

Vocational Rehabilitation--Basic State Grants (CFDA No. 84.126)

I. Legislation

Rehabilitation Act of 1973, P.L. 93-112, as amended by P.L. 95-602, P.L. 98-221, P.L. 99-506, P.L. 102-52, and P.L. 103-73, Sections 100-111, (29 U.S.C. 720-731) (expires September 30, 1997).

II. Funding History

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Fiscal Year</u>	<u>Appropriation</u>
1967	\$225,268,000	1987	\$1,277,797,000
1970	432,000,000	1988	1,376,051,000
1975	673,000,000	1989	1,446,375,000
1980	817,484,000	1990	1,524,677,000
1981	854,259,000	1991	1,628,543,000
1982	863,040,000	1992	1,783,530,000
1983	943,900,000	1993	1,873,476,000
1984	1,037,800,000	1994	1,967,630,000
1985	1,100,000,000	1995	2,043,874,000
1986	1,145,148,839	1996	2,103,762,000

III. Analysis of Program Performance

A. Goals and Objectives

The Vocational Rehabilitation (VR) Basic State Grants program provides vocational rehabilitation services to individuals with disabilities so that they may prepare for and engage in gainful employment consistent with their strengths, resources, priorities, concerns, abilities, and capabilities. Individuals with a physical or mental impairment that results in a substantial impediment to employment who can benefit in terms of an employment outcome and require VR services are eligible for assistance.

National surveys estimate that more than 21 million Americans of working age have functional limitations. Of this number about 13 million are significantly limited in the amount or kind of work they can perform and a substantial number are totally incapacitated. The number of persons eligible for VR services under the State Grants program is significantly smaller. In FY 1996, there were approximately 1,225,000 eligible persons in the VR system, which is made up of 82 state VR agencies. The Rehabilitation Act requires a state VR agency to implement an approved order of selection if it cannot serve all eligible persons and to serve first those with the most severe disabilities. Many state VR agencies are unable to meet the current demand for services and the number of state agencies that cannot serve all eligible individuals has increased; in 1996 half were operating under an order of selection.

B. Strategies to Achieve the Goals

Services Supported

Services are tailored to the specific needs of each person, and an individualized written rehabilitation program is developed jointly by a rehabilitation counselor and the individual. Federal and state funds cover the costs of a variety of vocational rehabilitation services including the following: assessment for eligibility and rehabilitation needs; counseling and guidance; vocational and other training; reader services for individuals who are blind; interpreter services for individuals who are deaf; physical and mental restoration services; transportation to obtain vocational rehabilitation services; maintenance during rehabilitation; personal assistance; employment placement; tools, licenses, equipment, supplies, and management services for vending stands or other small businesses for individuals with the most severe disabilities; rehabilitation technology services; specific post-employment services necessary to assist individuals with disabilities to maintain, regain, or advance in employment; assistance in the establishment, development, or improvement of community rehabilitation programs; and services to families of individuals with disabilities when such services contribute to their rehabilitation.

Services are delivered by 82 rehabilitation agencies in the United States, Puerto Rico, and outlying territories. Some states have separate agencies for individuals who are blind and visually impaired. Federal funds are distributed by formula based on state population and per capita income, with the state matching share being 21.3 percent.

The Rehabilitation Act Amendments of 1992 modified the eligibility criteria to speed up the eligibility determination process and to ensure that individuals were not determined to be ineligible because of the severity of their disability. The amendments have had a significant effect on the program, the most dramatic of which has been to increase the number of eligible individuals in the VR system. The eligibility rate (applicants determined eligible for the VR program as a proportion of all eligibility determinations) rose from 56.5 percent in 1992 to 72.3 percent in 1996, and the number of eligible individuals in the VR system increased 30 percent, but has since begun to stabilize. The proportion of eligible individuals with severe disabilities rose from 70 percent in 1992 to 76 percent in 1996.

C. Program Performance—Indicators of Impact and Effectiveness

As required by the Rehabilitation Act Amendments of 1992, RSA has been developing standards and indicators by which to measure adequate performance of state VR agencies. RSA plans to publish the proposed standards for comment in December 1997. The proposed standards are likely to include measures of program accessibility, high-quality employment outcomes, client satisfaction, and retention of program benefits.

Current measures of program performance are based on annually available uniform state agency reports. According to preliminary FY 1996 reports, approximately 213,300 individuals--61 percent of the total number receiving VR services whose cases closed that year--achieved an employment outcome. Of those individuals achieving an employment outcome, 78 percent were individuals with severe disabilities.

In FY 1995, 209,509 people were rehabilitated (60.4 percent), and 88 percent of them entered the competitive labor market or became self-employed. Average weekly earnings at closure (\$215) for all those rehabilitated in FY 1995 (including those in homemaking occupations with no earnings) showed an increase of \$173 over average earnings at the time of the individual's initial application for program services. The percentage of clients who could work full-time rose from 10.4 percent at application to

60.1 percent at closure, and the percentage for whom their own income was their primary source of support (as opposed to assistance from the government or other people) rose to 82 percent.

In recent years, the number of persons with severe disabilities who have been successfully rehabilitated has increased. In FY 1992, 133,716 persons with severe disabilities were rehabilitated (69.7 percent of all rehabilitants); in FY 1996, 165,547 (77.6 percent) were rehabilitated.

IV. Planned Studies

In 1992, the Department awarded a contract to Research Triangle Institute to conduct a multiyear longitudinal study of the VR State Grants program. In FY 1994, RTI began collecting data on about 10,000 current and former VR clients at 73 VR offices. RTI has issued two interim reports, and others will be issued in late 1997, fall 1998, and a final report in February 1999.

V. Sources of Information

1. Analysis of Program Trends and Performance in the Federal-State Vocational Rehabilitation Program (Berkeley, CA: Berkeley Planning Associates, 1989).
2. Annual Report of the Rehabilitation Service Administration for FY 1994 (Washington, DC: U.S. Department of Education, October 1991).
3. Disability, Functional Limitation, and Health Insurance Coverage: 1984/1985 (Washington, DC: Bureau of the Census, 1986).
4. The Economic Benefits of the Vocational Rehabilitation Program (Berkeley, CA: Berkeley Planning Associates, 1989).
5. Evaluation of Quality Assurance (QA) Systems in State Vocational Rehabilitation (VR) agencies. (Berkeley, CA: Berkeley Planning Associates, 1989).
6. Recruitment and Retention of Qualified Field Service Delivery Personnel in Vocational Rehabilitation. (Berkeley, CA: Berkeley Planning Associates, 1989).
7. A Longitudinal Study of the Vocational Rehabilitation Services Program collecting three years of data on approximately 10,000 state agency clients and applicants for service in order to assess the impact of vocational rehabilitation services relative to a broad range of client outcomes. The final report will be issued in 1999.

VI. Contacts for Further Information

Program Operations: David Ziskind, (202) 205-5474

Program Studies: Sarah Abernathy, (202) 401-3600