

PERFORMANCE AUDIT  
OF THE  
MICHIGAN CAREER AND TECHNICAL INSTITUTE  
MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT

October 1999

## EXECUTIVE DIGEST

# MICHIGAN CAREER AND TECHNICAL INSTITUTE

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### INTRODUCTION

This report, issued in October 1999, contains the results of our performance audit\* of the Michigan Career and Technical Institute (MCTI), Michigan Department of Career Development (MDCD).

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### AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness\* and efficiency\*.

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### BACKGROUND

MCTI, formerly known as the State Technical Institute and Rehabilitation Center, is a residential training facility located at Pine Lake, near Plainwell, Michigan. The Executive Organization Act of 1965 placed the facility in Michigan Rehabilitation Services (MRS), Department of Education. Effective January 1, 1994, Executive Order No. 1993-20 transferred the responsibility for MRS (and the facility) to the Michigan Jobs Commission. Effective April 5, 1999, Executive Order No. 1999-1 made MRS (including MCTI) part of MDCD.

\* See glossary at end of report for definition.

MCTI operates under the authority of Sections 395.151 and 395.152 of the *Michigan Compiled Laws*. MCTI's mission\* is to conduct vocational and technical training programs and provide the supportive services needed to prepare Michigan citizens with disabilities\* for competitive employment\*.

From September 1, 1995 through August 31, 1998, MCTI had an average of 340 students per term and 178 graduates per year. As of July 31, 1998, MCTI had 89 employees. For fiscal years 1996-97 and 1997-98, MCTI's annual expenditures totaled approximately \$6.3 million.

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AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS

**Audit Objective:** To assess MCTI's effectiveness in achieving its goal\* of preparing Michigan citizens with disabilities for competitive employment.

**Conclusion:** We concluded that MCTI was generally effective in preparing Michigan citizens with disabilities for competitive employment. However, our assessment disclosed reportable conditions\* regarding the propriety of training programs and continuous quality improvement\* (Findings 1 and 2).

**Noteworthy Accomplishments:** MCTI developed a distance learning center in 1997 that allows it to interface with the Detroit and Muskegon Goodwill Industries and the Kalamazoo Disability Resource Center. As part of the distance learning center, the office automation training program was expanded in November 1998 to include students in the Detroit area.

\* See glossary at end of report for definition.

Also, MCTI has maintained its accreditation by the Rehabilitation Accreditation Commission\* (CARF) since 1980. Further, MCTI established a business advisory committee for each training program to conduct annual reviews of pertinent program issues.

**Audit Objective:** To assess the effectiveness of MCTI's admissions and career assessment practices.

**Conclusion:** We concluded that MCTI's admissions and career assessment practices were generally effective. However, our assessment identified reportable conditions regarding admissions and career assessment (Findings 3 and 4).

**Audit Objective:** To assess MCTI's effectiveness in monitoring student treatment service progress and providing placement-related services to students.

**Conclusion:** We concluded that MCTI was generally effective in monitoring student treatment service progress and providing placement-related services to students. However, our assessment disclosed reportable conditions regarding service unit referral plans and student treatment service progress and placement-related services (Findings 5 and 6).

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**AUDIT SCOPE AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the Michigan Career and Technical Institute. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of

\* See glossary at end of report for definition.

the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included examination of MCTI records and activities primarily for the period September 1, 1995 through August 31, 1998.

We reviewed applicable MCTI laws, regulations, policies, and procedures. We performed a preliminary survey and interviewed staff. Also, we assessed the internal control structure\* pertaining to pertinent MCTI functions.

We analyzed data related to training programs, student enrollments, waiting lists, and graduates. Also, we reviewed MCTI's process for evaluating effectiveness in training students. In addition, we analyzed Unemployment Agency, Department of Consumer and Industry Services, employment records. We reviewed MCTI's process for determining the propriety of its training programs and surveyed MRS district offices.

We reviewed admissions and career assessment policies, procedures, and regulations. In addition, we examined student records to determine if students met MCTI admissions requirements. Further, we compared the success rates of students who participated in MCTI's career assessment services with the success rates of students who did not participate in the services.

We reviewed procedures and regulations regarding student monitoring and placement. Also, we assessed a random sample of graduate records to determine initial

\* See glossary at end of report for definition.

employment rates and if MCTI conducted post-graduation follow-up in accordance with established requirements.

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**AGENCY RESPONSES**

Our audit report includes 6 findings and 6 corresponding recommendations. MDCD's preliminary response indicates that it generally agrees with our recommendations and has taken steps to implement them.

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Dr. Barbara Bolin, Director  
Michigan Department of Career Development  
Victor Office Center  
Lansing, Michigan

Dear Dr. Bolin:

This is our report on the performance audit of the Michigan Career and Technical Institute, Michigan Department of Career Development.

This report contains our executive digest; description of agency; audit objectives, scope, and methodology and agency responses; comments, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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## Description of Agency

The Michigan Career and Technical Institute (MCTI), formerly known as the State Technical Institute and Rehabilitation Center, is a residential training facility located at Pine Lake, near Plainwell, Michigan.

MCTI was founded in 1944 as the Michigan Veterans Vocational School and operated under the auspices of Western Michigan University. In 1959, the facility was established as a separate agency under the State Board of Education and became known as the Michigan Rehabilitation Institute. The Executive Organization Act of 1965 placed the facility in Michigan Rehabilitation Services (MRS), Department of Education. Effective January 1, 1994, Executive Order No. 1993-20 transferred the responsibility for MRS (and the facility) to the Michigan Jobs Commission. In 1995, the current name of MCTI was adopted. Effective April 5, 1999, Executive Order No. 1999-1 made MRS (including MCTI) part of the Michigan Department of Career Development.

MCTI operates under the authority of Sections 395.151 and 395.152 of the *Michigan Compiled Laws*. MCTI's mission is to conduct vocational and technical training programs and provide the supportive services needed to prepare Michigan citizens with disabilities for competitive employment.

From September 1, 1995 through August 31, 1998, MCTI had an average of 340 students per term and 178 graduates per year. As of July 31, 1998, MCTI had 89 employees. For fiscal years 1996-97 and 1997-98, MCTI's annual expenditures totaled approximately \$6.3 million.

## Audit Objectives, Scope, and Methodology and Agency Responses

### Audit Objectives

Our performance audit of the Michigan Career and Technical Institute (MCTI), Michigan Department of Career Development (MDCD), had the following objectives:

1. To assess MCTI's effectiveness in achieving its goal of preparing Michigan citizens with disabilities for competitive employment.
2. To assess the effectiveness of MCTI's admissions and career assessment practices.
3. To assess MCTI's effectiveness in monitoring student treatment service progress and providing placement-related services to students.

### Audit Scope

Our audit scope was to examine the program and other records of the Michigan Career and Technical Institute. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

### Audit Methodology

Our audit procedures were performed between May and September 1998 and included examination of MCTI records and activities primarily for the period September 1, 1995 through August 31, 1998.

To accomplish our objectives, we reviewed applicable MCTI laws, regulations, policies, and procedures. We performed a preliminary survey of MCTI's activities and functions and interviewed staff. Also, we assessed the internal control structure pertaining to admissions, career assessment, student monitoring, and placement services.

In connection with our first objective, we obtained and analyzed selected data related to training programs, student enrollments, waiting lists, and graduates. Also, we reviewed

MCTI's process for evaluating effectiveness in training students for competitive employment. In addition, we obtained and analyzed Unemployment Agency, Department of Consumer and Industry Services, employment records for students who graduated from MCTI between March 1993 and December 1996 to determine if the students had reported wage earnings. Further, we reviewed MCTI's process for determining the propriety of its training programs and examined the activities of the business advisory committees for four training programs. We also surveyed Michigan Rehabilitation Services district offices regarding their referral of clients to MCTI.

In connection with our second objective, we reviewed MCTI admissions and career assessment policies and procedures. We also reviewed Rehabilitation Accreditation Commission (CARF) regulations relating to admissions and career assessment. In addition, we examined student records to determine if students met MCTI admissions requirements. Further, we compared the success rates of students who participated in MCTI's career assessment services with the success rates of students who did not participate in the services.

In connection with our third objective, we reviewed MCTI procedures and CARF regulations regarding student monitoring and placement. Also, we assessed a random sample of student records to determine if MCTI monitored student treatment service progress in accordance with established procedures and requirements. Further, we assessed a random sample of graduate records to determine initial employment rates and if MCTI conducted post-graduation follow-up in accordance with established requirements.

#### Agency Responses

Our audit report includes 6 findings and 6 corresponding recommendations. MDCCD's preliminary response indicates that it generally agrees with our recommendations and has taken steps to implement them.

The agency preliminary response which follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require MDCCD to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

# COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

## PREPARING MICHIGAN CITIZENS WITH DISABILITIES FOR COMPETITIVE EMPLOYMENT

### COMMENT

**Background:** The Michigan Career and Technical Institute (MCTI), within the Michigan Department of Career Development (MDCD), provides vocational and technical training programs and supportive services to students with disabilities. Most of MCTI's students are Michigan Rehabilitation Services (MRS) clients referred from district offices throughout the State. MCTI's training programs in recent years were: auto mechanics, cabinetmaking, computer programming, culinary arts, custodial, customer service, dental technology, drafting, electronics, machine tool, micro-mechanics, office automation, personal computer specialist, printing, upholstery, watch repair, and woodfinishing.

**Audit Objective:** To assess MCTI's effectiveness in achieving its goal of preparing Michigan citizens with disabilities for competitive employment.

**Conclusion:** We concluded that MCTI was generally effective in preparing Michigan citizens with disabilities for competitive employment. However, our assessment disclosed reportable conditions regarding the propriety of training programs and continuous quality improvement.

**Noteworthy Accomplishments:** MCTI developed a distance learning center in 1997 that allows it to interface with the Detroit and Muskegon Goodwill Industries and the Kalamazoo Disability Resource Center. As part of the distance learning center, the office automation training program was expanded in November 1998 to include students in the Detroit area.

Also, MCTI has been accredited by the Rehabilitation Accreditation Commission (CARF) since 1980. Further, MCTI established a business advisory committee (BAC) for each training program to conduct annual reviews of pertinent program issues.

## **FINDING**

### **1. Propriety of Training Programs**

MCTI, in conjunction with MRS, had not formalized its process to assess the propriety of current training programs and potential new programs and did not document activities associated with the process.

MCTI provided 17 training programs during much of the five school years from 1993-94 through 1997-98. Twelve of these programs were established prior to 1971. The most recent additions were made in 1990 and 1991 when 2 programs were added. Numerous other programs have had significant changes and 1 program was terminated in 1997. Several programs, such as auto mechanics and culinary arts, usually have a lengthy waiting list for admission. The training programs take from 5 months to 20 months to complete. MCTI's average enrollment per term was 340 students during school years 1995-96 through 1997-98.

Each training program has a BAC that meets at least once a year. The BACs consist of individuals from MCTI instructional and support staff and representatives from business and industry. The purpose of each BAC is to provide a link between business and education to enable MCTI to keep pace with changing workplace requirements and job demands. The BACs are to conduct annual reviews of pertinent program issues and make recommendations to MCTI management.

Our review of activities related to the assessment of training programs disclosed:

- a. MCTI could not document that it formally and routinely determined career fields of interest to MRS clients and current and future employment trends.

MCTI informed us that it had significant contact with MRS district offices and numerous employers throughout the State regarding clients' fields of interest and employment trends. However, MCTI did not document the nature of the contacts or information obtained. Documenting such information is critical to enable management to make informed decisions to either continue current training programs or establish new programs to meet the present and future needs of MRS clients and employers.

A long-range planning group appointed by the Governor's Workforce Commission also addressed this issue in a report issued in 1995. The group recommended that training programs be regularly monitored and revised as needed to ensure that they are market-driven and responsive to employer needs.

- b. MCTI could not document that it formally reviewed the viability and continued propriety of current training programs. Management should document its analysis of various factors, such as BAC annual reports, MRS clients' fields of interest, employment trends, training program waiting lists, and other pertinent training program information and its conclusions. For example, MCTI did not document if significant changes made in 1998 to two programs (micro-mechanics and customer service) were based on current or anticipated client and employer needs.
- c. MCTI could not document that it formally evaluated student disability trends in assessing the propriety of its training programs. The disabilities of MCTI students have changed over the last 18 years. Students with orthopedic disabilities\* comprised over 50% of the student population in 1980. At the time of our audit, approximately 75% of the students had a primary diagnosis of personality disorder, substance abuse, mental retardation, or learning disability.
- d. MCTI could not document that it routinely monitored waiting lists to help assess current and future demand for training programs. As of July 9, 1998, several of MCTI's training programs had lengthy waiting lists. We acknowledge that participation in certain programs may vary, but short-term and long-term analysis of the waiting lists could provide management with pertinent information for expanding, reducing, or eliminating specific programs.

\* See glossary at end of report for definition.

Without a documented formal process to assess the propriety of its training programs, MCTI cannot demonstrate that its limited resources were used for the most appropriate training programs.

### **RECOMMENDATION**

We recommend that MCTI, in conjunction with MRS, formalize its process to assess the propriety of current training programs and potential new programs and document activities associated with the process.

### **AGENCY PRELIMINARY RESPONSE**

MDCD agrees with the recommendation to formalize and improve documentation of the program assessments. MCTI informed us that it now documents and monitors waiting lists and has started implementation of other appropriate corrective actions.

### **FINDING**

#### **2. Continuous Quality Improvement (CQI)**

MCTI did not use a comprehensive CQI process to evaluate and improve the effectiveness of its training programs during our audit period.

MCTI's mission is to prepare Michigan citizens with disabilities for competitive employment through vocational and technical training programs. The average number of annual MCTI graduates was 178 during school years 1995-96 through 1997-98.

The Legislature and the Governor have required in various appropriations acts and in Executive Directive No. 1996-01 that State programs use CQI processes to manage the use of limited State resources. MCTI can best evaluate and improve the effectiveness of its training programs by using a comprehensive CQI process. Such a process should include performance indicators\* for measuring outputs\* and outcomes\* ; performance standards\* for each performance indicator that describe the desired level of outputs and outcomes based on management expectations,

\* See glossary at end of report for definition.

peer group performance, and/or historical performance; a management information system to accurately gather output and outcome data; a comparison of the actual data to desired outputs and outcomes; a reporting of the comparison results to management; and proposals of program modifications to improve effectiveness.

Prior to school year 1995-96, MCTI used an evaluation process called the Program Evaluation System which included some elements of a CQI process. Based on a system report, MCTI discontinued using this evaluation process in 1995. Therefore, other than gathering certain data for statistical reporting, MCTI did not use a comprehensive CQI process during our audit period. MCTI informed us that its use of annual BAC reports and annual business plans incorporated other elements of a CQI process. However, these documents generally did not evaluate or report outputs and/or outcomes. As a result, MCTI's ability to evaluate and improve the effectiveness of its training programs was limited.

A number of output and outcome performance indicators exist that MCTI could use to evaluate and improve both individual training programs and overall facility effectiveness. Examples include:

- a. Enrolled students who complete the career assessment process (see Finding 4).
- b. Percentage of students who graduate from their initial training program (see Findings 4.c. and 4.d.).
- c. Graduation rate (see Finding 4.a.).
- d. Initial employment rate of graduates in a field related to training.
- e. Employment rate in a field related to training one year after graduation.
- f. Percentage of graduates who are competitively employed.

Our review of competitive employment disclosed that MCTI had not established a performance standard for measuring its effectiveness in achieving this performance indicator, even though MCTI's mission is to prepare its students for

competitive employment. Because the potential of MCTI clients can vary widely, we, in conjunction with MCTI staff, established 30 hours per week at the minimum hourly wage to be a reasonable standard for measuring competitive employment.

Approximately 742 students graduated from MCTI between March 1993 and December 1996. We obtained wage records from the Unemployment Agency, Department of Consumer and Industry Services, to determine if the 742 graduates were competitively employed during the 15-month period January 1997 through March 1998. Our review disclosed that 604 (81%) of the 742 graduates had reported wage earnings during this 15-month period:

Reported Wage Earnings for MCTI Graduates  
January 1, 1997 Through March 31, 1998

Graduates With Earnings			Average
Range of Earnings	Number	Percent	Earnings for Range
\$1 - \$2,000	42	7%	\$ 759
\$2,001 - \$4,000	39	6%	\$ 2,914
\$4,001 - \$6,000	46	8%	\$ 5,128
\$6,001 - \$8,000	34	6%	\$ 7,054
\$8,001 - \$10,000	35	6%	\$ 8,837
\$10,001 - \$20,000	200	33%	\$15,057
Over \$20,000	208	34%	\$30,651
Total	<u>604</u>	<u>100%</u>	

Reported wage earnings would not include income earned by graduates who were self-employed or no longer residents of the State.

The competitive employment threshold, using 30 hours per week at the minimum hourly wage, was \$9,480 for the 15-month period. Therefore, based on employers' reported wage data, 415 (69%) of the 604 graduates were competitively employed. This outcome data is comparable to competitive employment data reported in an

interim national study on vocational rehabilitation employment outcomes published in August 1998. Also, the 296 graduates who did not have reported earnings in all five quarters of the 15-month period and the 138 graduates who did not have any reported earnings may have had self-employment income or resided outside the State.

This earned income information is an example of available outcome data that MCTI could use in a CQI process.

### **RECOMMENDATION**

We recommend that MCTI use a comprehensive CQI process to evaluate and improve the effectiveness of its training programs.

### **AGENCY PRELIMINARY RESPONSE**

MDCD generally agrees with this recommendation. MCTI informed us that it has initiated corrective actions to improve documentation of the existing elements of the CQI process and will develop other needed elements for a more comprehensive CQI system. However, because the employment potential for graduates varies with the severity of disability and other factors, MDCD does not concur with using 30 hours per week as a benchmark to measure competitive employment. MDCD will evaluate and determine a more appropriate benchmark, such as tracking the increase in the average number of hours worked by graduates.

## **ADMISSIONS AND CAREER ASSESSMENT PRACTICES**

### **COMMENT**

**Background:** MRS district offices refer clients to MCTI. The clients must meet certain admissions requirements to be accepted for enrollment. Clients accepted for enrollment may participate in MCTI's career assessment services.

**Audit Objective:** To assess the effectiveness of MCTI's admissions and career assessment practices.

**Conclusion:** We concluded that MCTI's admissions and career assessment practices were generally effective. However, our assessment identified reportable conditions regarding admissions and career assessment.

## **FINDING**

### **3. Admissions**

MCTI's admissions practices frequently did not ensure that MRS clients met minimum admissions requirements or document the rationale for accepting clients who did not meet these requirements.

MCTI procedures require that program managers review pertinent data for MRS clients requesting admission to MCTI. Based on the review of this data and the prerequisites for a client's preferred training program, a program manager either accepts or rejects the client. The managers are to complete an admissions sheet that summarizes minimal data, including the rationale for accepting or rejecting the client, and transmit the document to the admissions office to initiate further action.

To review admissions practices, we reviewed the records of 50 students who initially enrolled in MCTI during school years 1995-1996 through 1997-98. Our review of the students' case files disclosed:

- a. Fourteen (28%) of the 50 students did not meet prerequisite requirements of the training program for which they were approved and enrolled. For example, one student admitted into the drafting program had a 2.4 grade reading level while the prerequisite for the program was a minimum grade 9 reading level. Of the 14 students, 10 (71%) did not graduate from MCTI.

MCTI established training program prerequisites that address comprehension, reading and math levels, physical condition, and other pertinent issues specific to the particular trade area training program. These prerequisites serve as a guideline to help place clients in a training program that they may complete.

- b. Program managers did not prepare an admissions sheet for 10 (20%) and did not completely prepare an admissions sheet for 12 (24%) of the 50 students. As a result, there was either no evidence or limited evidence that the

managers had reviewed student data to determine whether the students qualified for admission to MCTI or the managers' rationale for accepting the clients, including clients who did not meet minimum requirements. Nine (41%) of these 22 students did not graduate from MCTI.

- c. The admissions sheet contained only limited information. The document was not designed to allow the recording of all pertinent information. This included whether a client met program prerequisites and, if not, the reason the client was accepted into MCTI.

Based on our review, MCTI implemented the use of a revised admissions sheet during our audit fieldwork.

Ensuring and documenting that MRS clients meet required prerequisites or have alternative skills that will enhance their chance of completing an MCTI training program should improve the overall effectiveness of MCTI and be in the best interest of the clients.

### **RECOMMENDATION**

We recommend that MCTI revise its admissions practices to help ensure that MRS clients meet minimum admissions requirements and document the rationale for accepting clients who do not meet these requirements.

### **AGENCY PRELIMINARY RESPONSE**

MDCD agrees with this recommendation and informed us that MCTI implemented corrective actions in August 1998.

### **FINDING**

#### **4. Career Assessment**

MCTI, in conjunction with MRS, had not determined the effect that its career assessment processes had on student graduation and initial training program completion rates.

A number of circumstances may exist in which MCTI students sometimes need to terminate their enrollment or change training programs. However, the training program that the student initially selects and enrolls in may significantly affect these actions. Therefore, the assessment of MRS clients and their resulting selection of, enrollment in, and completion of an appropriate training program is an important factor in the success of the clients and MCTI. Also, these functions are critical in order to help provide for reasonably cost-effective MCTI operations.

Federal regulations require the State to provide, or assist an individual to acquire, information necessary to make an informed choice regarding the individual's vocational goals. To comply, all potential MCTI students receive various tests through an MRS district office. Based on this assessment and a district office rehabilitation counselor's recommendations, MRS clients may select and enroll in a particular training program. MRS clients approved for admission may further participate in MCTI's career assessment services prior to enrollment. These assessment services consist of testing over a two-week period. MCTI's assessment services are designed to identify and recommend to the clients which training programs are most appropriate, thereby enhancing their chances for success. Based on MCTI assessment staff recommendations, clients may select and enroll in one of MCTI's training programs.

To review the effectiveness of these two processes used to assess students and assist them in selecting a training program, we examined the records of 50 students who initially enrolled in MCTI during school year 1995-96, 1996-97, or 1997-98. Fifteen (30%) of the 50 students had participated in MCTI's career assessment services. Our review disclosed:

- a. Fifteen (43%) of the 35 students who were assessed only through an MRS district office did not graduate. Four (27%) of the 15 students who were assessed at MCTI did not graduate.
- b. Fourteen (40%) of the 35 students who were assessed only through an MRS district office terminated their enrollment at least once and later re-enrolled in a training program. Eight (53%) of the 15 students who were assessed at MCTI terminated their enrollment and later re-enrolled in a training program.

- c. Two (6%) of the 35 students who were assessed only through an MRS district office did not complete their initial training program and subsequently changed programs. Six (40%) of the 15 students who were assessed at MCTI did not complete their initial training program and subsequently changed programs.
- d. Thirteen (37%) of the 35 students who were assessed only through an MRS district office graduated without changing their training program or terminating and re-enrolling in a different training program. Seven (47%) of the 15 students who were assessed at MCTI graduated without changing their training program or terminating enrollment and re-enrolling in a different training program.

The preceding rates indicate that many students do not complete their initial and/or subsequent training programs at MCTI. When students do not complete their programs, MCTI's overall effectiveness is reduced. As noted in Finding 2, MCTI had not established training program outcome performance indicators and related standards. Such indicators and standards, in conjunction with other CQI process components, are critical for management to evaluate the effectiveness of its assessment processes.

### **RECOMMENDATION**

We recommend that MCTI, in conjunction with MRS, determine the effect that its career assessment processes have on student graduation and initial training program completion rates.

### **AGENCY PRELIMINARY RESPONSE**

MDCD agrees with this recommendation and informed us that MCTI has started to gather and evaluate relevant data. Students at MCTI, however, do have the ability to change training programs and leave or re-enroll, as do all persons in general educational settings.

## **MONITORING STUDENT TREATMENT SERVICE PROGRESS AND PROVIDING PLACEMENT-RELATED SERVICES**

### **COMMENT**

**Background:** MCTI training programs usually take from 5 months to 20 months to complete. In addition to the training programs, MCTI provides supportive services, such as educational and psychological services that address various treatment needs. MCTI also provides certain placement-related services for students nearing graduation.

**Audit Objective:** To assess MCTI's effectiveness in monitoring student treatment service progress and providing placement-related services to students.

**Conclusion:** We concluded that MCTI was generally effective in monitoring student treatment service progress and providing placement-related services to students. However, our assessment disclosed reportable conditions regarding service unit referral plans and student treatment service progress and placement-related services.

### **FINDING**

5. **Service Unit Referral Plans and Student Treatment Service Progress**

MCTI usually did not prepare service unit referral plans and/or maintain documentation of student treatment service progress as required by the Rehabilitation Accreditation Commission (CARF).

CARF requires the preparation of service unit referral plans for students referred to support service areas for services that are critical to the students' success. Program managers are responsible for communicating the referrals to service areas, and service area staff are responsible for preparing the service unit referral plans. CARF also requires that service area staff meet with the students when developing the plans. These individualized plans are to be developed based on the students' strengths, abilities, needs, and preferences, with a focus on desired outcome goals. Also, the plans are to be understandable to both the students and staff responsible for implementing the plans.

The service unit referral plan describes (1) treatment or services to be received, (2) specific treatment or service goals, (3) time intervals for reviewing treatment or

service outcomes, (4) time frames for accomplishing goals, (5) measures to be used to assess the effects of treatment or service outcomes, and (6) persons responsible for implementing the plan. CARF also requires that MCTI maintain documentation of student progress in achieving treatment goals. This process provides for the identification of treatment and services that are deemed necessary for the success of each student's rehabilitation and training.

We randomly selected 44 files of students referred for services that necessitated the preparation of service unit referral plans. Our review of the files to determine MCTI compliance with CARF services requirements disclosed:

- a. Service area staff did not develop service unit referral plans, and thereby establish treatment goals, for 41 (93%) of the 44 students.
- b. MCTI did not maintain documentation of student progress in achieving treatment goals for the 3 students for whom service unit referral plans were prepared.
- c. Varying forms of documentation addressed treatment services for only 21 (51%) of the 41 students for whom service unit referral plans were not prepared.

Without preparing service unit referral plans that identify treatment goals and maintaining complete and accurate documentation of student progress in achieving the goals, the ability of MCTI staff to make informed decisions may be reduced. As a result, students may not successfully complete their training at MCTI or obtain and maintain competitive employment.

### **RECOMMENDATION**

We recommend that MCTI prepare service unit referral plans and maintain documentation of student treatment service progress as required by CARF.

### **AGENCY PRELIMINARY RESPONSE**

MDCD agrees with this recommendation to prepare service unit referral plans and to improve documentation of student progress in achieving treatment goals. MDCD informed us that MCTI has implemented corrective actions.

## **FINDING**

### **6. Placement-Related Services**

MCTI did not ensure that students and graduates were provided with comprehensive placement-related services.

The placement office is primarily responsible for providing placement-related services to MCTI students and many graduates. The mission of the placement office is "to increase the possibility of each student obtaining and maintaining employment consistent with their level of independence and abilities" using a team approach involving students and MCTI staff. The office provides services to assist students in obtaining employment. These services may include: resume and cover letter preparation, instructions for completing applications, mock interviews, job-seeking skill classes, and job leads. Also, instructors may provide students with job leads.

Our review of placement-related services provided to 53 selected MCTI students who graduated during the period December 1995 through July 1997 disclosed:

- a. MCTI did not have a systematic process for providing placement-related services throughout the students' training.

MCTI policy indicates that students will receive placement-related services beginning 24 weeks before graduation. However, we were informed that current practice is to provide students with placement-related services during their last term (10 weeks) of training. As a result, issues such as overcoming barriers to employment, following directions, accepting responsibility, increasing motivation, and improving communication skills, were not formally addressed until the term in which the students graduated. Some of these and other issues may require more time to address and remedy than a 10-week term. MCTI also informed us that staff address many of the previously mentioned issues throughout the students' training; however, staff could not document that such issues were routinely addressed throughout the students' training.

In February 1998, MCTI implemented a student pre-employment skills self-assessment. Students complete the self-assessment during their first

semester at MCTI. However, as of the end of our audit fieldwork, MCTI did not use the assessments to identify and begin providing needed placement-related services to students. Also, although we acknowledge the self-assessment as a positive tool, we believe that expanding the assessment process to formally include early and ongoing input from pertinent staff would provide a more reliable tool for identifying needed placement-related services.

CARF's most recent review (in June 1996) also suggested that MCTI's placement-related services include a broader range of services and supports with an emphasis on job placement orientation services throughout the students' training.

- b. The placement office did not conduct effective and/or document post-graduation follow-ups and maintain documentation of these follow-ups.

CARF requires that MCTI conduct follow-ups with both employers and graduates. The follow-up is to be conducted based on the needs of the persons served and for a period of time sufficient to promote job adjustment and retention. The intent of conducting post-graduation follow-up is to identify and provide any additional services that certain graduates may need and to obtain timely feedback for evaluating the quality and effectiveness of programs and services.

The placement office frequently did not document that it conducted 30-day, 60-day, and 6-month follow-ups with employers in accordance with established procedures. Of the 46 graduates who obtained employment, the office did not maintain a record of the: 30-day follow-ups in 29 (63%) cases, 60-day follow-ups in 12 (26%) cases, and 6-month follow-ups in 15 (33%) cases. In 8 cases (17%), there were no follow-ups with the employers. As a result, it does not appear that the placement office conducted the required follow-ups with employers.

Also, the placement office did not conduct follow-ups for the 7 (13%) of 53 graduates who did not obtain employment. In addition, our review of employer follow-up responses indicated that 14 (30%) of the 46 employed graduates had problems with employability-related issues. The placement

office did not conduct follow-ups with these 14 graduates to provide additional services that would help them to maintain their employment.

In some instances, local MRS offices also may provide job placement services for graduates. In these instances, MCTI should ensure that appropriate employer and graduate follow-up was performed and documented in the student placement-related services file.

- c. MCTI did not retain placement-related services documentation for 48 (91%) of the 53 students reviewed.

For each student served, the placement office maintained a file that documented the services provided to the student. MCTI policy required that the placement office transfer the file documentation to the admissions office for inclusion in the student's permanent file. Documentation of placement-related services for the 48 students was in neither the placement office files nor the admissions office permanent files. MCTI informed us that the files were lost.

The lack of comprehensive placement-related services reduces both the initial and long-term employability of graduates and, therefore, the overall effectiveness of MCTI.

### **RECOMMENDATION**

We recommend that MCTI ensure that students and graduates are provided with comprehensive placement-related services.

### **AGENCY PRELIMINARY RESPONSE**

MDCD agrees with this recommendation and informed us that MCTI is implementing corrective actions to improve documentation of the placement-related services provided to students.

## Glossary of Acronyms and Terms

BAC	business advisory committee.
competitive employment	Work in a competitive labor market on a full-time or part-time basis earning at or above the minimum wage.
continuous quality improvement (CQI)	A process that should include performance indicators for measuring outputs and outcomes; performance standards for each performance indicator that describe the desired level of outputs and outcomes based on management expectations, peer group performance, and/or historical performance; a management information system to accurately gather output and outcome data; a comparison of the actual data to desired outputs and outcomes; a reporting of the comparison results to management; and proposals of program modifications to improve effectiveness.
disability	A physical or mental impairment that has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain a certain level of outputs or outcomes.
goals	The agency's intended outcomes or impacts for a program to accomplish its mission.
internal control structure	The management control environment, management information system, and control policies and procedures

established by management to provide reasonable assurance that goals are met; that resources are used in compliance with laws and regulations; and that valid and reliable performance related information is obtained and reported.

MCTI	Michigan Career and Technical Institute.
MDCD	Michigan Department of Career Development.
mission	The agency's main purpose or the reason the agency was established.
MRS	Michigan Rehabilitation Services.
orthopedic disabilities	A motor disability caused by an anomaly, disease, or other impairment for which the individual requires specialized and integrated services in order to benefit from an educational program.
outcomes	The actual impacts of the program. Outcomes should positively impact the purpose for which the program was established.
outputs	The products or services produced by the program. The program assumes that producing its outputs will result in favorable program outcomes.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.

performance indicator	Information of a quantitative or qualitative nature indicating program outcomes, outputs, or inputs. Performance indicators are typically used to assess achievement of goals and/or objectives.
performance standards	A desired level of output or outcome as identified in statutes, regulations, contracts, management goals, industry practices, peer groups, or historical performance.
Rehabilitation Accreditation Commission (CARF)	An organization that serves as the preeminent standards-setting and accrediting body. CARF (formerly known as the Commission on Accreditation of Rehabilitation Facilities) promotes the delivery of quality services to people with disabilities and others in need of rehabilitation.
reportable condition	A matter coming to the auditor's attention that, in his/her judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.