

**THE STATE VOCATIONAL REHABILITATION
SERVICES PROGRAM BEFORE AND AFTER
ENACTMENT OF
THE WORKFORCE INNOVATION AND
OPPORTUNITY ACT IN 2014**



**U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration
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U.S. Department of Education

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Secretary

Office of Special Education and Rehabilitative Services

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Delegated the authority to perform the functions and duties of the Assistant Secretary

April 2020

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THE STATE VOCATIONAL REHABILITATION SERVICES PROGRAM BEFORE AND AFTER ENACTMENT OF THE WORKFORCE INNOVATION AND OPPORTUNITY ACT IN 2014

Introduction

This year marks the 100th anniversary of the first federally funded program to assist people with disabilities who acquired their disabilities apart from military service. Federal interest and involvement in rehabilitation issues and policy initially date from the enactment of the Civilian Vocational Rehabilitation Act, commonly called the Smith-Fess Act, on June 2, 1920. The Smith-Fess Act marked the beginning of a Federal and State partnership in the rehabilitation of individuals with disabilities. Although the law was passed shortly after the end of World War I, its provisions were specifically directed at the rehabilitation needs of civilians who were industrially injured rather than the needs of veterans with disabilities.

Over the past 100 years, society's understanding of and expectations for individuals with disabilities have evolved. As society's views have changed, so has the Vocational Rehabilitation (VR) program, moving from a program focused on limited employment for individuals with physical disabilities to a program that provides a wide range of services and supports leading to high-quality employment for individuals with all types of disabilities, including significant disabilities. A major event in the history of the VR program was passage of the Rehabilitation Act of 1973 (Rehabilitation Act), which provides the statutory authority for programs and activities that assist individuals with disabilities in the pursuit of gainful employment, independence, self-sufficiency, and full integration into community life. Some of the most far-reaching changes to the VR program occurred with the amendments to the Rehabilitation Act made by Title IV of the Workforce Innovation and Opportunity Act (WIOA), signed into law on July 22, 2014. These changes empower individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society and the 21st century global economy.

The U.S. Department of Education (the Department) is submitting this report pursuant to the congressional explanatory statement to the FY2020 Further Consolidated Appropriations Act (Pub. L. No. 116-94), signed into law on December 20, 2019, that "directs the Secretary to submit a report within 90 days of enactment of this Act to the Committees evaluating any changes in trends in employment outcomes for individuals with disabilities served by State vocational rehabilitation programs before and after the implementation of the WIOA." In addition, "[t]he agreement directs the Secretary to ensure appropriate State level implementation of the Rehabilitation Act, which may include the Department providing technical assistance as necessary." On February 25, 2020, the Department requested an extension for submitting the report until April 30, 2020, and the Department was granted this extension on March 4, 2020. This report summarizes trends in the performance of the VR program with respect to the characteristics of individuals served, the services they received, and the employment outcomes they achieved, using data collected and reported by VR agencies to the Rehabilitation Services Administration (RSA) within the Department prior to and following the enactment of WIOA. The report also describes the technical assistance RSA has provided to the State VR agencies as they have implemented the changes to the VR program made by WIOA.

The State Vocational Rehabilitation Services Program

The VR program is authorized by Title I of the Rehabilitation Act, as amended by Title IV of WIOA (29 U.S.C. § 720 et seq.), to provide support to each State to assist in operating a statewide comprehensive, coordinated, effective, efficient, and accountable State program as an integral part of a statewide workforce development system; and to assess, plan, and provide VR services to individuals with disabilities so that those individuals may prepare for and engage in competitive integrated employment consistent with their unique strengths, priorities, concerns, abilities, capabilities, interests, and informed choice. VR agencies may provide a wide variety of services to individuals with disabilities, including career counseling, work-based learning experiences (e.g., internships, apprenticeships, and short-term employment), financial support for vocational training and postsecondary education, rehabilitation technology and training in its use, transition and pre-employment transition services, supported employment services, transportation, and other services and supports necessary for individuals with disabilities to achieve employment.

The VR program is administered by 78 VR agencies at the State level, which includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.¹ See Section 7(34) of the Rehabilitation Act for the definition of “State.” RSA distributes funds to these agencies on a formula basis that takes into account each State’s population and per capita income. In Federal fiscal year (FY) 2019, RSA distributed \$3.26 billion to the States, representing 78.7 percent of the total cost of the VR program with the States contributing the remaining 21.3 percent of the total cost of the program using non-Federal funds.

The WIOA amendments made significant changes to Title I of the Rehabilitation Act that affect the VR program. First, the WIOA amendments strengthened the alignment of the VR program with other core components of the workforce development system by imposing requirements governing strategic planning, performance accountability, and the one-stop delivery system. This alignment brings together entities responsible for administering separate workforce and employment, educational, and other human services programs to collaborate in the creation of a seamless customer-focused network that integrates service delivery across programs, enhances access to the programs’ services, and improves long-term employment outcomes for individuals receiving assistance. In so doing, WIOA places heightened emphasis on coordination and collaboration at the Federal, State, and local levels to ensure a streamlined and coordinated service delivery system for job-seekers, including those with disabilities, and employers.

Second, the WIOA amendments to the Rehabilitation Act emphasized the achievement of competitive integrated employment. The foundation of the VR program is the principle that individuals with disabilities, including those with the most significant disabilities, are capable of achieving high-quality, competitive integrated employment when provided the necessary services and supports. To increase the employment of individuals with disabilities in the competitive

¹ Section 101(a)(2) of the Rehabilitation Act provides States with flexibility in the organizational structures they choose to administer and operate the VR program, which includes the ability to establish separate agencies that serve only individuals who are blind or visually impaired. Currently, there are 22 VR agencies serving only individuals who are blind or visually impaired, 22 VR agencies serving individuals with all other disabilities, and 34 VR agencies serving individuals with all types of disabilities.

integrated labor market, the workforce system must provide individuals with disabilities opportunities to participate in job-driven training and to pursue high-quality employment outcomes. The WIOA amendments to the Rehabilitation Act—from the stated purpose, to the expansion of services designed to maximize the potential of individuals with disabilities, including those with the most significant disabilities, to achieve competitive integrated employment, and, finally, to the inclusion of limitations on the payment of subminimum wages to individuals with disabilities—reinforce this principle.

Third, the WIOA amendments to the Rehabilitation Act emphasized the provision of services to students and youth with disabilities to ensure they have meaningful opportunities to receive the services, including training and other supports, they need to achieve employment outcomes in competitive integrated employment or supported employment. The Rehabilitation Act, as amended by WIOA, expands not only the population of students with disabilities who may receive VR services but also the breadth of services that the VR agencies may provide to youth and students with disabilities who are transitioning from secondary school to postsecondary education and employment. Importantly, Sections 110(d)(1) and 113(a) of the Rehabilitation Act, read together, require States to reserve at least 15 percent of their Federal VR program allotment to provide, or arrange for the provision of, in coordination with local educational agencies, pre-employment transition services² to students with disabilities³ who are eligible or potentially eligible for VR services, which the Department has interpreted to mean all students with disabilities regardless of whether they have applied or been determined eligible for VR services (34 C.F.R. § 361.48(a)(1)). Pre-employment transition services assist students with disabilities in the early stages of career exploration and include job exploration counseling, work-based learning experiences, counseling on opportunities for postsecondary education and comprehensive transition programs for individuals with intellectual disabilities, work-readiness training, and instruction in self-advocacy and peer mentoring. WIOA also made several significant changes to Title VI of the Rehabilitation Act, which governs the Supported Employment program, to maximize the potential of individuals with the most significant disabilities, including youth, to achieve competitive integrated employment. Under Title VI of the Rehabilitation Act, as amended by WIOA, States are required to reserve at least 50 percent of their Supported Employment program allotment for the provision of supported employment services, including extended services, to youth with the most significant disabilities. In addition, States must provide a non-Federal share of 10 percent of the portion of the allotment reserved for the provision of supported employment services to youth with the most significant disabilities. By requiring that States reserve and use half of their Supported Employment program funds and provide a match for these reserved funds, Congress made clear that youth with the most significant disabilities must be given every opportunity and support to receive the services

² “[P]re-employment transition services” (Section 7(30) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(42)) include “required” activities (Section 113(b) of the Rehabilitation Act and 34 C.F.R. § 361.48(a)(2)), “authorized” activities (Section 113(c) of the Rehabilitation Act and 34 C.F.R. § 361.48(a)(3)), and “pre-employment transition coordination” activities (Section 113(d) of the Rehabilitation Act and 34 C.F.R. § 361.48(a)(4)).

³ A “student with a disability” is an individual who is in an educational program, meets certain age requirements, and is eligible for and receiving special education or related services under the Individuals with Disabilities Education Act or is an individual with a disability for purposes of Section 504 of the Rehabilitation Act (Section 7(37) of the Rehabilitation Act and 34 C.F.R. § 361.5(51)).

necessary to achieve an employment outcome in competitive integrated employment or supported employment.

Finally, Section 511, as added to Title V of the Rehabilitation Act by WIOA, requires individuals with disabilities, including youth with disabilities, to satisfy certain service-related requirements in order to start or maintain, as applicable, subminimum wage employment. Among the requirements pertinent to this report, individuals with disabilities, including youth with disabilities, must receive counseling and information and referral services twice a year during the first year of employment at subminimum wage and annually thereafter for the duration of the individual's employment at subminimum wage with entities holding a Section 14(c) certificate under the Fair Labor Standards Act of 1938 (29 U.S.C. § 214(c)). Also, youth with disabilities under age 25 and who are students with disabilities also must receive pre-employment transition services under Section 113 of the Rehabilitation Act or transition services under the Individuals with Disabilities Education Act (20 U.S.C. § 1400 et seq.).

Vocational Rehabilitation Program Performance

Although WIOA was signed into law on July 22, 2014, the performance accountability system requirements of Section 116 of WIOA did not take effect until July 1, 2016 (Section 506(b) of WIOA). Sections 101(a)(10) and 106 of the Rehabilitation Act make clear that the performance accountability system and its requirements, as set forth in Section 116 of WIOA, are applicable to the VR program. The data required by WIOA, as compared to those required by the Rehabilitation Act as amended by the Workforce Investment Act of 1998 (WIA), are fundamentally different. For example, prior to WIOA, VR agencies collected and reported data only on those individuals who had exited the VR program; with the implementation of WIOA's requirements, State VR agencies now must collect and report data on all program participants while they are still actively engaged with the program plus data on those who have exited the program. As another example, prior to WIOA, State VR agencies collected and reported data annually on an FY basis (October 1 through September 30); with the implementation of WIOA's requirements, State VR agencies now must report quarterly on a Program Year (PY) basis (July 1 through June 30). Given the scope and breadth of the data collection and reporting requirement changes from the Rehabilitation Act, as amended by WIA, to the Rehabilitation Act, as amended by WIOA, the Secretary of Education determined it necessary to use the transition authority set forth in Section 503(a) and (e) of WIOA in order to give State VR agencies sufficient time to reconfigure their data collection systems. To that end, the Department did not implement the data collection requirements of WIOA until PY 2017, which began July 1, 2017. As a result, for purposes of this report, the Department only has two full program years of data post implementation of WIOA's data collection and reporting requirements (i.e., PYs 2017 and 2018 (July 1 through June 30, 2019)). States are currently in the process of collecting and reporting PY 2019 data.

Given the differences in the data collected prior to the implementation of WIOA, and the data that RSA has been collecting since implementing the data collection requirements imposed by Section 101(a)(10) of the Rehabilitation Act and Section 116 of WIOA in PY 2017, and the fact that the Department has only collected two full program years of this new data, it is not possible to draw direct correlations between the changes to the VR program as a result of WIOA and employment outcomes achieved by individuals with disabilities. Nonetheless, this section of the

report illustrates trends in VR program performance over a ten-year period including years before and after WIOA from FY 2010 through FY 2019 (October 1, 2009 through September 30, 2019), except when describing data only available since PY 2017. Whenever possible, the report explains these trends based on information obtained by RSA from VR agencies through monitoring and other technical assistance activities.

RSA assesses the achievement of quality employment outcomes by individuals with disabilities who have received training and services in the VR program by conducting an in-depth and integrated analysis of core VR and Supported Employment program data. The data used in the analysis are largely those collected and reported by VR agencies through the Case Service Report (RSA-911) (OMB control no: 1820-0508) and the Quarterly Cumulative Caseload Report (RSA-113) (OMB control no: 1820-0013).⁴ The data collected through the RSA-911 include those elements captured under common WIOA reporting requirements that are necessary for the calculation of primary indicators of performance established in Title I of WIOA for all core programs⁵ in the workforce development system, including the VR program.

The data analysis serves as a broad overview of the performance of the VR and Supported Employment programs. It should not be construed as a definitive or exhaustive review of all available VR program data. The data tables generally measure performance of VR agencies based on data for eligible individuals with open and closed service records. RSA shares performance data with the 78 VR agencies prior to and during on-site monitoring and technical assistance visits; quarterly technical assistance calls with each VR agency; through dissemination of quarterly data dashboards and annual reports to Congress; and in response to individual requests from VR agencies, researchers, other Federal agencies, and stakeholders. During on-site monitoring visits, RSA also uses the information obtained through the review of service records to assess a VR agency's internal controls for the accuracy and validity of data reported to RSA. The review of the data assists VR agencies to improve performance and identify information concerning barriers to program improvement. As a result of its analysis and discussions with key VR agency officials and staff, RSA may develop recommendations intended to assist the VR agency in its efforts to improve identified areas of programmatic performance.

Vocational Rehabilitation Program Data (FYs 2010 - 2019)

Below are data tables that include required data related to the performance of the VR program. These tables reflect data trends from FY 2010 through FY 2019 on the number of applicants, eligible individuals, and eligible individuals receiving services under an individualized plan for employment (IPE) (Table 1); individuals exiting with employment outcomes, individuals exiting

⁴ RSA discontinued the RSA-113 data collection after the completion of reporting for FY 2018 to reduce duplicative data reporting. Similar data are reported by VR agencies on the RSA-911.

⁵ The six core programs are the Adult, Dislocated Worker, and Youth programs, authorized under WIOA Title I and administered by the U.S. Department of Labor (DOL); the Adult Education and Family Literacy Act program, authorized under WIOA Title II and administered by the Department; the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA Title III and administered by DOL; and the VR program authorized under Title I of the Rehabilitation Act as amended by WIOA Title IV and administered by the Department.

without employment outcomes, and the employment rate (Table 2); and median hourly wages and median hours worked per week of individuals exiting with an employment outcome (Table 3).

Table 1: Number of Applicants, Eligible Individuals, and Eligible Individuals Receiving VR Services under IPEs

FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Applicants	701,779	673,578	652,756	619,265	590,820	583,246	602,400	569,530	528,386	446,919
Eligible Individuals	693,628	653,314	638,959	601,327	578,490	578,997	582,788	536,483	484,674	399,587
Eligible Individuals Receiving Services under an IPE	1,011,395	1,011,602	1,011,671	1,001,814	944,593	954,024	972,155	975,359	932,119	1,236,663

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Quarterly Cumulative Caseload Report (RSA-113) (FY 2010 through FY 2018)

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Case Service Report (RSA-911), FY 2019

Table 1 demonstrates a decline in the number of applicants for the VR program from 701,779 individuals in FY 2010 to 446,919 individuals in FY 2019. Similarly, the number of individuals with disabilities determined eligible annually declined from 693,628 individuals in FY 2010 to 399,587 individuals in FY 2019. Data for eligible individuals receiving services under an IPE reflect all individuals receiving services under an IPE in any given year, even if the individual began receiving services under an IPE in a prior year. This number varied across the ten-year period from 1,011,395 individuals in FY 2010 to 1,236,663 individuals in FY 2019.

It is not possible to determine the role national economic conditions, State conditions, and other external factors played in shaping these performance trends. Changes in the manner in which VR agencies report data through available sources, as well as programmatic changes, during the period following the enactment of WIOA likely had an effect. For instance, unlike the data for FY 2010 through FY 2018, which are derived from the RSA-113 and include applicants and eligible individuals in the current FY as well as those carried over from a previous FY, the data for FY 2019, which are drawn from the RSA-911, are not cumulative and reflect only applicants and eligible individuals reported during FY 2019. This difference in reporting, in part, likely accounts for decreases shown in Table 1 regarding the number of applicants in FY 2018 (528,386) to FY 2019 (446,919) and the number of eligible individuals in FY 2018 (484,674) to FY 2019 (399,587).

Changes in the implementation of orders of selection by VR agencies during the period covered by this report also may have contributed to these performance trends. In accordance with Section 101(a)(5) of the Rehabilitation Act and 34 C.F.R. § 361.36, VR agencies must implement an order of selection when they have insufficient resources to serve all eligible individuals in the State. Individuals with the most significant disabilities are given priority for services and eligible individuals are assigned to a waiting list based upon the priority category to which they are assigned. Prior to the enactment of WIOA, from FY 2010 through FY 2014, the number of VR agencies implementing orders of selection varied slightly, ranging from 34 to 37 of 80 VR agencies. During this period, VR agencies reported in their State Plans and through monitoring and other technical assistance activities that the implementation of orders of selection, including changes in the closure of priority categories, largely resulted from the lack of State matching funds, which limited the Federal funds available to them, and limited staff resources needed to provide VR services. Following the enactment of WIOA, the number of agencies implementing orders of selection rose to 41 of the 78 VR agencies⁶ in FY 2019, 31 of which had closed one or more categories. Of the 31 VR agencies with closed categories, 8 VR agencies had all categories closed, which means that all new applicants determined eligible for VR services were placed on a waiting list in their respective priority categories. While the lack of State matching funds still played a role in the implementation of orders following the enactment of WIOA, some VR agencies also attributed their need to implement orders and close additional priority categories to the requirement to reserve at least 15 percent of their Federal allotments for the provision of pre-employment transition services, thereby causing a lack of funds sufficient to provide all other VR services to eligible individuals with disabilities. Whatever the reasons for implementing orders of selection, because individuals with disabilities may be reluctant to apply for VR services if they would be assigned to a closed priority category and not receive services, some VR agencies have attributed the decline in applicants and those determined eligible as a result of implementing an order of selection.

Significantly, the data shown in Table 1 do not account for the number of individuals with disabilities VR agencies are serving who have not applied and been determined eligible for VR services since the enactment of WIOA, namely students with disabilities who were “potentially eligible” for VR services and who were receiving pre-employment transition services from VR agencies. Based on data from the RSA-911, VR agencies provided pre-employment transition services to 85,245 and 137,780 potentially eligible students in PYs 2017 and 2018, respectively, the two years for which these data are available. Additionally, in July 2016, VR agencies began providing the services required by Section 511 of the Rehabilitation Act, including counseling and information and referral services, to individuals with disabilities seeking or engaging in subminimum wage employment. Except for youth with disabilities, these individuals are not required to apply for the VR program and, therefore, are not captured in the data in Table 1. Although VR agencies are not required by the Rehabilitation Act to report to RSA the number of individuals they are serving pursuant to Section 511, data obtained from the U.S. Department of Labor, Wage and Hour Division may be illustrative. As of January 1, 2020, [100,302](#) workers⁷ were paid subminimum wages by Section 14(c)

⁶ From FY 2010 through FY 2014, the VR program nationally consisted of 80 VR agencies. Due to consolidations in two States that occurred after FY 2014, there were 78 VR agencies in FY 2019.

⁷ Hyperlink: <https://www.dol.gov/agencies/whd/workers-with-disabilities/Section-14c/certificate-holders>

certificate holders. Because VR agencies have reported through monitoring and other technical assistance activities that, since FY 2016, these 14(c) certificate holders routinely refer all individuals covered by special wage certificates to VR agencies for counseling and information and referral services, it is likely that a large percentage of these individuals are not captured in the Table 1 data for FYs 2017 through 2019. Therefore, since the implementation of WIOA, potentially eligible students with disabilities who received pre-employment transition services and individuals with disabilities who received services pursuant to Section 511 represent a considerable number of individuals for whom VR agencies devoted financial and staff resources prior to these individuals applying, being determined eligible for, and receiving VR services under an IPE. As such and if these data were available, there would be less of a decline in the performance trends shown in Table 1.

Table 2: Employment Outcomes at Exit and Employment Rate

FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Individuals Exiting with Employment Outcome	164,674	171,490	173,975	176,788	176,065	178,110	179,476	175,458	153,293	142,523
Individuals Exiting without Employment Outcome	152,587	146,277	138,116	152,956	134,345	135,798	136,207	179,003	171,205	170,521
Employment Rate	51.9%	54.0%	55.7%	53.6%	56.7%	56.7%	56.9%	49.5%	47.23%	45.5%

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Case Service Report (RSA-911), FYs 2010 through 2019

The employment rate is calculated by dividing the number of individuals with disabilities exiting with employment outcomes after receiving services by the total number of individuals who exited after receiving services and multiplying this fraction by 100. Table 2 shows a decline in the employment rate for individuals who have received VR services under an IPE and have exited with employment. Several factors are likely to explain this trend. As VR agencies prepared to implement new RSA-911 reporting requirements, which require VR agencies to report on both open and closed cases beginning in PY 2017, many VR agencies took this opportunity to close cases of individuals who were no longer actively engaged in the VR process due to relocation or the inability to contact them. As a result, VR agencies reported these individuals as exiting from the VR program without employment, contributing, in part, to a decline in the employment rate.

As discussed later in this report, VR agencies began serving an increased number of students and youth who required services over a longer period of time, including services such as postsecondary and vocational training. Consequently, VR agencies were assisting fewer adults who were ready to seek or achieve employment, resulting in the reporting of fewer employment outcomes in any given year.

In addition, as VR agencies have closed priority categories in their orders of selection, they served a greater number of individuals with the most significant disabilities, including youth, as would be required under Section 101(a)(5) of the Rehabilitation Act and 34 C.F.R. § 361.36. The implementation of orders of selection together with the requirement for States to reserve 50 percent of their supported employment allotments for services to youth with the most significant disabilities contributed to an increased number of youth with disabilities receiving supported employment services in the period following implementation of WIOA. Based on data from the RSA-911 for FYs 2014 through 2016, VR agencies provided supported employment services to an average of 13,245 individuals age 14 through 24 annually whose cases were closed during this period. In PYs 2017 and 2018, these numbers increased to 23,517 and 23,500 respectively. Some VR agencies have informed RSA that by serving individuals, including youth, with the most significant disabilities they are assisting fewer individuals with less significant disabilities, who they report achieve employment outcomes at a higher rate than those individuals with the most significant disabilities.

Furthermore, VR agencies reported in their State Plans that they are experiencing a high degree of staff turnover and vacancies, particularly among VR counselors and other service delivery staff. As a result, some VR agencies reported that VR counselors are serving increased numbers of individuals on their caseloads, including potentially eligible students with disabilities receiving pre-employment transition services. Consequently, VR counselors have less time to serve each individual with the complex array of individualized services needed to keep these individuals engaged in the VR process and ultimately to achieve employment.

Table 3: Median Hourly Wages and Median Hours Worked per Week of Individuals Exiting with Employment Outcome at Exit

FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Median Hourly Wages	\$8.25	\$8.28	\$8.45	\$8.50	\$8.50	\$9.00	\$9.00	\$10.00	\$11.00	\$11.25
Median Hours Worked per Week	34	34	32	32	30	30	30	30	30	30

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Case Service Report (RSA-911), FYs 2010 through 2019

The median hourly wage increased steadily from FY 2010 to FY 2019, remaining above the Federal minimum wage. Increases in FY 2016 through FY 2019 may reflect those States and localities that recently increased their State minimum wage. The median hours worked per week trended down from 34 hours per week in FY 2010 to 30 hours per week in FY 2014 through FY 2019. This trend may be due, in part, to the expansion of part-time employment in the national economy during the same period. Additionally, the trend may reflect that individuals with the most significant disabilities may be unable to, or chose not to, pursue full-time employment.

WIOA Performance Accountability Data and Primary Indicators of Performance (PYs 2017 and 2018)

WIOA establishes primary indicators of performance and reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served by the workforce development system’s six core programs. RSA included data elements needed to assess the performance accountability measures and those related to barriers in employment listed in Section 116(b) of WIOA in the RSA-911 issued through Policy Directive 16-04 (dated June 14, 2017). VR agencies began collecting and reporting these data on a quarterly basis in PY 2017 (July 1, 2017 through June 30, 2018). VR agencies were not required to report many of these data elements, including post-exit data, prior to the enactment of WIOA and its implementation through a significantly revised RSA-911 starting in PY 2017.

WIOA requires the Department make available to the Committee on Education and Labor of the U.S. House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the U.S. Senate the performance reports for the VR program authorized under Title I of the Rehabilitation Act, as amended by Title IV of WIOA, and a summary of those reports.. In April, 2019, and April, 2020, respectively, the Department notified these Committees that the PY 2017 and PY 2018 reports and summaries were available on RSA’s website at <https://www.ed.gov/about/offices/list/osers/rsa/wioa/vr-annual-reports>. The data presented in the following Tables 4, 5, 6, and 7 include this information for the VR program nationally as reported by VR agencies on the WIOA Statewide Annual Performance Report (ETA-9169) (OMB control number 1205-0526).

Table 4: VR Program Participant Information

Participant Information	PY 17	PY 18
Total Participants Served	932,835	896,528
Number of Participants Receiving Career Services	732,077	744,777
Funds Expended on Career Services	\$1,137,680,343	\$1,088,353,317
Cost per Participant on Career Services	\$1,554	\$1,461
Number of Participants Receiving Training Services	287,453	295,175
Funds Expended on Training Services	\$696,517,362	\$684,929,093
Cost per Participant on Training Services	\$2,423	\$2,320
Total Participants Exited	311,748	295,165
Percent of Participants Enrolled in More than One Core Program	15.5%	11.1%

Source: U.S. Department of Labor, Employment and Training Administration, WIOA Statewide Annual Performance Report (ETA-9169) PYs 2017 through 2018

Table 4 includes data reported in the first two program years that VR agencies reported WIOA data to RSA. Across all data points, slight declines are evident from PY 2017 to PY 2018, except for the number of VR program participants who received Career Services and Training Services;⁸ these groups increased slightly.

⁸ Section 134(c)(2) of WIOA describes career services and Section 134(c)(3) of WIOA describes training services.

Table 5: VR Program Participant Characteristics

Participant Characteristic: Sex	PY 17 Number of Participants	PY 18 Number of Participants
Female	416,002	396,930
Male	516,060	498,129
Participant Characteristic: Age	PY 17 Number of Participants	PY 18 Number of Participants
<16	12,563	14,115
16 – 18	248,187	262,809
19 – 24	196,220	175,938
25 – 44	241,666	226,227
45 – 54	126,878	114,160
55 – 59	56,193	52,436
60+	51,700	50,953
Participant Characteristic: Ethnicity/Race	PY 17 Number of Participants	PY 18 Number of Participants
American Indian/Alaska Native	18,541	18,951
Asian	22,420	22,491
Black/African American	219,303	214,838
Hispanic/Latino	161,303	157,445
Native Hawaiian/Pacific Island	6,284	5,843
White	681,296	646,484
More Than One Race	175,620	170,981

Source: U.S. Department of Labor, Employment and Training Administration, WIOA Statewide Annual Performance Report (ETA-9169) PYs 2017 and 2018.

The age data in Table 5 demonstrate the increased emphasis, under WIOA, for the VR program to serve youth and students with disabilities, though these data do not include the numbers of students and youth receiving services who have not applied to, been determined eligible for, and received VR services pursuant to an IPE under, the VR program. The Rehabilitation Act and WIOA require VR agencies to collect and report data on program “participants” as that term is defined for purposes of the VR program, which does not include “potentially eligible” students with disabilities (34 C.F.R. § 361.150(a)(1)). Based on RSA-911 data for individuals whose cases were closed from FYs 2010 through 2014, of all individuals served annually by VR agencies, an average of 34.6 percent were individuals ages 14 through 24 at the time of application. Data available following the implementation of WIOA demonstrate that in PY 2017, the percentage of youth with disabilities (participants under age 25) was 48.9 percent, and in PY 2018, the percentage of youth with disabilities was 50.5 percent. The data for the periods before and after the implementation of WIOA

are dissimilar in two ways. The data for the period prior to WIOA were reported on a fiscal year basis for individuals whose cases were closed after exiting from the VR program. The data for the period following implementation of WIOA's requirements were reported on a program year basis for individuals whose cases were both active and closed. Nonetheless, when potentially eligible students with disabilities receiving pre-employment transition services are factored into those receiving services in PY 2017 and PY 2018 (85,245 and 137,780 respectively), the data indicate that youth and students with disabilities are being served in substantially greater numbers by the VR program than prior to the implementation of WIOA. Commensurate with the increase in the percentages of youth with disabilities served from the periods prior to and after the implementation of WIOA, the percentages of adults served during this same period decreased substantially.

The reporting of ethnicity/race in the VR program is based on self-identification primarily and is only required for students with disabilities in secondary education. Individuals may choose multiple categories.

Table 6: VR Program Participant Barriers to Employment

Barriers to Employment	PY 17 Number of Participants	PY 18 Number of Participants
Displaced Homemakers	36,852	13,033
English Language Learners, Low Levels of Literacy, Cultural Barriers	299,520	280,525
Exhausting TANF within 2 Years (Part A Title IV of the Social Security Act)	13,412	11,596
Ex-offenders	74,541	76,969
Homeless individuals/runaway youth	44,491	24,204
Long-term unemployed (27 or more consecutive weeks)	348,558	354,067
Low-Income Individuals	454,702	449,786
Migrant and Seasonal Farmworkers	2,602	10,582
Individuals with Disabilities (including youth)	928,198	896,489
Single Parents	50,027	50,707
Youth in Foster Care or Aged out of System	21,190	19,109

Source: U.S. Department of Labor, Employment and Training Administration, WIOA Statewide Annual Performance Report (ETA-9169) PYs 2017 and 2018

WIOA requires the core workforce development programs, including the VR program, to report prescribed data related to eleven barriers to employment. Table 6 illustrates that individuals with disabilities receiving VR services experience multiple barriers to employment in addition to disability. Table 6 illustrates high percentages of VR program participants who are low-income and experience long-term unemployment. Although it is likely that individuals with disabilities served in the VR program before the enactment of WIOA were similarly situated, VR agencies were not required to collect and report these types of data at that time.

Table 7: WIOA Primary Indicators of Performance

WIOA Primary Indicators of Performance	PY 17	PY 18
Measurable Skill Gains Rate	21.1%	23.4%
Number of Participants Earning a Measurable Skill Gains	43,496	53,970
Number of Measurable Skill Gains Earned	46,065	56,831
Employment Rate – Second Quarter after Exit	N/A	50.4%
Number of Participants Employed in Second Quarter after Exit	N/A	147,768
Median Earnings – Second Quarter after Exit	N/A	\$3,875

Source: U.S. Department of Labor, Employment and Training Administration, WIOA Statewide Annual Performance Report (ETA-9169) PYs 2017 and 2018

WIOA establishes six primary indicators of performance. However, all indicators were not reported on in PYs 2017 and 2018 as described in further detail below. The six primary indicators of performance are—

1. Employment Rate – Second Quarter After Exit: The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program;
2. Employment Rate – Fourth Quarter After Exit: The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program;
3. Median Earnings – Second Quarter After Exit: The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
4. Credential Attainment: The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program;
5. Measurable Skill Gains: The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains, defined as documented academic, technical, occupational, or other forms of progress, toward such a credential or employment; and
6. Effectiveness in Serving Employers: WIOA requires the Departments of Education and Labor to establish a primary indicator of performance for effectiveness in serving employers. The Departments are currently piloting three approaches designed to gauge three critical workforce needs of the business community.

In PY 2017, the first year of WIOA performance reporting for purposes of the VR program, VR agencies reported data for one primary indicator: Measurable Skill Gains based on supporting documentation such as high school and postsecondary transcripts. For all other performance

indicators, VR agencies reported data to establish a baseline since it was the first year the agencies had ever collected such data. In the second year of WIOA performance reporting, PY 2018, VR agencies reported data for Measurable Skill Gains along with two additional primary indicators of performance: Employment Rate – Second Quarter after Exit and Median Earnings – Second Quarter after Exit for which data were available. In PY 2019, VR agencies will report data for these indicators as well as Employment Rate – Fourth Quarter after Exit and Credential Attainment Rate. Table 7 reflects a slight increase in the Measurable Skill Gains rate from PY 2017 to PY 2018 and that approximately 24 percent more VR program participants earned Measurable Skill Gains while the number of Measurable Skill Gains earned increased approximately 23 percent. Table 7 also describes the outcomes for the two additional primary indicators in PY 2018, the first program year in which VR agencies were able to report these data due to the lag in the receipt of unemployment insurance information needed to support this reporting as required by Section 116(b) of WIOA.

Provision of Pre-Employment Transition Services to Students with Disabilities (PYs 2017 and 2018)

Table 8: Students with Disabilities

Students with Disabilities	PY 17 Number/Percent of Students	PY 18 Number/Percent of Students
Number of Students with Disabilities Reported	525,958	638,601
Number of Students with Disabilities Who Received a Pre-Employment Transition Service	179,716	248,336
Percent of Students with Disabilities Reported Who Received a Pre-Employment Transition Service	34.2%	38.9%
Number of Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service	85,245	137,780
Number of Students with Disabilities, who Applied for VR Services, and Received a Pre-Employment Transition Service	94,471	110,556
Percent of Students with Disabilities, who Applied for VR Services, and Received a Pre-Employment Transition Service	52.6%	44.5%

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Case Service Report (RSA-911), PYs 2017 through 2018

Students with disabilities may receive pre-employment transition services if they are eligible for VR services or if they are potentially eligible, i.e., those students with disabilities who have not applied for or been determined eligible for VR services. In PYs 2017 and 2018, the percentages of students with disabilities, including both those who were eligible and potentially eligible for VR services, reported by VR agencies who received one or more pre-employment transition service were 34.2 percent and 38.9 percent, respectively. Of those students with disabilities who received pre-employment transition services in PYs 2017 and 2018, the percentages of those who applied for VR services and received pre-employment transition services were 52.6 percent and 44.5 percent, respectively. Students with disabilities who are potentially eligible or eligible for the VR program may receive pre-employment transition services over multiple years, so long as they meet the definition of “student with a disability.” An increasing number of students with disabilities are receiving pre-employment transition services and applying for VR services. Prior

to PY 2017, VR agencies did not report comparable data for pre-employment transition services because the provision of these services to students with disabilities was a new requirement with the enactment of WIOA.

Table 9: Provision of Pre-Employment Transition Services

Pre-Employment Transition Services	PY 17 Number Provided	PY 17 Percent of Total Pre- Employment Transition Services Provided	PY 18 Number Provided	PY 18 Percent of Total Pre- Employment Transition Services Provided
Total Pre-Employment Transition Services Provided	747,837	-	1,227,841	-
Job Exploration Counseling	199,562	26.7%	314,245	25.6%
Work-Based Learning Experiences	127,067	17.0%	218,415	17.8%
Counseling on Enrollment Opportunities	114,045	15.2%	198,040	16.1%
Workplace Readiness Training	193,874	25.9%	292,807	23.8%
Instruction in Self-Advocacy	113,289	15.1%	204,334	16.6%

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Case Service Report (RSA-911), PYs 2017 through 2018

Table 9 shows the total number of pre-employment transition services provided in each of the required activities for PYs 2017 and 2018, which increased approximately 60 percent, from PY 2017 to PY 2018. Students with disabilities may receive one or more of the five required pre-employment transition services over one or multiple years and may receive the same service more than once. In PYs 2017 and 2018, job exploration counseling and workplace readiness training were the services most frequently provided.

Job exploration counseling may be provided in a classroom, community setting, or individually and may include information regarding in-demand industry sectors and occupations, as well as non-traditional employment, labor market composition, administration of vocational interest inventories, and identification of career pathways of interest to the students.

Work-based learning experiences may be provided in a group setting or on an individual basis and may include coordinating a school-based program of job training and informational interviews to research employers, work-site tours to learn about necessary job skills, job shadowing, mentoring opportunities in the community, short-term paid or unpaid work experiences to explore the student’s area of interest through paid and unpaid internships, apprenticeships fellowships, or on-the-job training located in the community.

Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education may include information on course offerings, career options, the types of academic and occupational training needed to succeed in the workplace, postsecondary opportunities associated with career fields or pathways, advising

students and parents or representatives on academic curricula, college application and admissions processes, and completing the Free Application for Federal Student Aid. Counseling may also include resources that may be used to support individual student success in education and training, which could include disability support services.

Workplace readiness training may include programming to develop social skills and independent living, such as communication and interpersonal skills, financial literacy, orientation and mobility skills, job-seeking skills, understanding employer expectations for punctuality and performance, as well as other “soft” skills necessary for employment. These services may include instruction, as well as opportunities to acquire and apply knowledge. These services may be provided in a generalized manner in a classroom setting or be tailored to an individual’s needs in a training program provided in an educational or community setting.

Instruction in self-advocacy may include generalized classroom lessons in which students learn about their rights, responsibilities, and how to request accommodations or services and supports needed during the transition from secondary to postsecondary education and employment. Further individual opportunities may be arranged for students to conduct informational interviews or to be mentored by educational staff such as principals, nurses, teachers, or office staff. Students may also be mentored by individuals employed by or volunteering for employers, boards, associations, or organizations in integrated community settings. Students may also participate in youth leadership activities offered in educational or community settings.

VR agencies have reported several challenges resulting from the requirement to provide or make available pre-employment transition services to all students with disabilities in their States. Funds previously available to meet the VR service needs of all eligible individuals have been reduced due to the required reserve of a minimum of 15 percent for the provision of pre-employment transition services. Therefore, although VR agencies may be providing more services to students with disabilities, those individuals with disabilities who are not students are affected by the reduction in resources available to them for their needed services. While some States have requested flexibilities in the use of pre-employment transition services as they struggled to expend the required reserve (addressed by the Department in a Notice of Interpretation published in the Federal Register on February 28, 2020, 85 FR 11848), others have expended far more than the 15 percent in order to provide the required activities for the vast numbers of students with disabilities in their States. During monitoring and other technical assistance activities, some VR agencies have reported that they are experiencing difficulty meeting the VR needs of individuals with disabilities over the work lifespan as a result of the focus on serving students with disabilities.

Additionally, over one-half of State VR agencies have reported that they have implemented orders of selection to manage the fiscal and staff resource demands of serving all students with disabilities in the State, including those students who have not applied and been determined eligible for the VR program, resulting in their inability to address the needs of all eligible individuals with disabilities. In particular, some VR counselors have voiced concerns related to their inability to spend the appropriate time and resources with eligible individuals to help them succeed in employment due to the requirement to serve potentially eligible students with disabilities and the additional tracking and reporting of pre-employment transition services to the reserved funds. While there is generally agreement that there is tremendous benefit in reaching

students with disabilities early to help them initiate their pathway toward competitive employment, VR agencies have had to make significant operational, programmatic, and fiscal adjustments to accommodate this WIOA initiative.

Vocational Rehabilitation Program Fiscal Data

The below tables describe the fiscal resources available to VR agencies from Federal appropriations and State matching funds for use in the administration and operation of the VR program prior to and following the enactment of WIOA. As a result of the WIOA amendments to the Rehabilitation Act, VR agencies now must use the funds allotted to them to cover a variety of costs that were not required under the Rehabilitation Act prior to the enactment of WIOA, such as infrastructure and other costs associated with their participation as core partners in the workforce development system, costs for providing pre-employment transition services to potentially eligible students with disabilities, and costs associated with implementing requirements under Section 511 of the Rehabilitation Act.

Table 10: State Vocational Rehabilitation Services (VR) Program Federal Appropriations

**VR Appropriations to States by
Federal Fiscal Year**

FY	Amount in Billions
2010	\$3.05
2011	3.05
2012	3.08
2013	3.03
2014	3.03
2015	3.05
2016	3.12
2017	3.12
2018	3.16
2019	3.26

Table 10 includes the total Federal VR appropriations from FY 2010 through 2019. The total amounts include any reductions due to sequestration. The data demonstrate that the Federal participation in the VR program increased from approximately \$3.05 billion in FY 2010 to \$3.26 billion in FY 2019.

Table 11: Match

VR Non-Federal Share (Match)⁹	
FY	Amount in Millions
2010	\$848
2011	833
2012	830
2013	838
2014	839
2015	861
2016	868
2017	910
2018	1,028

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Federal Financial Report (SF-269/SF-425), FYs 2010 through 2018

States must provide 21.3 percent of the total VR program cost (Federal plus non-Federal shares). The Federal portion is 78.7 percent of the total cost of operating the VR program, which includes both the costs of providing services and administrative costs. Table 11 shows the total amount of non-Federal share (match) that was provided by all States. The total includes States that over-matched and under-matched the required non-Federal share amount. The data demonstrate that the amount of non-Federal share contributed by States has been increasing from \$848 million in FY 2010 to \$1.03 billion in FY 2018. Despite this overall trend, some States continue to experience difficulty providing the required match to draw down their full Federal allotments.

Table 12: Maintenance of Effort (MOE)

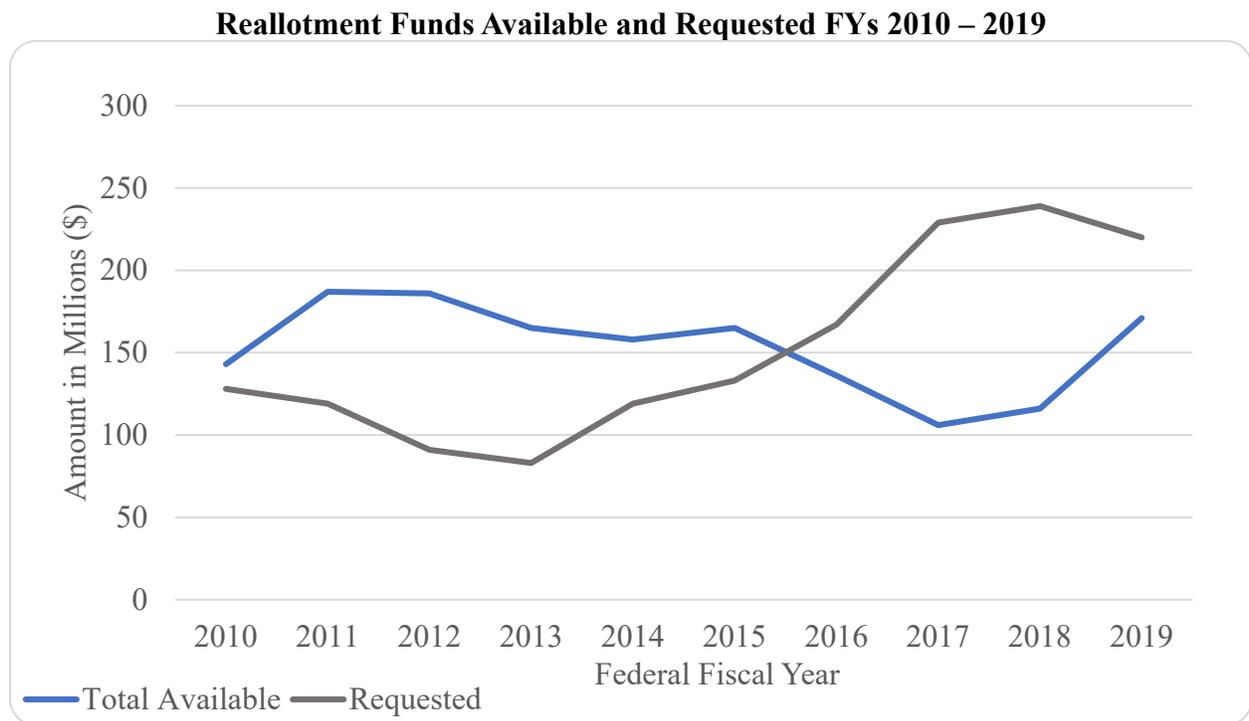
Reductions for MOE Deficits	
FY	Amount in Millions
2010	\$7.2
2011	26.4
2012	42.6
2013	31.3
2014	14.7
2015	22.6
2016	26.0
2017	9.2
2018	6.5
2019	6.9

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Federal Financial Report (SF-269/SF-425), FYs 2010 through 2019

⁹ The final FY 2019 SF-425 reports are due on December 31, 2020. Therefore, FY 2019 data were not included in this table.

Section 111(a)(2)(B) of the Rehabilitation Act requires the amount payable to a State for a fiscal year to be reduced by the amount by which expenditures from non-Federal sources under the VR program for any previous fiscal year are less than the total of such expenditures for the fiscal year two years prior to that previous fiscal year. This requirement is commonly referred to as maintenance of effort (MOE). Table 12 includes the total amount of reductions for MOE deficits RSA assessed for FYs 2010 through 2019, as it was required to do. The data illustrate that from FYs 2011 through 2017, the amount of MOE reductions fluctuated--increasing significantly from FY 2010 (\$7.2 million) to FY 2011 (\$26.4 million), reaching a high in FY 2012 (\$42.6 million), and eventually decreasing until FY 2017 (\$9.2 million). The level of MOE reductions during this period were much higher than those assessed at the beginning of the period and at the end, when reductions fell to \$6.5 million in FY 2018, and \$6.9 million in FY 2019. The higher levels of MOE reductions during this period of time may be attributed, in part, to the impact of Federal funds received for the VR program under the American Recovery and Reinvestment Act of 2009 (ARRA), which did not require a match of non-Federal funds. These ARRA funds were available for obligation and use by State VR agencies through FY 2011 (i.e., through September 30, 2011). Consequently, some States reduced their non-Federal share for the VR program as they used the ARRA funds. Once the ARRA funds were used, the States increased their non-Federal share, resulting, in part, in lower levels of MOE reductions since MOE is calculated by comparing one FY with the FY two years prior.

Graph 1: Reallotment



Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Grant Reallotment Form (RSA-692), FYs 2010 through 2019

The Rehabilitation Act authorizes the Commissioner of RSA to reallocate to other grant recipients that portion of a recipient’s annual grant that cannot be used. The reallocation process maximizes the use of appropriated funds under the VR program. The graph shows that the amount of funds available for reallocation exceeded the amount requested by VR agencies until FY 2015. Since that time, the amount of VR program funds requested during reallocation has greatly exceeded the amount of funds available. In FY 2019, 12 VR agencies relinquished a total of \$164,303,299 in FY 2019 VR program funds. Additionally, five VR agencies had VR grant reductions in FY 2019 due to MOE deficits that totaled \$6,890,772. Therefore, the total amount of VR funds available for FY 2019 reallocation was \$171,194,071 (the sum of funds relinquished (\$164,303,299) and reductions made as a result of MOE deficits assessed (\$6,890,772)). Of the 78 VR agencies, 40 requested a total of \$219,558,482 in reallocation funds. The amount of requested funds exceeded the funds available for reallocation by \$48,364,411.

Through monitoring and technical assistance activities, State VR agencies informed RSA that during the early years covered by this report, States were still dealing with the aftermath of the 2008 recession and multi-year economic downturn. Since State appropriations were reduced in many instances during this period, fewer non-Federal funds were available for match purposes under the VR program. Following the recovery of State economies, State legislatures were able to increase their appropriations, thereby giving State VR agencies the ability to match additional Federal funds available in reallocation.

Table 13: VR Unused Funds at Award Closeout

Unused VR Funds at Closeout¹⁰	
FY	Amount in Millions
2013	\$91
2014	90
2015	78
2016	103
2017	100

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Grants Management System (G5), FYs 2013 through 2017

Table 13 lists the amount of Federal VR program funds unused in the VR program at the time the grant awards were closed by RSA. As shown in Table 13, the amount of unused VR program funds declined from approximately \$91 million in FY 2013 to \$78 million in FY 2015. However, the table demonstrates that the amount of unused VR funds increased from this low of \$78 million to \$100 million in FY 2017, the last FY for which data were available. Although VR agencies are not required to inform RSA of the reasons leading to unused funds, based on information shared during monitoring and the delivery of technical assistance, this trend may be attributed, in part, to the inability of some States to expend the entire 15 percent of their Federal allotments reserved for pre-employment transition services by the end of the performance period.

¹⁰ FY 2013 was the first year for which RSA’s grant closeout process began tracking this data. Additionally, the FY 2018 and FY 2019 grant awards are not yet closed, and therefore, data regarding unused VR funds for these periods are not yet available.

Although the statutory requirement to reserve and expend funds for the provision of pre-employment transition services took effect on the date of WIOA’s enactment (July 22, 2014), RSA received many inquiries regarding implementation of this requirement until the final regulations were published in August 2016. The scope and frequency of these inquiries indicate that VR agencies were unclear about the fundamentals of the requirements.

Table 14: Supported Employment Unused Funds at Award Closeout

Unused Supported Employment Funds at Closeout¹¹	
FY	Amount in Millions
2014	\$0.31
2015	0.65
2016	1.43
2017	2.25

Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Grants Management System (G5), FYs 2014 through 2017

Table 14 lists the amount of Supported Employment program funds unused in the Supported Employment program at the time the grant awards were closed by RSA. As shown in Table 14, the amount of unused Supported Employment program funds increased significantly from approximately \$311,000 in FY 2014 to \$2,250,000 in FY 2017. Although VR agencies are not required to inform RSA of the reasons leading to unused funds, based on information shared during monitoring and the delivery of technical assistance, this trend may be attributed, in part, to the difficulty some States had in expending and matching the funds reserved for youth with the most significant disabilities, as well as the burden associated with tracking and reporting requirements for these funds. Specifically, prior to the enactment of WIOA, States could expend their entire Supported Employment allotment for the provision of supported employment services to eligible individuals with the most significant disabilities without regard to age. In addition, at that time, States were not required to provide non-Federal funds for match purposes. After the enactment of WIOA, States were required to reserve and expend half of their allotment solely for the provision of supported employment services, including extended services, to youth with the most significant disabilities. States are also required to provide a 10 percent match for the half of the allotment reserved to serve these youth. These statutory changes significantly increased the administrative burden associated with this small Federal program. In fact, for FYs 2019 and 2020, three VR agencies declined Supported Employment program funds.

Training and Technical Assistance

To assist with the implementation of the many new requirements of the Rehabilitation Act, as amended by Title IV of WIOA, RSA has engaged in multiple strategies to provide technical assistance to VR agencies and stakeholders. Some examples include:

¹¹ FY 2014 was the first year for which RSA’s grant closeout process began tracking this data. Additionally, the FY 2018 and FY 2019 grant awards are not yet closed, and therefore, data regarding unused VR funds for these periods are not yet available.

- Providing in-depth training on the new requirements of the statute and implementing regulations at semi-annual conferences of the Council of State Administrators of Vocational Rehabilitation and the National Council of State Agencies for the Blind;
- Establishing priorities for funding of centers to provide intensive, targeted, and universal technical assistance focused on the new requirements for VR agencies under WIOA (e.g., Workforce Innovation Technical Assistance Center (WINTAC) at San Diego State University, National Technical Assistance Center on Transition at the University of North Carolina at Charlotte, Job-Driven Vocational Rehabilitation Technical Assistance Center at the University of Massachusetts-Boston, and Program Evaluation and Quality Assurance Technical Assistance Center at the University of Wisconsin-Stout);
- Funding of a total of nine five-year model demonstration projects, including four on career pathways in FY 2015 and five on work-based learning for students in FY 2016;
- Conducting on-site monitoring and providing technical assistance focused on the new requirements imposed by WIOA (e.g., pre-employment transition services, VR agency performance and WIOA common measures, new requirements under WIOA for the mandatory agreements between State educational agencies and VR agencies, and joint implementation of WIOA requirements among the State workforce development partners (including the VR program));
- Establishing processes to respond to inquiries from VR agencies and other stakeholders in a timely manner regarding WIOA implementation issues and challenges;
- Developing and disseminating multiple webinars (by RSA and jointly with partners) on topics about critical aspects of programmatic and fiscal areas related to the implementation of WIOA, such as a series of eight webinars describing data collection and reporting requirements in the revised RSA-911 issued through Policy Directive 19-03 on May 6, 2019;
- Training of Federal partners, VR State agencies, and RSA staff on the new requirements under WIOA for the submission of the four-year Unified or Combined State Plans, amendments, and two-year modifications to those plans, particularly the VR services portion of the State Plan; and
- Issuing joint written technical assistance and webinar training with the Federal partners in the U.S. Departments of Labor and Education explaining performance accountability requirements under Title I of WIOA. Among these efforts, the U.S. Departments of Education and Labor developed a State Wage Interchange System Data Sharing Agreement (SWIS Agreement), and accompanying informational webinars, to assist States in more easily exchanging interstate wage data for performance accountability purposes. With the SWIS Agreement in effect in all available jurisdictions as of January 1, 2020, State VR agencies will be able to obtain wage data for performance accountability reporting purposes much more easily when VR program participants are employed in a different State. Access to this data will improve the quality and validity of the data submitted with respect to the employment performance indicators.

Importantly, on February 28, 2020, the Department issued in the [Federal Register](#)¹² a notice of interpretation (NOI) to—

- Clarify current policy regarding the use of Federal VR funds reserved for the provision of pre-employment transition services to pay for auxiliary aids and services needed by all students with disabilities in order to access or participate in required pre-employment transition services under Section 113(b) of the Rehabilitation Act, as amended by WIOA; and
- Announce a change in policy with respect to additional VR services needed by eligible students with disabilities that may be paid for with Federal VR grant funds reserved for the provision of pre-employment transition services and the circumstances under which those funds may be used to pay for those additional VR services.

This NOI helps VR agencies increase the availability of pre-employment transition services to students with disabilities by providing designated State units with significantly greater flexibility in delivering pre-employment transition services to eligible students with disabilities than had previously been allowed under prior guidance from the Department. The flexibilities provided in the NOI will enable States to more fully expend the 15 percent of their Federal allotments reserved for pre-employment transition services and may reduce the need for some VR agencies to implement orders of selection and close priority categories by shifting costs for these services from non-reserved VR program funds to those reserved for this purpose.

In addition, RSA is working collaboratively with its Federal and State partners to generate strategies that will lead to continued improvement in the performance of the VR program under WIOA. For example, RSA has established a workgroup, which consists of VR program and data experts from VR agencies, the WINTAC, and RSA, to use data to assess the performance of the VR program and identify areas for continued evaluation. This workgroup is charged with analyzing VR program data in the context of its relationship to WIOA primary indicators of performance and other VR program measures; developing tools that all VR agencies may use to gauge performance; and assisting RSA in identifying what data RSA can provide, on a regular basis, to VR agencies to help inform decisions related to service delivery and performance of the VR program.

These technical assistance activities are designed to assist VR agencies to effectively implement the comprehensive and complex changes to the VR program resulting from the WIOA amendments to the Rehabilitation Act and to enable the agencies to maximize the achievement of high-quality employment outcomes for individuals with disabilities.

Conclusion

This report highlights VR program performance trends over the past decade using data reported by the VR agencies before and after the enactment of WIOA. These trends make clear that, following the implementation of WIOA, VR agencies served significantly more students and

¹² Hyperlink: <https://www.federalregister.gov/documents/2020/02/28/2020-03208/state-vocational-rehabilitation-services-program>

youth with disabilities, as compared to the period before WIOA, using funds reserved to provide pre-employment transition services and supported employment services for these populations. This shift, along with the provision of services under Section 511 and the increase in the number of agencies implementing orders of selection (some with all categories closed), in part resulted in fewer adults with disabilities and a greater number of individuals with the most significant disabilities receiving services during the period after WIOA. These trends, in turn, contributed to fewer individuals achieving employment outcomes. Because VR agencies are in the early stages of the collection and reporting of data required by the amendments to the Rehabilitation Act and Title I of WIOA, the effect of these changes will be more accurately evaluated in the future when more data are available.

The extent to which the changes in the Rehabilitation Act made by WIOA have transformed the VR program, the services delivered, the characteristics of the individuals served, and the quality of the employment outcomes achieved by individuals with disabilities has yet to be fully determined. Through the efforts described in this report, RSA and the VR agencies will continue to produce the information and data necessary to capture the success of the VR program as it moves into the next 100 years.