

CRS Report for Congress

Received through the CRS Web

Rehabilitation Act: Major Programs, 105th Congress Legislation, and Funding

Updated June 8, 1998

Carol V. O'Shaughnessy
Specialist in Social Legislation
Alice D. Butler
Technical Information Specialist
Education and Public Welfare Division

Rehabilitation Act: Major Programs, 105th Congress Legislation, and Funding

Summary

The Rehabilitation Act of 1973 provides comprehensive vocational rehabilitation (VR) services to help individuals with physical and mental disabilities become employable and achieve independence. Authorization of appropriations for the Act expired at the end of FY1997.

The Act's major program, the federal-state VR program under Title I, provides formula grant funds to states for VR services. Funded at \$2.2 billion for FY1998, it represents 88% of total funding under the Act. Persons are eligible for VR services if they have a physical or mental impairment that results in a substantial impediment to employment. Under the law, all individuals with disabilities are presumed to benefit from VR services, unless evidence is shown otherwise. The program is required to give priority to persons with severe disabilities.

In FY1995, over 1.25 million persons were served. In FY1995, over 209,500 persons were rehabilitated, of whom 76% had severe disabilities. Persons are considered as "rehabilitated" if, after receiving VR services, they maintain a suitable rehabilitation objective, usually employment, for at least 90 days. The Act also authorizes research, training, and demonstration programs; independent living programs; and the National Council on Disability, among other programs.

On May 16, 1997, the House passed H.R. 1385, the Employment, Training, and Literacy Enhancement Act of 1997, which would reauthorize the Act through FY2000. Among other things, H.R. 1385 would allow persons with disabilities the option to assume primary responsibility for their individualized plans for employment (IPE) (now called individualized written rehabilitation programs (IWRP)) and would clarify and expand consumer choice provisions. In approval of H.R. 1385, the Committee on Education and the Workforce indicated that the Act needs significant and careful review, and, for a number of reasons, is unable to complete a comprehensive review during the 105th Congress. The Committee indicated that there will be major reform of the program during the 106th Congress.

On May 5, 1998, the Senate passed its version of H.R. 1385, the Workforce Investment Partnership Act of 1998, which incorporates the Rehabilitation Act Amendments of 1998 (approved by the Committee on Labor and Human Resources as S. 1589). The bill takes a more expansive approach to amending the Act than the House bill. Among other things, it would link the VR program to services that would be available under Workforce Investment Partnership Act of 1998. It would also give consumers more responsibility in developing their individualized rehabilitation employment plans (IREP); simplify eligibility requirements by presuming that recipients of social security disability and supplemental security income are eligible for VR services; and require states to make information and referral services available to consumers who do not meet state requirements for VR services.

FY1998 appropriations for Rehabilitation Act programs are \$2.553 billion. The President has requested \$2.613 billion for FY1999.

ABSTRACT

The Rehabilitation Act of 1973 provides vocational rehabilitation services for individuals with physical and mental disabilities. This report provides information on legislation in the 105th Congress, a description of the major programs authorized by the Act, other programs not authorized under the Act, but generally considered to be rehabilitation services, and funding for these programs. This report will be updated as legislative action occurs.

Contents

Background	1
Major Programs	2
Federal-State VR Program	2
Client Assistance Program	3
National Institute on Disability and Rehabilitation Research (NIDRR)	3
Training and Demonstration Projects	3
National Council on Disability	4
Rights and Advocacy	4
Employment Opportunities for Individuals with Disabilities	4
Independent Living Services and Centers for Independent Living	4
Special Demonstration and Training Projects	5
Other Related Programs	5
105 th Congress Legislation	6
Funding	11
FY1998 Funding	11
FY1999 Request	12

List of Tables

Table 1. Vocational Rehabilitation and Related Programs for Persons with Disabilities, FY1997-FY1998 Funding, and FY1999 Request	13
---	----

Rehabilitation Act: Major Programs, 105th Congress Legislation, and Funding

Background¹

The Rehabilitation Act of 1973 provides comprehensive vocational rehabilitation (VR) services designed to help individuals with physical and mental disabilities become employable and to achieve independence and integration into society. The Rehabilitation Act was originally enacted in 1920 as a means of returning injured workers to their jobs. The program was expanded in 1943 to help meet the manpower shortage after the entry of the United States into World War II. Amendments in 1973 gave service priority to persons with severe disabilities if such persons had employment potential. The 1978 amendments expanded the Act by adding a major new service category, comprehensive services for independent living, for persons with severe disabilities without current employment potential. Amendments in 1986 strengthened services to persons with severe disabilities by authorizing supported employment services for persons unable to maintain competitive employment without special assistance.

Amendments in 1992 reauthorized the Act for 5 years through FY1997. Among other provisions, the law included amendments to establish a general presumption that persons with disabilities, including persons with severe disabilities, can benefit from VR services in terms of an employment outcome, unless the state VR agency can show evidence otherwise. This presumption allows some persons, who would not have otherwise been eligible, to enter the program. The amendments also required that eligibility for VR services be determined within 60 days of application; increased client choice of VR services; increased requirements for consumer control of rehabilitation policy and service delivery and for rehabilitation efforts on behalf of minority individuals; and created a new Title VIII for special demonstration and training programs. Amendments in 1993 made technical changes to the Act.

H.R. 1385, which passed the House on May 16, 1997, would reauthorize the Act through FY2000, among other things. On May 5, 1998, the Senate passed its version of H.R. 1385, which incorporates the Rehabilitation Act Amendments of 1998 (originally approved by the Committee on Labor and Human Resources as S. 1589 on February 4, 1998). The Senate bill would reauthorize the Act through FY2004, among other things.

¹ For further information on issues related to the federal-state vocational rehabilitation program authorized under Title I, see CRS Report 97-537 EPW, *Rehabilitation Act of 1973: Challenges Confronting the Federal-State Vocational Rehabilitation Program*, by Carol O'Shaughnessy.

Major Programs

The Rehabilitation Act authorizes a variety of rehabilitation service, research, training, and advocacy programs designed to assist persons with disabilities obtain employment. It also authorizes special independent living services programs for those unable to become employed. Most of the Act's programs are administered at the federal level by the Rehabilitation Services Administration (RSA) in the Department of Education. The programs are described below; and appropriations for FY1997 and FY1998, and the President's request for FY1999 are presented in **Table 1**.

Federal-State VR Program. The federal-state VR program, authorized under Title I, provides formula grants to states for VR services to assist persons with disabilities to prepare for and engage in gainful employment. Funding for the federal-state VR program represents 88% of total federal funding for the Act in FY1998. Funds are administered at the state level by vocational rehabilitation agencies designated by each state. States are required to match federal funds at a rate of 21.3%, except for construction costs for community rehabilitation facilities (50% match) and innovation and expansion grant activities (10% match).

Persons are eligible for VR services if they have a physical or mental impairment that results in a substantial impediment to employment and if they can benefit from VR services provided under the Act. Under the law, all individuals with disabilities are presumed to have the potential to engage in employment, and benefit from VR services. The program is required to give priority to those persons with severe disabilities. Funds are allocated to states according to a formula based on state population and per capita income, with the lower per capita income states receiving a relatively higher allotment on a per capita basis.

States provide a comprehensive array of VR services, including assessment of individuals' eligibility and vocational rehabilitation needs, counseling, vocational and other training services, guidance and work-related placement services, and rehabilitation technology services. Services are provided under an individualized written rehabilitation program (IWRP) which is developed to achieve each person's employment objective. The IWRP is considered a key document in the development and planning of rehabilitation goals and services for consumers. It must meet a number of requirements. For example, it must include each person's employment goals, consistent with his/her strengths, resources, priorities, concerns, abilities, and capabilities. It also must specify services to be received and providers of services.

On average, persons receive services for approximately 2 years. Persons are considered as "rehabilitated" if, after receiving VR services, they maintain a suitable rehabilitation objective, usually employment, for at least 90 days. In FY1995, more than 1.25 million persons were served by the federal-state VR program (i.e., persons whose cases were active during the year). That same year, nearly 210,000 persons were rehabilitated. The remainder stayed in the program, dropped out, or were not rehabilitated.

The number of persons served under the VR program has been affected by various factors. One of the most important factors is the 1973 federal mandate that

the program give priority to those with the most severe disabilities. This mandate has affected the composition of the population rehabilitated by increasing the number and proportion of persons rehabilitated with severe disabilities and decreasing the number and proportion of persons with nonsevere disabilities. From FY1975 to FY1995 there was a 35% decline in the *total* number of persons rehabilitated. In that same time period, however, the proportion of persons with *severe* disabilities who were rehabilitated increased from 36% in FY1975 to 76% in FY1995. In recent years, the numbers of persons rehabilitated has been rising, up 9% between FY1992 and FY1995. During that same period, the percentage of severely disabled persons rehabilitated as a proportion of all persons rehabilitated increased from 70% to 76%.

VR caseload trends have been affected by two requirements that were added by the 1992 amendments. These are the presumption that all applicants for VR services can benefit from rehabilitation unless the state can demonstrate otherwise; and that VR agencies make eligibility determinations within 60 days of a person's application. According to RSA, the presumption of benefit provision has resulted in fewer persons being determined to be ineligible for services because they are too severely disabled. The acceptance rate for applicants rose from 57% in 1992 to 72% in FY1996. The 60-day eligibility determination requirement has contributed to an increase in the total number of persons served by the VR system. Between FY1992 and FY1996, the number of persons served rose 32% from 949,000 to 1.25 million individuals.

Client Assistance Program. As a condition of receiving funds for the federal-state VR program, states are required to operate a client assistance program (CAP), also authorized under Title I. The CAP provides advice and assistance to clients and applicants on benefits available under the Act. Funds are allotted to states according to a formula based on states' relative population. In FY1996, the CAP served over 51,000 individuals seeking information and referral services and handled over 10,500 client cases.

National Institute on Disability and Rehabilitation Research (NIDRR). Title II authorizes funding for research and training activities administered by NIDRR. Among the activities supported are rehabilitation research and training centers, rehabilitation engineering research centers, and research and demonstration projects. This is a discretionary program and funds are awarded on a competitive basis to a wide variety of organizations, such as institutions of higher education and providers of rehabilitation services.

Training and Demonstration Projects. Title III authorizes a number of training programs for personnel who provide rehabilitation and other services to persons with disabilities. Training activities include short- and long-term training, in-service training, and continuing education programs. It also authorizes special demonstration projects to develop innovative rehabilitation initiatives; demonstration programs on supported employment services; grants for rehabilitation services to migratory and seasonal farmworkers and their families; and grants for special recreational activities for persons with disabilities. Training and demonstration project funds are awarded on a competitive basis to a wide variety of organizations, such as state vocational rehabilitation agencies, public and private nonprofit, and in the case of, training funds, to institutions of higher education.

National Council on Disability. Title IV authorizes the National Council on Disability, an independent federal agency comprised of 15 members appointed by the President. Among its functions, the National Council is responsible for establishing policies for the NIDRR and for providing advice to the President, the Congress and the Commissioner of RSA on programs under the Act.

Rights and Advocacy. Among other provisions, Title V authorizes the Architectural Barriers Compliance Board (Access Board) that is responsible for assuring compliance with federal statutes requiring accessibility for persons with disabilities. The Access Board is an independent federal agency comprised of 25 members, 13 of whom are appointed by the President with the remainder appointed by the heads of various federal agencies.

Title V also authorizes a formula grant program to states for activities to protect and advocate for the rights of individuals who are not eligible for protection and advocacy programs authorized under other federal laws (that is, the protection and advocacy programs authorized under the Developmental Disabilities and Bill of Rights Act, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and services under by the Rehabilitation Act's Client Assistance Program). Funds are awarded to states based on states' relative population (with a portion of funding set aside for training and technical assistance).

In addition to these programs, Title V authorizes affirmative action for persons with disabilities within the federal government and requires contractors with the federal government to take affirmative action to employ and advance persons with disabilities. Section 504 prohibits discrimination against persons with disabilities under any program or activity receiving federal funds.

Employment Opportunities for Individuals with Disabilities. Title VI authorizes a number of activities to develop employment opportunities for persons with disabilities.

The *projects with industry (PWI)* program promotes opportunities for competitive employment for individuals with disabilities and involves the leadership of private industry as part of the rehabilitation process. Funds are awarded on a competitive basis to a wide variety of agencies and organizations, such as business and industrial corporations, rehabilitation facilities, labor organizations, and trade associations.

The *state allotments for supported employment* program helps persons with severe disabilities maintain competitive employment in integrated work settings. Funds are allotted to states based on states' relative population.

Independent Living Services and Centers for Independent Living. Title VII authorizes three programs that provide a wide range of services to individuals whose disabilities are so severe that their ability to function independently in the family or community, or to maintain employment is limited. Independent living services may include counseling, housing assistance, rehabilitation technology, mobility training, and personal assistance services.

The *independent living services* program authorizes grants to states to provide a wide range of services to help persons with severe disabilities live independently in the community. Funds are allotted to states based on states' relative population.

The *centers for independent living* program authorizes grants to consumer-controlled, community-based organizations that provide independent living services. Funds are awarded to public and private organizations on a competitive basis.

The *independent living services for older individuals who are blind* program provides special services to blind individuals age 55 or older. Services may include outreach, visual screening, eyeglasses or other visual aides, mobility training, braille instruction and guide services. Funds are awarded to states on a competitive basis.²

Special Demonstration and Training Projects. Title VIII, created by the 1992 amendments to the Act, authorizes demonstration projects related to transportation, client choice,³ activities to achieve high quality placements, and transition programs from school to work, among others. It also authorizes a variety of training initiatives including distance learning through telecommunications, braille training projects, parent information and training programs, and recruitment and retention of urban personnel. Title VII also authorizes the National Commission on Rehabilitation Services whose purpose is to study the quality of programs under the Act. Since 1993, part of the funding for Title III special demonstration programs and training programs has been used to support demonstration projects and training activities authorized by Title VIII.⁴

Other Related Programs

Other programs not authorized under the Rehabilitation Act, but included under rehabilitation services in congressional budget documents, are the Helen Keller National Center for Deaf-Blind Youths and Adults and the Technology-Related Assistance for Individuals with Disabilities Act. The Helen Keller Center provides specialized, intensive services to rehabilitate persons who are both blind and deaf. In addition, the Center provides training for professional staff serving this group and conducts research on the problems of the deaf-blind. The program is authorized under the Helen Keller National Center Act and is administered by RSA.

² If funding were to exceed \$13 million, funds would be allotted to states based on states' relative share of the population aged 55 and older. FY1997 funding is \$10 million, therefore, the formula is not effective.

³ For more information on client choice demonstration funded by RSA, see CRS Report 97-247, *Rehabilitation Act Reauthorization: Are Vouchers One Way to Increase Consumer Choice?* by Carol O'Shaughnessy.

⁴ In any year in which funding for Title III special demonstration programs/training program exceeds the previous year's appropriation by more than inflation, the excess must be treated as if it were appropriated under Title VIII. However, Title III special demonstration programs/training program funds *may* be used to support programs authorized under Title VIII in any year.

State grants, discretionary projects and special studies are authorized under the Technology-Related Assistance for Individuals with Disabilities Act. The purpose of the Act is to support programs that help make assistive devices and services available to persons with disabilities. This program is administered by NIDRR. Funds are allotted to states on a competitive basis.

105th Congress Legislation

Authorizations of appropriations for the Rehabilitation Act of 1973 expired at the end of FY1997. Title I of the Act provides for a one year extension of Title I through FY1998. Under provisions of the General Education Provisions Act (GEPA), other programs under the Act would also be extended for one additional fiscal year through FY1998.

H. R. 1385, *the Employment, Training, and Literacy Enhancement Act of 1987*, passed by the House on May 16, 1997, would reauthorize the Rehabilitation Act through FY2000.⁵ The Senate version of H.R. 1385, *the Workforce Investment Partnership Act of 1998*, passed by the Senate on May 5, 1998, incorporates the Rehabilitation Act Amendments of 1998 (originally approved by the Committee on Labor and Human Resources as S. 1589 on February 4, 1998) would reauthorize the Act through FY2004.

Both bills address some of the same issues, such as simplifying certain aspects of the vocational rehabilitation process for consumers and expanding consumer choice. However, in addition to the 4 year difference in the period for the reauthorization, the bills differ substantially in their scope. The House-passed bill would take a more limited approach to amending the Act than that of the Senate-passed bill. In its report on H.R. 1385, the Committee on Education and the Workforce indicated that the nature of the amendments contained in the Committee-approved bill are limited in scope,⁶ and that although the Act needs significant and careful review, it is unable to complete such a review during the 105th Congress. It also indicated that there will be major reform of the program during the 106th Congress when the Act will be reviewed for reauthorization again. The Committee cited conflicting views about the effectiveness of the federal-state vocational rehabilitation system as a reason for the need for a comprehensive review.⁷

The House Committee report also indicated that the delayed and uneven implementation of the 1992 amendments contributed to the postponement of a review

⁵ H.R. 1385 was introduced on April 17, 1997; approved by the Subcommittee on Postsecondary Education, Training, and Life-Long Learning on April 24, 1997; and reported by the Committee on Education and the Workforce on May 8, 1997.

⁶ The Committee-approved bill did not contain certain proposals that were approved on a bipartisan basis as part of en bloc amendments approved on the House floor. These include modifications of requirements relating to the IWRP, informed consent, and state personnel development plans, among others.

⁷ U.S. Congress. House. Committee on Education and the Workforce. *Report of the Committee on Education and the Workforce on H.R. 1385*. Report No. 105-93. May 8, 1997. Washington, D.C.

of the Act until next Congress. For example, regulations implementing the 1992 regulations were not published in final by the Department of Education (ED) until February 1997. Also, evaluation standards and program indicators, required to be published by September 30, 1994, have not yet been published in final.⁸ In addition, RSA is currently conducting a major evaluation of the federal-state vocational rehabilitation program authorized under Title I.⁹

Despite differences in their overall approach to amending the Act, both House- and Senate-passed bills address some of the same issues. The following describes selected issues addressed by the bills.

Streamlining the Vocational Rehabilitation Process. A theme in 105th Congress legislation that has continued since the last reauthorization is the objective of streamlining and simplifying the VR process for consumers. The 1992 amendments included provisions to make the eligibility process more efficient and timely, and to make it easier for rehabilitation counselors to accept persons for service.¹⁰ Many consumers and their advocates continue to be interested in ways to further streamline the rehabilitation process. This interest is reflected in a number of proposals in the 105th Congress legislation, including changing the way in which a consumer's VR services are planned, and simplifying certain aspects of the eligibility determination process.

VR Consumers' Rehabilitation Goals and Services Plans. Under current law, after rehabilitation counselors determine an individual's eligibility and assess his/her vocational rehabilitation needs, the next step is to develop an individual written rehabilitation program (IWRP). Each person eligible for services must have an IWRP which is jointly developed, agreed upon, and signed by both the VR counselor and the consumer. Under the law, an IWRP is considered a key document in the development and planning of rehabilitation goals and services for consumer.

Some observers have asserted that development of an IWRP, as currently stipulated, for all consumers may be too cumbersome and unnecessary, and may involve time of counselors that could otherwise be spent on other responsibilities. In addition, there has been ongoing concern about expanding consumer involvement in the rehabilitation process. Observers have indicated that some consumers may

⁸ For a discussion of evaluation standards and program indicators, see CRS Report 97-537 by Carol O'Shaughnessy.

⁹ An interim report has been submitted to RSA. Research Triangle Institute. *A Longitudinal Study of the Vocational Rehabilitation Service Program: Second Interim Report: Characteristics and Perspectives of VR Consumers*. Submitted to the Rehabilitation Services Administration, Department of Education, December 1996.

¹⁰ The 1992 amendments included requirements that an applicant's eligibility be determined within 60 days of application. They also included a provision calling for "presumptive eligibility," that is, upon application, each individual is presumed to be able to benefit from the program in terms of an employment outcome unless the state agency can demonstrate that the individual is incapable of this.

need only limited assistance, not long-term intensive intervention, and can identify what services they want without going through the extensive IWRP process.

Both House and Senate bills would simplify the planning of vocational rehabilitation for consumers who choose to develop their own plans and increase consumer involvement in the rehabilitation process. The House-passed bill would change *individualized written rehabilitation program (IWRP)* in current law to *individualized plan for employment (IPE)*; the Senate-passed bill would change it to *individualized rehabilitation employment plan (IREP)*.

H.R. 1385, as passed by the House¹¹, would create an option for a consumer to assume primary responsibility for the development of his/her IPE. The bill would allow a consumer the option to choose whether the IPE will be developed by the consumer (or a representative), and *then* approved by the counselor, *or* whether the IPE will be developed *and* approved by *both* the consumer (or his/her representative) and the counselor.

The Senate bill would also require that an individual be given information on his/her options for developing the IREP. This must include information on the availability of assistance from a VR counselor in developing all or part of the IREP, but the bill would allow the individual to determine the extent of VR counselor assistance. The counselor must inform the consumer about components that must be included in the IREP. The IREP is to be agreed to, and signed by the consumer (or his/her representative), and approved and signed by the VR counselor.

Both bills would add certain new provisions related to the IPE/IREP. They would add requirements that plans contain timelines for achievement of employment goals/objectives¹²; be amended, as necessary, by the consumer, in collaboration with the counselor, when there are substantive changes in goals, services, or providers; and be developed and implemented so that the individual has informed choice in selecting employment goals, services, providers, and methods to procure services. They would also add a new requirement that the plan identify the need for extended services by persons with the most severe¹³ disabilities who are in supportive employment.

Both bills would retain many current law requirements related to the IWRP/IPE/IREP. For example, they would retain a requirement that the plan be written. They would also retain requirements that the plan identify a consumer's employment goals/outcomes, consistent with his/her unique strengths, resources, priorities, concerns, abilities, and capabilities, and informed choice; services to be

¹¹ As introduced, H.R. 1385 would have allowed a consumer of VR services to request a "limited written program" which would have substituted for the IWRP. Some advocates were concerned that there was no specification as to what would constitute a limited written program, and that without such specification, the rights of some consumers would be in jeopardy.

¹² The word "goal" is used in H.R. 1385; "objective" is used in S. 1579.

¹³ Current law and H.R. 1385 refer to persons with "severe" disabilities; the Senate bill changes this to refer to persons with "significant" disabilities.

provided; providers and methods to procure providers; and rights and remedies available to the consumer, among other things.

Simplifying Eligibility; Presumptive Eligibility by Recipients of SSDI and SSI.

Under current law, an individual is eligible for VR services if he/she meets the definition of “an individual with a disability” (an individual who has a disability resulting in a substantial impediment to employment and who can benefit from VR services). The Senate bill would amend current law to stipulate that a person is eligible if he/she meets the current law definition of an “individual with a disability,” and requires VR services to prepare for, secure, retain, or regain employment.

The Senate bill would change current law to require presumptive eligibility for VR services by recipients of SSDI and SSI. In addition, the bill allows state VR agencies to use existing and current information available from other programs to determine eligibility for VR services and in developing the IREP. This may include information used by education officials and the Social Security Administration (SSA). These provisions are intended to ease the eligibility determination process, by reducing the need for development of new documentation for eligibility.

The House bill does not contain these provisions.

Information and Referral Services for Persons Not Served under a State’s Order of Selection Criteria. Under current law, states that cannot serve all individuals who are eligible for services must establish an *order of selection* process. Order of selection refers to a process whereby a state establishes criteria to serve *first* those eligible individuals with the most severe disabilities. Each state sets up its order of selection criteria in accordance with certain federal regulatory requirements.

The Senate bill would direct states to provide a minimum level of services to persons who otherwise would not be served because they are operating under order of selection. That is, while it retains a requirement for order of selection, it would expand current law to specify what assistance persons *not* served under order of selection criteria would receive from the state VR agency. For such persons, the state would be required to implement an information and referral system. The system would be required to provide information to assist these individuals to prepare for, secure, retain, or regain employment, and to refer them to other federal and state programs, including the statewide workforce investment system established by the bill.

In addition to information and referral services, the state would be given the *option* of providing the following services to persons not included under its order of selection criteria: individualized counseling and guidance, vocational exploration, supervised job placement referrals, and assistance in securing reasonable accommodations. However, these services are not to be purchased for such individuals by the state VR agency with Title I funds.

The House bill does not contain these provisions.

Consumer Choice. Enhancement of client choice is an important goal in vocational rehabilitation. Advocates have asserted that the more freedom a client has to choose his or her own options for employment and training, and to participate in development of vocational goals, the better the chances of a positive employment outcome. The issues surrounding expanded consumer choice were addressed by a number of 1992 amendments to the Act.¹⁴

The interest in expanded consumer choice has continued in the 105th Congress reauthorization bills. First, as discussed above, the bills would require state VR agencies to give consumers more responsibility for the development of their VR plans. In addition, both bills would require that the state VR agency develop and implement written policies and procedures on informed choice. These policies and procedures must address ways to inform each applicant and eligible individual about available opportunities to exercise informed. Policies must also address consumers' decisions related to assessment, selection of employment goals, rehabilitation services to achieve their goals, methods to procure services, and providers of services.

Reporting on Program Outcomes. The Senate bill would add several new state reporting requirements. These include data on the number of persons who receive information and referral services, as described above. Also, the state would be required to report on the number of persons who, after VR participation, were employed 6 months and 12 months after securing or regaining employment. Current regulations define a VR case "closed successfully" if the person is employed for 90 days after termination of VR services. Therefore, under the current program, there is no need to follow a person for a longer period.

Other outcome data to be collected under the bill would include the number of persons whose public assistance was terminated or reduced after VR participation; and information necessary to determine the success of the state in meeting state performance measures established under the Workforce Investment Partnership Act of 1997 (established by the bill), as well as standards and indicators for evaluating the VR program established by the Commissioner of RSA.

The House bill does not contain these provisions.

Coordination of the State VR Program with Other Federal Employment Programs. The 105th Congress is considering legislation to reform federal education and training programs. The House-passed version of H.R. 1385 contains amendments to the Job Training Partnership Act (JTPA) and other employment and education programs. The Senate-passed bill would repeal JTPA and replace it with a revised federal employment and training program, among other things.¹⁵

¹⁴ Among other things, these included requirements that the rehabilitation counselor and the consumer jointly develop, agree upon, and sign the IWRP, and that it be developed in accordance with a consumer's unique strengths, resources, priorities, concerns, abilities and capabilities.

¹⁵ For further information on S. 1186, see: CRS Report 97-536, *Job Training Reform*: (continued...)

The House bill does not amend the VR program to link its revised employment and training programs with the VR program. The Senate bill, on the other hand, contains provisions to link the state's VR program with the statewide workforce investment system that would be established under the Workforce Investment Partnership Act of 1998. Specifically, the Senate bill includes as one of the purposes of the Rehabilitation Act, to empower individuals with disabilities to maximize employment through statewide activities carried out under the Workforce Investment Partnership Act of 1998. The workforce investment system would include as an integral component, state-of-the art programs of vocational rehabilitation.

In addition, among other things, the Senate bill would require the state VR agency to enter into cooperative agreements with other entities that are components of the statewide workforce investment system. The cooperative agreements may provide for use of customer service features, such as common intake and referral procedures; customer data bases, resource information and human service hotlines; intercomponent staff training aimed at promoting participation by persons with disabilities in workforce investment activities; and use of information and financial management systems that link all components of the statewide workforce investment system.¹⁶

Other Selected Provisions. Other selected provisions of the Senate bill would eliminate a number of state plan requirements and require the state VR agency and the State Rehabilitation Council to jointly conduct and report on a comprehensive needs assessment of the state VR program every 3 years. The bill also makes a number of changes to the Act's training, research, and demonstration programs, including addition of a requirement that NIDRR publish in the *Federal Register* a 5-year plan outline rehabilitation research, training, and demonstration priorities.

Both bills would eliminate and streamline requirements and priorities for training and demonstration programs.

Funding

FY1998 Funding. The FY1998 Labor-HHS-Education Appropriations bill (H.R. 2264) appropriating funds for programs under the Rehabilitation Act was signed into law (P.L. 105-78) on November 13, 1997. Total funding for programs under the Act is \$2.553 billion, representing an overall increase of 3% from the FY1997 total. Funding levels for many of the programs are at or near FY1997 levels. The federal-state VR program received an increase of nearly \$71 million (3%) above the FY1997 level, \$5.6 million more than is required by law. This additional increase was requested to help states respond to the increased demand for services and to offset the costs of serving a more severely disabled population.

¹⁵ (...continued)

Legislation in the 105th Congress, by Ann Lordeman.

¹⁶ In the markup of S. 1579 by the Senate Committee on Labor and Human Resources on February 4, 1998, Senator DeWine indicated that while the VR program is to be linked to the workforce investment system, funds appropriated for the VR program are not be compromised or diverted to other workforce populations.

FY1998 funding includes \$77 million for NIDRR, an increase over the FY1997 level. The additional funding is provided to establish 15 model systems and a national data center for traumatic brain injury. It also includes funding (\$850 thousand) for the establishment of a rehabilitation engineering research center to focus on the needs of landmine survivors. Other program increases include a 3% increase for client assistance programs, a 27% increase for the migratory worker program, a 29% increase for protection and advocacy activities, and a 21% increase for program improvement activities. A 5% increase is included for centers for independent living, and a 10% increase is provided for independent living services for the older blind. Special demonstration programs are decreased by 16% from their FY1997 level so that funds can be redirected to the federal-state VR program. The decrease is not expected to reduce funding to current projects or to preclude new ones. Other programs are funded at or near FY1997 levels.

FY1999 Request. The Administration is requesting \$2.613 billion for programs under the Rehabilitation Act, representing an overall increase of 2% from the FY1998 total. Requested levels for many programs are at or near FY1998 levels. An increase of \$57.5 million (3%) is requested for the federal-state VR program, \$10.3 million more than required by law. The additional increase is requested to help reduce the unemployment rate of persons with disabilities. The federal-state VR request includes a \$17.3 million set-aside for Grants to Indians, \$1.9 million more than was set aside in FY1998 and \$5.8 million more than the statutory minimum.

The Administration also seeks 2% increases for each of the client assistance, centers for independent living, and independent living services for the older blind programs. The funding request for NIDRR is \$81 million, an increase of 5% over FY1998. Special demonstration programs would be funded at \$18.9 million, a 2% increase above the FY1998 level. The additional amount is requested to continue funding for an initiative to raise the employment rate of individuals with disabilities who receive public support.

Table 1. Vocational Rehabilitation and Related Programs for Persons with Disabilities, FY1997-FY1998 Funding, and FY1999 Request
(\$ in millions)

Programs	FY1997 approp.	FY1998 approp.	FY1999 request
Title I—Vocational Rehabilitation (VR) Services			
Federal-State VR program ^a	\$2,176.038	\$2,246.888	\$2,304.411
Client assistance program	10.392	10.714	10.928
Title II—NIDRR			
National institute on disability and rehab. research	69.990	76.800	81.000
Title III—Training and Demonstration Projects			
Personnel training	39.629	39.629	33.685
Special demonstration programs	18.942 ^b	15.942 ^b	18.942 ^b
Supported employment demonstration projects	b	b	b
Migratory workers	1.850	2.350	2.350
Special recreation	2.596	2.596	2.596
Title IV—National Council on Disability	1.791	1.793	2.344
Title V—Rights and Advocacy			
Arch. and transportation barriers compliance board	3.540	3.640	3.847
Protection and advocacy of rights	7.657	9.894	9.894
Title VI—Employment Opportunities			
Projects with industry	22.071	22.071	22.071
State allotments for supported employment	38.152	38.152	38.152
Title VII—Independent Living Services and Centers for Independent Living			
State allotments for independent living services	21.859	21.859	22.296
Centers for independent living	42.876	45.205	46.109
Independent living services for the older blind	9.952	10.950	11.169
Title VIII—Special demonstration and training projects	c	c	c
Evaluation	1.587	1.587	1.587
Program improvement activities	2.391	2.900	1.900
TOTAL: Programs under the Rehabilitation Act	\$2,471.313	\$2,552.970	\$2,613.281
Related Programs			
Helen Keller Center	7.337	7.549	8.176
Technology assistance	36.109	36.109	30.000

Footnotes on next page

^aIncludes set-aside for grants to Indian tribes (sec.130): \$10.6 million for FY1996; \$12.0 million for FY1997; \$12.4 million for FY1998; and \$17.3 million for FY1999.

^b Special demonstration programs and supported employment programs under the special demonstration activity were merged in FY1996.

^cIncluded under Title III special demonstrations and training. In any year in which funding for Title III special demonstration programs/training program exceeds the previous year's appropriation by more than inflation, the excess must be treated as if it were appropriated under Title VIII. However, Title III special demonstration programs/training program funds may be used to support programs authorized under Title VIII in any year.

