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## State of Wisconsin Statutory Council on Blindness

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To: Department of Vocational Rehabilitation: Attention SLA for BEP program,

We want to thank you for taking the time to review our recommendations and our thoughts on possible improvements to the Business Enterprise Program (BEP) for those who are blind or visually impaired in Wisconsin. This program has seen a drop in employment of individuals who are blind or visually impaired over the last 10 years and this program while valuable is ready for improvements for expansion and growth.

1. SCOB recommendation: Set a process in place now where the Managed Services is either eliminated or put out for bid annually with specifics regarding preference factors, timing and value.
  - Justification: Managed services was not out for bid for approximately 10 years. In 2016 it was put out for bid but with very short notice to any potential bidders.
  - Establish a measure of success factors that could then be used as unbiased factors for evaluation when examining bids from other organizations.
2. SCOB Recommendation: Establish a benchmark for how SLA is measured for success or failure with regards to the BEP program.
3. SCOB Recommendation: Establish how RSVW (Managed Services) is measured for success or failure
  - Justification: The original agreement had terms and conditions indicating success and duties. Consider using the original agreement as factors for success within Managed Services.
4. SCOB Recommendation: Establish how BEP operators are measured for success or failure
  - Justification: BEP operators have measurable factors for success or failure. Such factors as; Facility feedback, Income, Operational uptime (hours that machines are functioning or response time to machines that are down), Number of disabled individuals employed
5. SCOB Recommendation: Set a reward system in place for those BEP operators who exceed expectations.
  - Justification: Consider enabling them to take on management within the program.
  - Incent them to become a training manager for new operators.
  - Consider an annual awards and recognition program.
  - Promote them to the DVR Contact point regarding who and what the BEP program is.
6. SCOB Recommendation: Establish new or existing facility bid evaluation standard of measures.
  - Justification: 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. Use a defined set of standards of success.
7. SCOB Recommendation: Provide someone to source non-government organizations or facilities where the operators could establish Vending or Cafeteria operations.
  - Justification: BEP operators have decreased in numbers since 2004, set a process in place to attract and retain new operators.
  - The Randolph Sheppard Act indicates that finding a new facility is the responsibility of the SLA not the operator.
8. SCOB Recommendations: When reviewing the information about the loss of locations evaluate the entire BEP program including SLA, Managed Services, the location, as well as the operator performance.
  - Justification: In 2015 after losing 2 locations then gaining 2 locations and blind people not deciding to join the program this could be considered good, bad or average performance factor for RSVW, BEP or SLA in a performance review.

9. SCOB Recommendation: for operators whose performance is in question, provide 3 opportunities to improve performance and present to the ECBV their stance on their situation. Reviews should be documented and tracked.
  - Justification: 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.
  - Standardized tracking of these reviews would be appropriate and reduce settlement costs.
10. SCOB Recommendation: Define ECBV roles for measure of success and provide this to all operators annually.
  - Justification: Establish meeting standards that could be used to measure success or failure.
  - Establish standards that would allow for a review of performance of the ECBV and a process where the BEP community has options to add or remove members if performance issues persist.
11. SCOB Recommendation: Utilize an unbiased resource to validate the ECBV election process such as SCOB in consort with OBVI.
  - Justification: Currently ECBV is counting the votes resulting in some concern among members.
12. SCOB Recommendation: SLA or Managed Services should accept responsibility for timely repair of equipment.
  - Justification: SLA or Managed Services should have a list of qualified maintenance individuals and pay for those services directly unless the Operator owns the machine.
  - DWD 60.09 (1) Department shall provide equipment, and provide for repair/maintenance of all equipment except enterprise owned equipment.
13. SCOB Recommendation: The department will provide initial stock of full capacity, and fully functional vending machines when a BEP operator takes over existing or new operations.
  - Justification: Defined by statute DWD 60.09 (2) Department shall provide initial stock, capital, equipment.
  - If operator transfers to new or existing operations that stock will be measured and established back to original stock level.
  - Department pays operator for any additional, the original operator adds any lack of stock from initial stock value.
  - The new operator should begin with a fully stocked machine per DWD 60.09 (2)
14. SCOB Recommendation: Evaluate the hiring preferences of BEP operators to insure compliance with the goals of the program.
  - Justification: DWD 60.10 (2, 7, a, b, c...) When a BEP operator is assigned a license they abide by the terms of their signed agreement.
  - 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
15. SCOB Recommendation: Provide operators with a standard form defining appropriate deductions.
  - Justification: If Managed Services is gathering monthly income information from the Operators then RSVW, SLA or IEP should be providing the guidance and specifics to the operators regarding Generally Accepted Accounting Principles (GAAP) for this type of business in Wisconsin.
  - 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.
  - The original contract with Managed Services indicated that this information would be provided to operators.
16. SCOB Recommendation: Design a program that provides incentive for the BEP operator to purchase the equipment from the state then use those funds together to buy new equipment. Track the number of assets sold to operators who remain in the program.
  - Justification: DWD 60.11 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 documentation of a purchase of equipment by any BEP operator either from the program or external to the program?

17. SCOB Recommendation: Insure specific tracking of BEP operators' contribution and federal matching fund contribution.
18. SCOB Recommendation: Put all set-aside funding taken from vendors and the funds from the Federal matching program directly back into the BEP program and not into the DVR General fund
  - Justification: Per the Randolph Shephard Act matching funds are to be put back into the program.
  - If this is correct then this should be a direct contribution back into the program and not into the General fund.
19. SCOB Recommendation: DWD 60.11 4e as listed as the top priority for the set-aside and matching funds. Let the program move toward that main purpose then toward each of the others by established percentage factors this will clear any misconceptions and can be measured.
  - Justification: DWD 60.11 (4, a, b, c, d, e) This states that set aside funds can be used to:
  - (a) Maintain and replace equipment,
  - (b) Purchase new equipment,
  - (c) Pay for management services
  - (d) Assure fair and minimum return to operators
  - (e) Establish and maintain PTO, retirement, health insurance and sick leave.
  - When you read further you will see that the first priority of matching funds was (e) Establish and maintain PTO, retirement, health insurance and sick leave. We have not seen any documentation establishing this as a priority for this program.
20. SCOB Recommendation: According to the information we have read DWD rules used for this program are still managed by the United States Department of Education RSA. If Wisconsin decides to make a change in the program then approval must come from that governing organization prior to any implementation.

Link to the standing law regarding the BEP program.

<https://www.gpo.gov/fdsys/pkg/CFR-2011-title34-vol2/xml/CFR-2011-title34-vol2-part395.xml>