our program goal for state fiscal years 2014-2016 is to grow the program into the private sector and strengthen our current partnerships with both state and federal agencies.

**SCOB Recommendation:** Now the figure is 26, take action to increase the number of vendors and number of locations. Make it a priority tied to WIOA for employers. They currently use some sort of cafeteria's and vending operations. Do not rely on BEP operators to grow the locations. Use all resources, Business Services would be one avenue. Train them or outsource the growth to another organization to make it happen and give them an incentive like first months sales etc not at the cost of the BEP operator but instead at the cost of Managed Services.

- Question 9. After losing 2 locations then gaining 2 locations and blind people not deciding to join the program would this be considered good, bad or average performance factor for RSVW, BEP or SLA in a performance review?
- RESPONSE: When potential locations arise, a return on investment/return on asset analysis is completed to ensure that we are meeting both the federal and state requirements, in addition to ensuring it is the best use of program funds and resources.

**SCOB Recommendations:** Use information and statistics like this as a factor for success or failure in the SLA, Managed Services and/or the Operator.

- Question 10. Who is the body who then is responsible for holding the ECBV responsible to their roles and maintaining order at their meetings?
- RESPONSE: DWD 60.03 outlines the establishment and responsibilities of the ECBV. Committee members are elected by their peers and serve to actively participate with the SLA. It is the responsibility of all the members of the ECBV to understand their role and maintain order at meetings. The chairperson of the ECBV generally facilitates each meeting. In an effort to assist the ECBV, in December 2014 under SLA approval RSVW brought in an attorney to provide information and response to questions on the following topics: Wisconsin Ethics Code, Wisconsin Open Meeting Laws and Robert's Rules of Order.

**SCOB Recommendation:** Train the ECBV in the proper way to run a meeting, what each member's role is and how to communicate effectively using Robert's Rules of Order. Use SLA or a third party as the party to maintain order.

Questions 11: DWD 60.07 (02, c)

Transfer judged by SLA or Management, ECBV and Location Management. When considering the transfer of responsibilities of a BEP operator it states that the department only transfers if past performance is judged as satisfactory by the department and ECBV and from the management at the location but is there any kind of a standard used or is this all subjective?

- RESPONSE: The department utilizes the notification of vacancy process when filling available sites on a competitive bidding process.

**SCOB Response:** If standards are set for success or failure, operators would have a rating that could be visual and used in the bidding process. Subjective standards could be reduced substantially in the decision process.

Question 12: DWD 60.09 (1) Department shall provide equipment, and provide for repair/maintenance of all equipment except enterprise owned equipment. Why has this changed?

- RESPONSE: The BEP program provides equipment replacement and repair and maintenance to each operator. In an effort to improve operational efficiencies, annually each operator is provided with a repair and maintenance budget with the authority to utilize those resources for the repair and maintenance of the equipment within the facilities that they manage.

**SCOB Recommendation:** If a machine is breaking down more than the simple fix, SLA or Managed Services is responsible for repair in a very timely manner (meaning hours). **Set a standard.** If a facility manager or user or BEP operator notices an issue, they have a number to call to report that issue. This now sets a time standard and must be documented and shown to facility management and BEP operators. This could be a measure of success for Managed Services or SLA etc. The machines in Wisconsin in the BEP program right now are all owned by SLA or the State that really makes repair the responsibility of the state.

Question 13 & 14 DWD 60.09 (2)

Department shall provide initial stock, capital, equipment....

If operator transfers that stock will be measured and established back to original stock level.

Department pays operator for any additional, operator adds any lack of stock from initial stock value.

Why have some of the latest location bid's used the term that the operator must have adequate stock in order to bid on the location?

- RESPONSE: Determined by the department that the existing operator should have adequate stock to begin operation. Initial stock has already been provided to the operator upon entrance into the program.
- Currently, initial stock is provided as a grant to consumer through the individualized plan for employment (IPE).

**SCOB Recommendation:** Initial stock is defined and when an operator leaves they must have their machines filled with the stock they started with. That is now how DWD 60.09 is written. Operators moving to a new location should not be buying stock from the prior owner. That was the cost of doing business at that location. They are supposed to leave with those machines full.

Question 16: DWD 60.10 (2, 7, a,b,c...)

When a BEP operator is assigned a license they abide by the terms of DWD 60. The Randolph Shepard act is there to try to assist the blind or visually impaired find sustainable employment. When an operator needs to hire additional individuals to help them run their business DWD 60.10 states an order of choice when selecting individuals they should try to employ.

- First: Severely Disabled
- Second: Non-Severely Disabled
- Third: Non Disabled

If the main goal of the BEP program is to help the blind or visually impaired find sustainable employment then why are there so many "non-disabled" employed by the BEP operators?

There are about 45 out of 49 individuals employed by operators that are non-disabled. Can't the DWD help other disabled people find employment as a driver for BEP or any of the other 49 roles?

- **RESPONSE:** Each BEP operator's employment needs are different; it is the business owner's decision to determine who best fits the operator's needs. An operator looking to recruit may contact the DVR Business Services Consultant at the local DVR office to discuss employment needs. This service is available to all Wisconsin business owners.

**SCOB Recommendation:** DWD 60.10, you license each operator asking them to follow the rules and goals of the program yet this rule defined by you, set by you and you won't make any effort to enforce it. How does this enhance the goal of the Randolph Sheppard program? Provide the BEP Operator with an incentive to hire and Train Blind or VI individuals above the Ticket to Work incentives.

Question 18: DWD 60.10 (6) (3)

Record of Receipts is the responsibility of the operator. Provide receipts of all Sales and Bills paid that month. BEP operators are responsible to report their gross sales and their net profits each month to RSVW for calculation of their set aside funds as described in DWD 60.11.

Why is there no standard form with instructions as to what is acceptable as a deduction and what is not acceptable as a deduction used to calculate those numbers and this enforced by the organization upon the BEP operators?

- **RESPONSE:** BEP operators are required to submit a monthly profit and loss report outlining all business receipts and disbursements.

**SCOB Recommendation:** DWD 60.11 (6, 5b) Department Responsibility: The department shall assist the operator in establishment of proper books of account and record-keeping procedures. Create the form, track the progress, train the operators in GAAP for their business annually.

Question 20: DWD 60.11 Set Aside funds.

Set aside funds would be reduced for Vendor owned equipment operator because of operators responsibility for maintenance/repair. Why in all these years has there been no purchase of equipment by any BEP operator either external from the program or from within the program?

- **RESPONSE:** The purchase of equipment is the independent decision of an operator. There are operators in the program who have purchased equipment externally.

**SCOB Recommendation:** Purchase of vending machines could be an option for the program. Encourage the BEP Operators the option to purchase their current equipment over time. Then the funds they pay for your current equipment could be used to purchase new equipment or repair equipment that is failing.

Question 21. Who applies for any Federal matching funds or grants for the BEP program?

- **RESPONSE:** The state Vocational Rehabilitation grant under Title IB is granted to the Division of Vocational Rehabilitation. Certain BEP expenses are allowed to be used for match for these grant funds. Appropriated funding through the federal government for Randolph Sheppard programs is not available.

**SCOB Recommendation:** We do not understand this answer. As far as we know Federal Matching Funds are part of the Randolph Sheppard Act. Saying that they are not available does not make sense. Know and apply for the Federal Matching Funds, bring those funds directly back into the BEP and not to DVR. Focus all funds into growing the BEP program and options for success.

Question 22. Do we know how much money has been obtained from these grants or matching funds yearly?

- **RESPONSE:** Total amount of federal funding authorized for Vocational Rehabilitation the past three years has been the following:
  - 2015 = \$59,369,649, 2014= \$63,440,207 and 2013=\$57,088,852.
  - The total amount of BEP expenses used for match the past three years has been the following: 2015=\$96,117.42 to date, 2014 = \$66,762.01 and 2013=\$196,498.61.

**SCOB Recommendation:** This is unclear. You say there is no federal matching but then you have figures from BEP for matching funds. We need clarification here.

Question 23: DWD 60.11 (4, a, b, c, d, e)

This states that set aside funds can be used to: 1. Maintain and replace equipment, 2. Purchase new equipment, 3. Pay for management services 4. Assure fair and minimum return to operators 5. Establish and maintain PTO, retirement, health insurance and sick leave.

Why does it seem that only two of the 5 areas are focused on? Only maintain/repair and purchase new.

- RESPONSE: Without adequate and well maintained equipment, our ability to enlarge the economic opportunities for Wisconsin's blind and visually impaired within the BEP diminishes.

**SCOB Recommendation:** No set aside funds have been used for retirement, or PTO etc... Establish a retirement 401K system for BEP operators to contribute to. Use matching funds to match the operators' contributions.

Question 24 How is an operator supposed to retire if no plans are created for them? How are they supposed to obtain PTO and sick leave if none of their funds are used? By Randolph Sheppard definition set aside funds first priority is e) retirement.

- RESPONSE: It is the decision of each BEP operator how they handle retirement, PTO, sick leave, etc.

**SCOB recommendation:** If the Federal government hands the control of the program off to the state to enact and enforce then the SLA is ultimately responsible for following those rules. Change the system properly to reflect what the federal program is designed to do.

Question 25 DWD 60.12

If an operator is not performing well in a location the department shall review performance with ECBV solicit committee's recommendation for actions....

Has this been done recently?

- RESPONSE: The committee meets every other month on the second Tuesday. The SLA provides reports to the committee for active participation.

**SCOB Recommendation:** As far as we can tell there has been no Roberts Rules used when deciding if an operator is not performing and taking a vote via ECBV regarding actions for solutions. RSVW seems to make the decision and takes actions. This is not what is described by 60.12. Put that back into effect.

Question tied to 60.12 again.

How does the ECBV review approve and then provide their recommendations?

- RESPONSE: The committee meets every other month on the second Tuesday. The SLA and RSVW provides reports to the committee for active participation. The role of the committee is to provide recommendation, not approve.

**SCOB Recommendation:** If DWD 60.12 states ECBV review approve then use them as they should be used. ECBV should be vendors who understand their roles and responsibilities and elected by operators. The Elections should be reviewed externally not by ECBV, RSVW or SLA. Assign the election results verification to SCOB or another Council.

Question 26: Did the SLA seek prior approval for the changes to the DW 60 rules and the federal regulations prior to making the changes from the RSA.

- RESPONSE: Unsure of the specific question. When DWD initiates a state rulemaking procedure to amend DWD 60, the ECBV and others will have opportunities to comment on draft proposals.

**SCOB Recommendation:** We asked the question poorly. In essence we have seen DWD 60 Rules changes prior to getting RSA approval for those changes. According to the information we have the DWD 60 rules used for this program are still managed by RSA Federal Department of Education. If the state decides to make a change in those rules they have to be approved by RSA. Has this been done for every

change the DWD or SLA has made to the Randolph Sheppard program? If not those changes need approval by Federal Department of Education.

Sincerely,

SCOB of Wisconsin