

Report for Congress

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Rehabilitation Act: Programs and Funding

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Summary

The Rehabilitation Act of 1973, as amended, is the nation's major program providing comprehensive vocational rehabilitation (VR) services to help persons with physical and mental disabilities become employable and achieve full integration into society. The Act authorizes a variety of programs and services: 1) vocational rehabilitation services (Title I); 2) research (Title II); 3) training and demonstration projects (Title III); 4) the National Council on Disability (Title IV); 5) rights and advocacy (Title V); 6) employment opportunities (Title VI); and 7) independent living services (Title VII).

Total funding for programs under the Rehabilitation Act in FY2003 is \$2.93 billion. The Administration is requesting \$3.0 billion for FY2004, a 2.6% increase over the FY2003 appropriation.

The federal-state VR program under Title I helps persons with disabilities to engage in gainful employment to the extent of their capabilities. The appropriation for Title I represents 87% of total funding for the Act in FY2003. The President's budget is requesting \$2.68 billion for programs under Title I for FY2004. The Administration proposes to consolidate the following separately authorized programs into Title I: 1) migrant and seasonal farmworkers; 2) projects with industry; and 3) supported employment state grants.

Title II authorizes funding for research and training activities administered by the National Institute on Disability and Rehabilitation Research (NIDRR). Among the activities supported are rehabilitation research and training centers, rehabilitation engineering and research centers and demonstration and training programs. The Administration is requesting \$110 million for FY2004 to fund programs administered by NIDRR.

Title III authorizes a number of training programs for personnel who provide rehabilitation and other services to persons with disabilities. For FY2004, the Administration is requesting \$67 million for programs under Title III. This is a 3% increase in funding over the FY2003 amount. Additionally, the President's budget request is proposing a shift in funding for the migrant and seasonal farmworkers and projects with industry programs to the federal-state VR program under Title I, and proposes elimination of funding for recreational programs.

Programs under Title VII provide services to individuals with disabilities to maximize their independence and productivity, and help them integrate into society. The Administration is requesting \$117 million for FY2004 for Title VII programs. This amount would provide funding for state grants for independent living services, independent living centers, and independent living services for the older blind authorized under Title VII.

This report will be updated as legislative and budgetary activity occurs.

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Rehabilitation Act: Programs and Funding

Background

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. The Rehabilitation Act of 1973 provides comprehensive vocational rehabilitation (VR) services designed to help individuals with physical and mental disabilities become employable and achieve independence and integration into society. The Act has been amended many times since 1973.¹ In 1998 the Rehabilitation Act was extended through FY2003 by P.L. 105-220 (H.R. 1385), the Workforce Investment Act (WIA) of 1998, signed on August 7, 1998.^{2,3} Among other things, the amendments in 1998 simplified certain aspects of the vocational rehabilitation process for consumers, expanded consumer choice, and required that individuals with disabilities be served not only by the VR program but also through the workforce investment system established by the law. Additionally, the amendments required the federal-state VR program authorized under Title I of the Rehabilitation Act to coordinate its activities with the workforce investment system.⁴

The Workforce Investment Act of 1998 is being considered for reauthorization in 2003. On March 13, 2003, the Workforce Reinvestment and Adult Education Act (H.R. 1261) was introduced in the House. On March 20, 2003, the House Committee on 21st Century Workforce Competitiveness of the House Committee on Education and the Workforce marked up H.R. 1261. On March 27, H.R. 1261 was ordered

¹ Rehabilitation Act was amended in 1974 (P.L. 93-651), 1978 (P.L. 95-602), 1984 (P.L. 98-221), 1986 (P.L. 99-506), and reauthorized in 1992 (P.L. 102-569).

² Authorization of appropriations for the Rehabilitation Act of 1973 will expire at the end of FY2003. However, under provisions of the Rehabilitation Act, Title I of the Act is automatically extended for one additional year through FY2004 if Congress does not reauthorize Title I in FY2003. Other programs under the Act could also be extended for one additional fiscal year under provisions of the General Education Provisions Act (GEPA) if reauthorization is not completed in FY2003.

³ The Rehabilitation Act is now part of the Workforce Investment System. The intent of WIA is to provide workforce investment activities, through state and local workforce investment systems including coordination of activities with programs under the Rehabilitation Act. Congress hoped this linkage would lead to close cooperation and coordination between the vocational rehabilitation and workforce systems leading to more and better opportunities for training and high quality employment outcomes for people with disabilities.

⁴ For further information and analysis on these amendments see CRS Report RL31298, *Rehabilitation Act of 1973: 1998 Reauthorization Legislation* by, Carol O'Shaughnessy.

reported by the Committee. Among other things, H.R.1261 would reauthorize the Rehabilitation Act of 1973 through FY2009.⁵

The Vocational Rehabilitation (VR) state grants program is the primary federal program assisting individuals with disabilities prepare for, obtain, and retain employment. There are about 1.2 million individuals with disabilities in various phases of the vocational rehabilitation process within the VR system. In FY2001, VR agencies assisted 233,684 persons achieve an employment outcome (**Table 1**).⁶ Within this group 88.2% had *significant disabilities*, which are categorized as those seriously limiting one or more functional capacities such as mobility and communication, and requiring multiple VR services over an extended period of time.

The Rehabilitation Act authorizes a variety of vocational rehabilitation services, research, training, and advocacy programs designed to assist persons with disabilities obtain employment. It also authorizes special programs to encourage independent living for those unable to become employed.

Most Rehabilitation Act programs are administered by the Rehabilitation Services Administration (RSA) in the Department of Education (ED). The Architectural and Transportation Barriers Compliance Board authorized under Section 502 of the Rehabilitation Act of 1973, is an independent federal agency and is funded under the Department of Transportation appropriations. The National Council on Disability authorized under Title IV of the Rehabilitation Act of 1973, is an independent federal agency and funded under the Department of Health and Human Services (DHHS) appropriations.⁷ Most recently, programs under the Rehabilitation Act of 1973, were funded by the Consolidated Appropriations Resolution, 2003 (P.L. 108-7), signed into law on February 20, 2003. The programs under the Rehabilitation Act, funding levels for FY2003, and the FY2004 budget request are described below.

Description of Major Programs

Title I — Vocational Rehabilitation Services

Federal-State VR Program. The federal-state VR program, authorized under Title I, provides formula grants to states for VR services. The purpose of the

⁵ For further information on the reauthorization of the Workforce Investment Act of 1998, see CRS Report RS21484, *Workforce Investment Act of 1998: Reauthorization of Title I Job Training Programs*, by Ann Lordeman

⁶ Employment outcome is defined as entering or retaining full or part-time employment in the labor market, including self-employment.

⁷ The National Council of Disability was initially established in 1978 as an advisory board within the Department of Education. The Rehabilitation Act amendments of 1984 (P.L.98-221) transformed the National Council on Disability to an independent federal agency. The Council is composed of 15 members, who are appointed by the President and confirmed by the U.S. Senate.

program is to help persons with disabilities engage in gainful employment to the extent of their capabilities. Funding for the federal-state VR program represents almost 87% of total FY2003 federal funding for the Act. Funds are administered by VR agencies designated by each state. Funds are allocated to states according to a formula based on state population and per capita income. States with lower per capita income receive a relatively higher allotment. States are required to match federal funds, and the matching ratio is 78.7% federal to 21.3% state.⁸ Thus, the state can leverage almost four federal dollars for each dollar invested in this program. In FY1998, the average actual state match rate was 24.7%.⁹

Persons are eligible for VR services if they have a physical or mental impairment that substantially impedes employment. Under the law, all individuals with disabilities are presumed to have the potential to engage in employment, and to benefit from VR services. The program is required to give priority to those persons with significant disabilities.

State VR agencies 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 plan for employment (IPE) which is developed to achieve each person's employment objective. The IPE 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 specify each person's employment goals, consistent with his/her strengths, resources, priorities, concerns, abilities, and capabilities.

On average, persons who receive services stay in the program for approximately 2 years. Persons are considered "rehabilitated" if, after receiving VR services, they maintain an *employment outcome*, for at least 90 days. A person achieves an *employment outcome* if he or she enters and retains full or part-time *competitive employment*,¹⁰ supported employment or any other type of employment including self-employment.¹¹

⁸ P.L. 105-220, Title IV, Aug. 7, 1998, 112 Stat, 1102.

⁹ *RSA Financial Monitoring of State Agencies*. Presentation at the Vocational Rehabilitation Financial Management Conference, by Rehabilitation Services Administration, Aug. 20-22, 2001, Washington, DC.

¹⁰ According to RSA regulations (34 CFR Part 361;§361.5 (11)) competitive employment is employment in the "integrated labor market," that is, where persons with disabilities work with persons without disabilities. In addition, competitive employment is employment where the individual is compensated at or above the minimum wage paid to persons without disabilities for same or similar work.

¹¹ 34 CFR Part 361;§361.5.

According to Administration budget documents, 37 out of 80 state VR agencies are operating under an *order of selection* rule.¹² Under an order of selection regime, if a state VR agency cannot serve all eligible persons who apply for services, it must first serve those with *most significant disabilities*, which means those individuals with a significant disability who meet the designated state unit's criteria for such an individual.¹³ In FY2001, the number of eligible individuals who were on a waiting list because the state was operating under an order of selection process was 34,000 compared to 20,000 in FY2000, a 41% increase.

Table 1 shows the trends in employment outcomes from FY1999 through FY2001.

**Table 1. Persons Served by the Federal-State Vocational Rehabilitation Program, FY1999-FY2001
(Title I of the Rehabilitation Act)**

Performance Indicator	FY1999	FY2000	FY2001
Total number of individuals with closed cases who received services^a	368,162	377,821	385,039
Persons who achieved an <i>employment outcome</i> of those who received services	231,697 (62.9%)	236,218 (62.5%)	233,684 (60.7%)
Persons who achieved <i>competitive employment</i> of those who received an employment outcome	191,242 (82.5%)	201,604 (85.3%)	203,996 (87.3%)
Persons with <i>significant disabilities</i> who achieved an employment outcome	196,561 (84.8%)	206,167 (87.2%)	206,157 (88.2%)

Source: RSA 911 databases for FY1991-2001 (most recent data available).

^aAbout 1.204 million persons receive VR services each year. **Table 1** shows those whose cases were closed during each year; however, they may have entered the VR system during a previous year.

Evaluation of the Vocational Rehabilitation Program

In the fall of 1992, the Rehabilitation Services Administration initiated a multi-year longitudinal study of the VR state grant program. The broad purpose of the study was to assess the performance of the federal-state vocational rehabilitation (VR) services program in assisting eligible individuals with disabilities to achieve positive, sustainable economic and non-economic outcomes as a result of their receipt of VR services. The study was completed in 2001. This study tracked 8,500 VR consumers at 37 locations across the nation for a period of 3 years each.

The results from the study found that among the consumers who had obtained a competitive employment outcome as a result of obtaining VR services, 84% were working 1 year after their cases were closed, and 78% were continuing employment 3 years later. Additionally, there was an increase in earnings over time. At the time their cases were closed, VR service recipients were earning an average of \$7.56 per

¹² There are 54 VR agencies including those in U.S. territories; 26 states have separate rehabilitation agencies for the visually impaired. Therefore the total number of VR agencies is 80.

¹³ 34 CFR Part 361; §361.5 (30)

hour. Three years later they were earning an average of \$13.48 per hour. Moreover, study results showed an increase in those receiving health insurance through their employers. At the time their cases were closed, 32.8% of VR service recipients had health benefits. At the end of 3 years following case closure, 58.8% received health insurance through their employers.

Funding for FY2003. In the FY2003 budget request the Administration proposed consolidation of some programs, now separately authorized, into the Title I federal-state VR program. These are: 1) migrant and seasonal farmworkers; 2) projects with industry; and 3) supported employment state grants. However, during the appropriations process Congress did not authorize consolidation of the programs, and funded these programs independently.¹⁴

Funding for the federal-state VR program is \$2.53 billion, a 2.1% increase over FY2002. This level of funding will continue to provide a wide range of services, including counseling and guidance, diagnosis and treatment, education and vocational training, job placement and post employment services. The increase in funding over FY2002 satisfies the statutory requirement to increase funding by the percentage change in the Consumer Price Index(CPI).

FY2004 Budget Request. The funding request for FY2004 for Title I programs is \$2.67 billion. Similar to the FY2003 budget request, the Administration is proposing a consolidation of the migrant and seasonal farmworkers program; projects with industry; and supported employment state grants program into the Title I federal-state VR program. The requested amount reflects the proposed consolidation of the above three programs.

Vocational Rehabilitation Incentive Grants (VRIG). This was a new program proposed in the in the FY2003 budget request. The major goal of the program was to improve the performance of the federal-state VR program. However, Congress did not appropriate \$30 million in funding for the program in the Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

Client Assistance Program. States are required to operate a Client Assistance Program (CAP) in order to receive funding under the Title I federal- state VR program. The CAP provides grants to states for services to assist eligible individuals and applicants understand the rehabilitation services and benefits available under the Act and to advise clients on their rights and benefits. Funds are allocated to the states based on a formula. When the appropriation exceeds \$7.5 million, funds are distributed on the basis of population, with a minimum allotment of \$100,000 to each of the 50 states, the District of Columbia, and Puerto Rico and \$45,000 to each of the outlying areas. When the appropriated amount increases, the law requires the Secretary of Education to increase the minimum allotments to states and outlying areas by a percentage not greater than the percentage increase in the appropriation. In FY2001, CAP responded to 48,359 individuals seeking information and referral services and provided extensive services to 8,510 persons.

¹⁴ Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

Funding for FY2003. Funding for the Client Assistance program is \$12.1 million, a 1.4% increase over FY2002. The appropriated amount will fund the above mentioned activities.

FY2004 Budget Request . The President's budget proposes \$11.9 million for the Client Assistance program . This amount of funding would continue services to individuals with disabilities who are applying for, or receiving, services funded under the Act, and ensure that they would continue to have access to administrative, legal and other appropriate measures when needed to protect their rights.

Title II — Research and Training

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.

Funding for FY2003. Funding for NIDRR is \$109.3 million, a 0.65% reduction in funding from FY2002. This reflects the across-the-board decrease in funding authorized under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7). In FY2003, NIDRR plans to expand its *Rehabilitation Engineering Research Centers (RERC)* program, build the *Assistive Technology Development Fund*, and revitalize the *Interagency Committee on Disability Research (ICDR)*.

The *RERC Program* is intended to conduct research leading to new scientific knowledge, devices and procedures to benefit persons with disabilities.

The *Assistive Technology Development Fund* is intended to help small businesses develop and produce such technologies as computer-based speech to sign interpreters, and self-feeding tools for people with disabilities.

The *Interagency Committee on Disability Research* plans to promote greater cooperation across various government agencies in the development and execution of disability and research activities.

FY2004 Budget Request. The Administration's budget request for NIDRR is \$110 million. This amount of funding would support the following activities:

Rehabilitation Research Training Centers: These centers conduct coordinated and advanced programs of research, training, and information dissemination in general problem areas that are specified by NIDRR. In FY2004, NIDRR plans to extend funding for three of the six research centers whose funding ends in FY2003.

Rehabilitation Engineering Research Centers: These centers conduct research on providing accessibility to telecommunications technology for those with disabilities. NIDRR plans to devote \$20 million in funding for these research centers.

Field-Initiated Projects: These projects conduct research activities as needed, so as to be responsive to emerging developments in rehabilitation engineering. NIDRR proposes to allocate \$11.3 million for such projects in FY2004.

Advanced Rehabilitation Research Training Projects: These projects support grants to institutions to provide advanced research training to physicians, nurses, physical therapists and other professionals who provide services to persons with disabilities. NIDRR intends to allocate \$2.2 million for such projects in FY2004.

Assistive Technology Fund/ Small Business Innovation Research: Funding for these projects support the development of ideas and products that are useful for person with disabilities. Small businesses with strong research capabilities in science and technology participate in the program. NIDRR plans to award approximately \$5 million for such projects in FY2004. In addition, the FY2004 funding request will continue to fund activities such as the Interagency Committee on Disability Research, Switzer fellowships, and other activities.

Title III — Professional Development and Special Projects and Demonstrations

Training. The purpose of this program is to ensure that skilled personnel are available to serve the rehabilitation needs of individuals with disabilities. Grants and contracts are awarded to states, public non-profit agencies, and private non-profit organizations including institutions of higher education, to pay all or part of the cost of conducting training programs.

Funding for FY2003. Funding for the Training program is \$39.4 million, a 0.65% reduction in funding from FY2002. This reflects the across-the-board decrease in funding authorized under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7). This amount will provide funding for the *Long-Term Training Program*, *Continuing Education Program*, and the *In-Service Training Program*.

The Long-Term Training Program supports 5-year grants, which generally average \$100,000 per year (\$75,000 per year for undergraduate programs). These grants fund college and university programs that educate students in a wide variety of rehabilitation related areas (although certain other agencies and organizations may apply). A minimum of 75% of the grant funds must be used for scholarships to students.

The Continuing Education Program provides grants to train rehabilitation personnel at all levels within public rehabilitation agencies, client assistance projects, and centers for independent living. Training programs will provide personnel with relevant knowledge, skills, and mastery of new program developments to enhance their effectiveness as service providers to individuals with disabilities. Grants range in size from \$300,000 to \$500,000.

The In-Service Training Program supports grants to assist state vocational rehabilitation agencies in retraining vocational rehabilitation counselors so they meet degree standards consistent with section 101(a)(7) of the Act. This requires states to

develop procedures to ensure that there are an adequate number of qualified state rehabilitation professionals. These procedures are known as the Comprehensive System of Personnel Development (CSPD).¹⁵

FY2004 Budget Request. The President's budget request for the program is \$42.6 million, a 8.3% increase, over FY2003. A major proportion of this amount, \$34.6 million, would fund ongoing grants, and approximately \$7 million will support new awards. Additionally, the request would continue funding for the *Long-Term Training Program*, that is proposed to be initiated in FY2003.

Demonstration and Training Programs. Grants and contracts are awarded to develop innovative and comprehensive service programs to help individuals with disabilities achieve employment. Entities eligible for grants include state vocational rehabilitation agencies, community rehabilitation programs, other public or nonprofit agencies, and for-profit organizations.

Funding for FY2003. Funding for the program is \$20.9 million, a slight decrease from the FY2002 appropriation. Funding will continue to support projects that will expand employment opportunities for individuals with disabilities who receive public support. Funds will also be available for new Demonstration and Training programs to expand and increase the provision of rehabilitation services to individuals with disabilities to increase employment opportunities for them. Among other things, the focus for the new Demonstration and Training programs will be linking vocational and rehabilitation systems with the technology industry, and the provision of rehabilitation services for historically unserved or underserved areas.

FY2004 Budget Request. The Administration is requesting \$24.5 million for the program, a \$3.6 million or a 17.2% increase over the FY2003 appropriation. The Administration plans to devote \$7 million of the requested funds to establish transition mentoring projects that would enhance the capacity of state VR agencies to support students to transition from high school to post-secondary education or careers that offer quality employment consistent with their abilities and interest. Remaining funds would be used to support programs begun in previous fiscal years.

Migrant and Seasonal Farmworkers. The program makes comprehensive vocational rehabilitation (VR) services available to migrant and seasonal farm workers who have disabilities. The projects emphasize outreach, bilingual rehabilitation counseling, and coordination of VR services. While eligible migrant and seasonal farm workers can receive services under the federal-state VR program authorized under Title I of the Rehabilitation Act, as amended, they may also receive services under this program.

Funding for FY 2003. Funding for the program is \$2.3 million, slightly less than the amount appropriated in FY2002. In the FY2003 budget request, the Administration proposed consolidating this program with the federal-state VR program under Title I. However, Congress did not authorize consolidation of the

¹⁵ P.L. 105-220, August 7, 1998, 112 Stat, 1122.

program and funded it independently under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

FY2004 Budget Request. Funds have not been requested for FY2004. Similar to the FY2003 proposal, the President's budget proposes that funding for the program be consolidated with the federal-state VR program authorized under Title I. The Administration finds that there is no longer a need for a separate program to provide specialized services to a specific population who are eligible to be served by the federal-state VR program.

Recreational Programs. Projects under this program provide recreational and related activities for individuals with disabilities to aid in their employment, independence, and integration into the community. Discretionary grants are awarded to states, public entities and non-profit private organizations on a competitive basis to fund the projects.

Funding for FY2003. Funding for the program is \$2.6 million, a slight decrease in funding from FY2002. In the FY2003 budget request, the Administration did not request any funding and proposed that the program be eliminated. The Administration stated that recreational programs would be more appropriately funded by state and local agencies. However, Congress did not eliminate the program and funded it separately under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

FY2004 Budget Request. No funds have been requested for this program. The Administration believes that this program has limited national impact, and that it should be funded by state and local agencies, and the private sector.

Access to Telework Fund. This program was originally proposed in FY2002 under the President's *New Freedom Initiative*.¹⁶ Congress appropriated \$20 million for 2 years beginning in FY2002. According to Administration's budget documents, these funds have not yet been obligated for FY2002 and FY2003.

The goal of this program is to increase employment opportunities for individuals with disabilities by providing greater access to computers and other equipment individuals need to work from home if they choose to do so. To increase telework opportunities for disabled people, federal matching funds through discretionary grants would be awarded to states. These grants will enable states to provide loans for individuals with disabilities to purchase computers and other equipment so that they can telework from home. Promoting telecommuting options would provide greater opportunity for persons with disabilities to gain entry into the labor market.

The \$20 million appropriated for use during FY2002 and FY2003 will allow 40 states to participate in this program with an average grant of \$500,000 provided to each participating state. Grants will be available for a period of 2 years, and the

¹⁶ For further information on the *New Freedom Initiative* see [<http://www.whitehouse.gov/news/freedominitiative/freedominitiative.pdf>]. Last visited Apr. 3, 2003.

Department of Education will have the flexibility to obligate the funds so as to maximize the number of states that are able to participate. Projects funded by the Access to Telework Fund will be established on a permanent basis, and grantees would have to report annually to the Department of Education on the outcomes of their program.

Funding for FY2003. The President's budget did not request funding for FY2003, as the funds appropriated for FY2002 were intended to be available for grants to states through the end of FY2003.

FY2004 Budget Request. The President's budget is not requesting funding for FY2004, as the funds appropriated for FY2002 will be available for grants to states through the end of FY2003. The Administration believes that future funding needs for the program could be more accurately assessed once all funds have been obligated by the end of FY2003.

Title IV — National Council on Disability

National Council on Disability. Title IV authorizes the National Council on Disability, an independent federal agency comprised of 15 members appointed by the President and confirmed by the U.S. Senate.¹⁷ 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 regarding programs under the Act.

Funding for FY2003. Funding for the National Council on Disability is \$2.84 million. This is a slight increase over the FY2002 funding level. Funding will continue to support the salaries of personnel and other expenses of the Council.

FY2004 Budget Request. The Administration is requesting \$2.83 million for the Council, a slight decrease from the FY2003 appropriation. Funding will support the salaries of personnel and other expenses of the Council.

Title V — Rights and Advocacy

Architectural and Transportation Barriers Compliance Board (Access Board). The 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). The Board is responsible for assuring compliance with federal statutes requiring accessibility for persons with disabilities.¹⁸ The Board's long range goals are: 1) to take a leadership role in the development of codes and standards for accessibility; 2) to work in partnerships with other federal

¹⁷ Although the National Council on Disability is an independent federal agency authorized under Title IV of the Rehabilitation Act, appropriations are made under the Department of Health and Human Services (DHHS) budget.

¹⁸ Although the Architectural Barriers Compliance Board is authorized under Title V of the Rehabilitation Act, funds are appropriated under the Department of Transportation and Related Agencies budget.

agencies to make the federal government a model of compliance with accessibility standards; and 3) to be known as the leading source of information about accessibility and to disseminate that information to the public.

Funding for FY2003. Funding for the Board is \$5.2 million, a 3.6% increase over FY2002. This funding will continue to support the salaries and other expenses of the Board.

FY2004 Budget Request. The President's budget proposes \$5.4 million for the Board, a 4% increase over the FY2003 appropriation. This funding will continue to support the salaries and other expenses of the Board.

Protection and Advocacy of Individual Rights (PAIR). The PAIR program provides grants to states to protect and advocate the rights of individuals. The program serves those individuals ineligible to qualify for protection and advocacy programs authorized under Part C of the Developmental Disabilities Assistance and Bill of Rights of Act of 2000 (P.L. 106-402), Protection and Advocacy for Mentally Ill Individuals Act of 1996 (P.L. 99-319), and services under the Rehabilitation Act's Client Assistance program. Funds are awarded to states based on states' relative population, with a proportion set aside for training and technical assistance.¹⁹

In FY1998, the Rehabilitation Services Administration (RSA) contracted for an independent evaluation of the PAIR program. The study found that mental illness was the single largest major disabling condition of PAIR clients, accounting for 22% of the cases. Individuals with orthopedic disabilities made up 14% of the cases making it the second largest disabling condition.

Additionally, Title V requires 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.

Funding for FY2003. Funding for the PAIR program is \$16.9 million, a 11% increase over FY2002. This amount of funding will support grants to entities that have the authority to pursue legal, administrative, and other appropriate remedies needed to protect and advocate the rights of people with severe disabilities.

FY2004 Budget Request. The Administration is requesting \$17.9 million, a 5.9% increase in funding over FY2003. The requested amount includes \$2.6 million to offset the proposed elimination of funding for the protection and advocacy

¹⁹ Funds must be set aside under this program for training and technical assistance activities before awarding grants to eligible states. If the appropriation is equal to or exceeds \$5.5 million, the Secretary of Education will set aside not less than 1.8% and not more than 2.8% of the funds for Training and Technical assistance under the program. In any year in which the total appropriation exceeds \$10.5 million, the Secretary will award \$50,000 to an eligible program under the Act that would serve the Native American population. The remaining appropriation would be distributed by the Secretary to eligible state programs.

program funded under Title I of the Assistive Technology Act (P.L. 105-394).²⁰ This will provide federal support to states to ensure that eligible individuals will have assistance and information to safeguard their rights under federal law.

Title VI — Employment Opportunities for Individuals with Disabilities

Projects With Industry (PWI). The program was first initiated under the 1968 amendments to the Rehabilitation Act under the demonstration authority in section 304(d) and was first funded in 1970. The major goal of the program was to involve the talent and leadership of private industry as partners in the rehabilitation process. During the 1978 amendments of the Vocational Rehabilitation Act of 1973, PWI was moved under Title VI— Employment Opportunities.

The program promotes opportunities for competitive employment for individuals with disabilities by engaging the participation of private industries and business in the rehabilitation process. Grants are awarded on a competitive basis for a period up to 5 years to a wide variety of agencies and organizations, such as business and industrial corporations, rehabilitation facilities, labor organizations, and trade associations. The program provides job development, job placement and career development services, and training services to assist people with disabilities to obtain employment in a competitive environment. In FY2001, the PWI program served 11,585 individuals with disabilities and placed 7,284 or 62.9% of those persons in a competitive employment setting.

Funding for FY2003. In the FY2003 budget request, the Administration did not request any funding. However, Congress appropriated \$21.9 million under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7), a slight decrease in funding from the FY2002 level.

FY2004 Budget Request. Similar to the FY2003 budget proposal, the Administration is not requesting any funding for FY2004. The budget proposes consolidating funding for PWI into the federal-state VR program authorized under Title I. The Administration believes that the PWI program duplicates the services provided by the federal-state VR program, and that the target population will be better served under Title I.

Supported Employment State Grants. The program provides assistance to states to provide *supported employment services* for individuals with the most significant disabilities. Supported employment assists individuals with work in an integrated work setting, with a goal of achieving a competitive employment outcome.

Funding for FY2003. Funding for Supported Employment State Grants is \$37.9 million. In the FY2003 budget request the Administration did not request any

²⁰ For detailed information on the Assistive Technology Act of 1998 (P.L. 105-394), see CRS Report RS21385, *Assistive Technology Act: Programs and Funding*, by Sidath V. Panangala.

funding for the program. However, Congress appropriated the above amount under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

FY2004 Budget Request. Funds are not requested for the program. The Administration believes that there is no longer a need for separate funding for provision of services. The President's budget proposes consolidating this program with the federal-state VR program under Title I.

Title VII — Independent Living Services and Centers for Independent Living

The purpose of these programs is to maximize the leadership, empowerment, and independence of individuals with disabilities and to integrate these individuals into society. These programs provide grants for independent living services, such as job counseling, self-advocacy, and skills to carry on activities of daily living.

Independent Living State Grants. Formula grants are awarded to states to provide a wide range of services to help persons with significant disabilities live independently in the community. Additionally, funds may be used to encourage outreach to populations who are unserved or underserved, including minority groups and urban and rural populations. Funds are allotted to states based on the states' relative population.

Funding for FY2003. Funding for the Independent Living State Grants is \$22.2 million, a slight decrease in funding from FY2002. This decrease reflects the 0.65 % across-the-board reduction authorized under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7). The funding will continue to provide states with the resources and flexibility to respond to their particular unmet needs.

FY2004 Budget Request. The Administration is requesting \$22.3 million, a slight increase from the FY2003 appropriation. This level of funding will support grants to state vocational rehabilitation units that provide services for independent living.²¹ These funds are commonly used by states to totally or partially fund operations of their Statewide Independent Living Councils, provide independent living services in underserved or unserved areas, and promote coordination of services among clients.

Centers for Independent Living. The program provides grants to consumer-controlled, community-based organizations that provide independent living services. At a minimum, centers are required to provide information and referral, and skills training. A population-based formula determines the total amount available for discretionary grants to centers in each state. In FY2001, these centers served more than 190,000 clients.

²¹ A state agency that is primarily concerned with vocational rehabilitation or vocational and other rehabilitation of individuals with disabilities.

Funding for FY2003. Funding for Centers for Independent Living Services is \$69.5 million, a 11.3% increase over FY2002. This will continue to support the existing 338 Centers for Independent Living.

FY2004 Budget Request. The proposed budget for the program is \$69.5 million, same as the FY2003 appropriation. The funding would support the existing 338 Centers for Independent Living. However, the Administration does not propose expansion of the program.

Independent Living Services for Older Individuals Who Are Blind.

The program supports services to assist individuals aged 55 or older, whose visual impairment makes obtaining employment difficult. Services are designed to help visually impaired persons adjust to their impairment by increasing their ability to care for individual needs. Services provided under this program are typically not covered under private insurance, Medicare, or the Medicaid program. Grants are awarded to states on a competitive basis.²²

Funding for FY2003. Funding for the program is \$27.8 million, a 11.3% increase over the FY2002 appropriation. In FY2000, the program served approximately 48,000 individuals. It is estimated that approximately 68,500 persons will be served in FY2003.

FY2004 Budget Request. The President's budget requests \$25 million, the a 10.1% reduction in funding from FY2003. The Administration believes that this amount of funding will allow states to focus on improving services and program management.

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 Assistive Technology Act (P.L. 105-394).²³

Helen Keller National Center. The 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. In addition to funds provided through the appropriations under the Rehabilitation Act, the Helen Keller National

²² Prior to FY2000 when appropriations were less than \$13 million, grants were awarded on a competitive basis. Since the appropriation for FY2000 exceeded \$13 million, allocation is now made to states based on the population of individuals 55 years of age and older.

²³ Although not authorized under the Rehabilitation Act, funding for the Helen Keller National Center for Deaf-Blind Youths and Adults and Assistive Technology Act is included in the Rehabilitation Services and Disability Research Account of the Department of Education budget.

Center receives funding from other federal, state and private sources. For instance, in FY2001, the Helen Keller National Center raised approximately \$717,000, or 6.2% of its total budget, through private donations, and other fund-raising activities.

Funding for FY2003. Funding for the program is \$8.7 million, a slight decrease from the FY2002 funding level. This decrease represents the 0.65% across-the-board reduction authorized under the Consolidated Appropriations Resolution, 2003 (P.L. 108-7). At the appropriated level the Helen Keller National Center will provide direct services for approximately 90 clients in its residential training and rehabilitation program and serve almost 2,800 individuals through its regional field offices. The Center will also support grants for two new programs.

FY2004 Budget Request. The Administration is requesting \$8.7 million, and of this amount \$200,000 would be set aside for capital expenditures. The funding would continue to support and expand educational, independent living, and occupational opportunities for people who are deaf-blind.

Assistive Technology²⁴. The Assistive Technology (AT) Act²⁵ of 1998 supports states in strengthening their capacity to address the assistive technology needs of individuals with disabilities.

- **Title I.** Authorizes funding for the Assistive Technology State Grants program. Grants are awarded for protection and advocacy systems, and a technical assistance program;
- **Title II.** Provides for increased coordination of federal efforts related to assistive technology and design of equipment to meet varied requirements, and authorizes funding for multiple grant programs; and
- **Title III.** Provides for alternative financing mechanisms for people with disabilities to purchase assistive technology devices and services. Grants are awarded to states to finance assistive technology (computers, speech recognition software etc.) for people with disabilities. These funds may be used to establish specified types of loan programs for individuals with disabilities, and will not be used simply to purchase assistive technology for individuals.

Funding for FY2003. Funding for programs under Title I is \$26.8 million in FY2003. This amount will provide funding for the State Grant program, Protection and Advocacy and Technical Assistance programs under Title I. This amount will allow funding for all states and territories at their FY2002 funding level. Additionally, the Consolidated Appropriations Resolution, 2003 (P.L. 108-7), provided funding for 23 states that would have been ineligible to receive funding in

²⁴ For detailed information on funding for the Assistive Technology Act of 1998 (P.L. 105-394), see CRS Report RS21385, *Assistive Technology Act: Programs and Funding*, by Sidath V. Panangala.

²⁵ P.L. 105-394, Nov. 13, 1998.

FY2003 due to the sunset provisions of prior law.²⁶ The AT Act stipulates that states participating in the State Grant program are ineligible to receive funding after 13 years of participating in the program. Additionally, the law stipulates that states in their 9th and 10th year of funding are to receive declining amounts over the 2-year period (that is, in the 9th year states are to receive 75% of what they received in their 8th year of funding; in the 10th year they are to receive 50% of the amount they received in the 8th year of funding).²⁷

The Administration requested \$15.2 million for Title III programs for FY2003. In the Consolidated Appropriations Resolution, 2003 (P.L. 108-7), Congress did not include language for continuation of funding for FY2003.

FY2004 Budget Request. The Administration has not requested any funding for programs under Title I and Title III for FY2004. The Administration believes that State Grant Program has fulfilled its original mission by providing 10 years or more of federal funding to states to assist them in developing assistive technology programs. The President's FY2004 budget also proposes a shift of \$2.6 million funding from the Protection and Advocacy(P&A) program under Title I of the AT Act to the P&A for Individual Rights under Title V of the Rehabilitation Act of 1973, as amended. In FY2003 the President's budget request for the P&A for Individual Rights under Title V of the Rehabilitation Act of 1973 as amended, was \$15.2 million; the FY2004 budget request for the program is \$17.8 million. The Administration believes that increased funding in FY2002 – \$36.5 million, for Title III which remains available for 2 years, will provide adequate funding for alternative financing programs.

²⁶ In FY2002, nine states were ineligible to receive funding: Arkansas, Colorado, Illinois, Kentucky, Maine, Maryland, Minnesota, Nebraska, and Utah. In FY2003, 14 states were ineligible to receive funding because they had already participated for 13 years: Alaska, Indiana, Iowa, Massachusetts, Mississippi, Nevada, New Mexico, New York, North Carolina, Oregon, Tennessee, Vermont, Virginia, and Wisconsin. In FY2004, 13 states and territories will be ineligible for funding: Connecticut, Florida, Idaho, Michigan, New Jersey, Northern Mariana Islands, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Virgin Island, and West Virginia.

²⁷ P.L. 105-394, Title I, 112 Stat, 3641.

Table 2. Vocational Rehabilitation and Related Programs for Persons with Disabilities, FY2002, and FY2003 Funding, and FY2004 Budget Request
(\$ in thousands)

Programs	FY2002 actual	FY2003 estimate ^a	FY2004 request
Title I — Vocational Rehabilitation(VR) Services			
Federal-State VR program ^b	\$2,481,383	\$2,533,492	\$2,668,652
Client assistance program	11,897	12,068	11,897
Total	2,493,280	2,545,560	2,680,549
Title II — Research and Training			
National institute on disability and rehab. research (NIDRR)	110,000	109,285	110,000
Total	110,000	109,285	110,000
Title III — Training and Demonstration Projects			
Training	39,629	39,371	42,629
Demonstration and training programs ^c	21,238	20,895	24,492
Migrant and seasonal farmworkers	2,350	2,335	not requested ^d
Recreational Programs	2,596	2,579	not requested ^d
Access to Telework Fund ^e	20,000	not requested ^f	not requested ^f
Total	85,813	65,180	67,121
Title IV — National Council on Disability			
National Council on Disability	2,829	2,840	2,830
Total	2,829	2,840	2,830
Title V — Rights and Advocacy			
Architectural & transportation barriers compliance board	5,015	5,194	5,401
Protection and advocacy of individual rights (PAIR)	15,200	16,890	17,880 ^g
Total	20,215	22,084	23,281
Title VI — Employment Opportunities			
Projects with industry	22,071	21,928	not requested ^d
Supported employment state grants	38,152	37,904	not requested ^d
Total	60,223	59,832	none
Title VII — Independent Living Services and Centers for Independent Living			
State allotments for independent living services	22,296	22,151	22,296
Centers for independent living	62,500	69,545	69,500
Independent living services for the older blind	25,000	27,818	25,000
Total	109,796	119,514	116,796
Evaluation	1,000	994	1,000
Program improvement activities	900	894	850
Total: Programs under the Rehabilitation Act^h	2,884,056	2,926,183	3,002,427
Related programs			
Helen Keller Center	8,717	8,660	8,717
Assistive Technology	60,884	26,824	not requested ⁱ
Total: Rehabilitation Service and Disability Research^j	2,945,813	2,953,633	3,002,913

Sources: Department of Education, FY2004 Justification of Appropriation Estimates to the Congress; Department of Health and Human Services, FY2004 Justification of Estimates for Appropriations Committees; Department of Transportation, Budget Estimates for FY2004.

^a Estimated obligation.

^b Includes set-aside for grants to Indian tribes (Section 130): \$25.5 million for FY 2002, \$26.8 million for FY 2003, and \$27.6 million request for FY2004.

^c Also includes funding for supported employment demonstration programs which merged with this activity in FY1996.

^d The Administration is proposing consolidating these programs with the federal-state VR program under Title I.

^e New program in the FY2002 budget under the President's *NewFreedom Initiative*.

^f No funding was requested for FY2003 because the Administration believes that \$20 million appropriated in FY2002 is sufficient for FY2003, and it has been authorized for obligation over a period of 2 years. Since the funds have not yet been obligated, the Administration is not requesting any funding for FY2004.

^g This amount includes the proposed shift of \$2.6 million in funding from the Protection and Advocacy(P&A) program under Title I of the AT Act(P.L. 105-394) to the P&A for Individual Rights under Title V of Rehabilitation Act of 1973, as amended.

^h Total amount of funding for programs under the Rehabilitation Act. This amount includes funding for the Architectural and Transportation Barriers Compliance Board, which receives funding under appropriation legislation for Department of Transportation (DOT) and related agencies for the fiscal year ending September 30, 2002 (P.L. 108-7). It also includes the National Council on Disabilities which is funded as part as the appropriations for the Departments of Labor, Health and Human Services, and Education (L-HHS-ED)and related agencies for the fiscal year ending September 30, 2002 (P.L. 108-7).

ⁱ The Administration has not requested funding for the program in FY2004. The Administration believes that the State Grant program has fulfilled its original mission by providing 10 or more years of funding.

^j Total amount of funding for the rehabilitation services and disability research account as presented in the budget documents. This amount includes funding for the Helen Keller Center and the Assistive Technology Act and excludes funding for the Architectural and Transportation Barriers Compliance Board, and the National Council on Disability.