

Department of Education
REHABILITATION SERVICES AND DISABILITY RESEARCH

Fiscal Year 2017 Budget Request

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REHABILITATION SERVICES [AND DISABILITY RESEARCH]¹

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973 and the Helen Keller National Center Act, [~~\$3,529,605,000~~]\$3,541,389,000, of which [~~\$3,391,770,000~~]\$3,398,554,000 shall be for grants for vocational rehabilitation services under Title I of the Rehabilitation Act:² *Provided further*, That the Secretary may use amounts provided in this Act that remain available subsequent to the reallocation of funds to States pursuant to section 110(b) of the Rehabilitation Act for innovative activities aimed at improving the outcomes of individuals with disabilities as defined in section 7(20)(B) of the Rehabilitation Act, including activities aimed at improving the education and post-school outcomes of children receiving Supplemental Security Income (“SSI”) and their families that may result in long-term improvement in the SSI child recipient’s economic status and self-sufficiency:³ *Provided further*, That States may award subgrants for a portion of the funds to other public and private, non-profit entities:⁴ *Provided further*, That any funds made available subsequent to reallocation for innovative activities aimed at improving the outcomes of individuals with disabilities shall remain available until September 30, [~~2017~~]2018:⁵ (*Department of Education Appropriations Act, 2016*)

NOTE:

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document which follows the appropriation language.

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>¹ [AND DISABILITY RESEARCH]</p>	<p>Section 491 of Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, (WIOA) transfers several programs from the Department’s Office of Special Education and Rehabilitative Services to the Administration for Community Living in the Department of Health and Human Services (HHS), including the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR), as renamed by WIOA. Consequently, the fiscal year 2017 request for this account does not include funds for NIDILRR. To reflect this change, the Administration’s request would eliminate the reference to “Disability Research” from the title of this account.</p>
<p>² ...of which [\$3,391,770,000] <u>\$3,398,554,000</u> shall be for grants for vocational rehabilitation services under Title I of the Rehabilitation Act:</p>	<p>This language earmarks funds provided for Vocational Rehabilitation (VR) State Grants program.</p>
<p>³ <i>Provided further</i>, That the Secretary may use amounts provided in this Act that remain available subsequent to the reallocation of funds to States pursuant to section 110(b) of the Rehabilitation Act for innovative activities aimed at improving the outcomes of individuals with disabilities as defined in section 7(20)(B) of the Rehabilitation Act, including activities aimed at improving the education and post-school outcomes of children receiving Supplemental Security Income (SSI) and their families that may result in long-term improvement in the SSI child recipient’s economic status and self-sufficiency:</p>	<p>This language would allow the Secretary to use amounts that remain available subsequent to the reallocation of funds to States under the VR State Grants program for innovative activities designed to improve the outcomes of individuals with disabilities, including, if needed, activities to improve the outcomes of children receiving SSI and their families under the PROMISE pilot program. The inclusion of this language would ensure that all unused funds would remain available to improve the outcomes of individuals with disabilities, instead of being returned to the Treasury.</p>

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Analysis of Language Provisions and Changes

Language Provision	Explanation
⁴ <i>Provided further</i> , That States may award subgrants for a portion of the funds to other public and private, non-profit entities:	This language would permit States to use a portion of their project funds to make subgrants to other public and private, non-profit entities for carrying out innovative activities aimed at improving the outcomes of individuals with disabilities.
⁵ <i>Provided further</i> , That any funds made available subsequent to reallocation for innovative activities aimed at improving the outcomes of individuals with disabilities shall remain available until September 30, 2017 <u>2018</u> :	This language would permit the funds made available subsequent to reallocation of VR State Grant funds for activities aimed at improving the outcomes of individuals with disabilities to remain available for 2 years.

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Appropriation, Adjustments and Transfers
(dollars in thousands)

Appropriation/Adjustments/Transfers	2015	2016	2017
Discretionary:			
Appropriation	\$374,779	\$137,835	\$142,835
Mandatory:			
Appropriation.....	3,335,074	3,391,770	3,398,554
Sequester (P.L. 112-25).....	<u>-243,460</u>	<u>-230,640</u>	<u>0</u>
Total, adjusted mandatory appropriation.....	3,091,614	3,161,130	3,398,554
Total, discretionary and adjusted mandatory appropriation.....	3,446,393	3,298,965	3,541,389

REHABILITATION SERVICES AND DISABILITY RESEARCH

Summary of Changes
(dollars in thousands)

2016.....	\$3,529,605 ¹
2017.....	<u>3,541,389</u>
Net change.....	+11,784

¹ Excludes 6.8 percent sequester reduction of mandatory VR State Grant funds pursuant to the Budget Control Act (P.L. 112-25)

Increases:	<u>2016 base</u>	<u>Change from base</u>
<u>Program:</u>		
Increase in funding for Vocational Rehabilitation (VR) State grants, consistent with the inflation increase specified in the authorizing statute.	\$3,391,770	+\$6,784
Increase in funding for Supported Employment State grants to help State agencies in meeting the new challenges and opportunities resulting from program changes made by WIOA.	27,548	+3,000
Increase in funding for Independent Living Services for Older Individuals who are Blind	33,317	<u>+2,000</u>
Subtotal, increases		+11,784
Net change		+11,784

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Authorizing Legislation

(dollars in thousands)

Activity	2016 Authorized	2016 Estimate	2017 Authorized	2017 Request
Vocational rehabilitation (VR) State grants:				
Grants to States (RA-I A, B-110 and 111)	\$3,391,770 ¹	\$3,118,130	\$3,398,554 ²	\$3,355,454
Grants for Indians (RA-I-C)	(1, 3) 43,000	43,000	(2,3) 43,000	43,100
Client assistance State grants (RA-I-112)	12,927	13,000	13,195	13,000
Supported employment State grants (RA-VI)	29,676	27,548	30,292	30,548
Training (RA-III-302)	36,257	30,188	37,009	30,188
Demonstration and training programs (RA-III-303)	6,244	5,796	6,373	5,796
Services for older blind individuals (RA-VII-2)	35,890	33,317	36,635	35,317
Protection and advocacy of individual rights (RA-V-509)	19,013	17,650	19,408	17,650
Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	<u>0</u> ⁴	<u>10,336</u>	<u>0</u> ⁴	<u>10,336</u>
Total definite authorization	0		0	
Total discretionary appropriation		137,835		142,835
Total mandatory appropriation		3,391,770		3,398,554
Total appropriation		3,529,605		3,541,389
Portion of request not authorized				10,336
Total appropriation including mandatory decrease		3,298,965		

¹ The authorizing legislation specifies that the amount to be appropriated for VR State grants for a fiscal year be at least at the level of the prior fiscal year increased by the 12-month percentage change from October to October in the Consumer Price Index for all Urban Consumers (CPIU). In FY 2016, this amount was \$3,391,770 thousand.

² The authorizing legislation specifies that the amount to be appropriated for a fiscal year be at least the level of the prior fiscal year increased by the 12-month percentage change from October to October in the CPIU. In FY 2017, this amount is \$3,398,554 thousand.

³ The Rehabilitation Act requires that 1.0 percent to 1.5 percent of the appropriation for Vocational Rehabilitation State grants be set aside for Grants to Indians.

⁴ The GEPA extension expired September 30, 2004; the program is authorized in FY 2016 through appropriations language. Continued funding is proposed for this program in FY 2017 under appropriations language.

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Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2008	3,184,263	\$3,279,743	\$3,286,942	3,276,768
2009	3,218,264	3,387,443 ¹	3,379,109 ¹	3,387,762
Recovery Act Supplemental (PL 111-5)	0	700,000	610,000	680,000
2010	3,500,735	3,504,305	3,507,322 ²	3,506,861
2011	3,565,326	3,501,766 ³	3,542,510 ²	3,474,718 ⁴
2012	3,541,111	3,522,686 ⁵	3,511,735 ⁵	3,511,281
2013	3,517,710	3,511,281 ⁶	3,626,380 ⁶	3,622,925
2014	3,655,577	N/A ⁷	3,698,174 ²	3,680,497
2015	3,683,335	N/A ⁷	3,722,853 ⁸	3,709,853
2016	3,532,109	3,529,605 ⁹	3,487,864 ⁹	3,529,605
2017	3,541,389			

¹ The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

² The levels for the Senate allowance reflects Committee action only.

³ The levels for the House allowance reflects the House-passed full-year continuing resolution.

⁴ The level for appropriation reflects the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

⁵ The level for the House allowance reflects an introduced bill and the level for the Senate allowance reflects Senate Committee action only.

⁶ The level for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112th Congress only through the House Subcommittee and the Senate Committee.

⁷ The House allowance is shown as N/A because there was no Subcommittee action.

⁸ The level for the Senate allowance reflects Senate Subcommittee action only.

⁹ The levels for House and Senate allowances reflect action on the regular annual 2016 appropriations bill, which proceeded in the 114th Congress only through the House Committee and Senate Committee.

REHABILITATION SERVICES

Significant Items in FY 2016 Appropriations Reports

Vocational Rehabilitation State Grants – Supported Employment State Grants

Senate

Report:

The Committee directs the Department to help ensure that State agencies continue to invest appropriate levels of their resources in supported employment, and particularly extended services to youth with the most significant disabilities, consistent with the changes in WIOA.

Response:

Despite changes to the Supported Employment (SE) State Grants program in WIOA, the Senate Appropriations Committee did not include funds for the program, noting that funding for the Vocational Rehabilitation (VR) State Grants programs, which can be and is used for the same purposes, will increase by \$56,696,000 in fiscal year 2016. However, the fiscal year 2016 Appropriation included funds for the Supported Employment State Grants program to ensure that State agencies continue to invest appropriate levels of their resources in supported employment, and particularly extended services to youth with the most significant disabilities, consistent with the changes in WIOA.

Before enactment of WIOA, State VR agencies were prohibited from using the Federal funds received under the VR and SE programs for extended services and other State and local agencies and private nonprofit organizations were expected to support the cost of these services. Under WIOA, State VR agencies may now provide extended services for up to 4 years to eligible youth with the most significant disabilities.

DEPARTMENT OF EDUCATION FISCAL YEAR 2017 PRESIDENT'S BUDGET
(in thousands of dollars)

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Account, Program and Activity	Category Code	2015 Appropriation	2016 Appropriation	2017 President's Budget	2017 President's Budget Compared to 2016 Appropriation	
					Amount	Percent
Rehabilitation Services						
1. Vocational rehabilitation State grants:						
(a) Grants to States (RA Title I-A, sections 110 and 111)	M	3,052,454	3,118,130	3,355,454	237,324	7.61%
(b) Grants to Indians (RA Title I-C)	M	39,160	43,000	43,100	100	0.23%
Subtotal		3,091,614	3,161,130	3,398,554	237,424	7.51%
Mandatory baseline	M	3,335,074	3,391,770	3,398,554	6,784	0.20%
2. Client assistance State grants (RA section 112)	D	13,000	13,000	13,000	0	0.00%
3. Training (RA section 302)	D	30,188	30,188	30,188	0	0.00%
4. Demonstration and training programs (RA Section 303)	D	5,796	5,796	5,796	0	0.00%
5. Protection and advocacy of individual rights (RA section 509)	D	17,650	17,650	17,650	0	0.00%
6. Supported employment State grants (RA VI)	D	27,548	27,548	30,548	3,000	10.89%
7. Independent living (RA VII):						
(a) State grants (Chapter 1, Part B) ¹	D	22,878	0	0	0	---
(b) Centers (Chapter 1, Part C) ¹	D	78,305	0	0	0	---
(c) Services for older blind individuals (Chapter 2)	D	33,317	33,317	35,317	2,000	6.00%
8. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	D	9,127	10,336	10,336	0	0.00%
9. National Institute on Disability and Rehabilitation Research (RA II) ¹	D	103,970	0	0	0	---
10. Assistive technology programs (ATA, sections 4, 5, and 6) ¹	D	33,000	0	0	0	---
Subtotal		374,779	137,835	142,835	5,000	3.63%
Total		3,466,393	3,298,965	3,541,389	242,424	7.35%
Discretionary	D	374,779	137,835	142,835	5,000	3.63%
Mandatory	M	3,091,614	3,161,130	3,398,554	237,424	7.51%

NOTES: D = discretionary program; M = mandatory program; FY = fiscal year

For the Vocational Rehabilitation State Grants program, the levels shown in the 2015 Appropriation column reflect the 7.3 percent sequester that went into effect October 1, 2014, and the levels shown in the 2016 Appropriation column reflect the 6.8 percent reduction that went into effect on October 1, 2015, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

Detail may not add to totals due to rounding.

¹ On July 22, 2014, the President signed into law the Workforce Innovation and Opportunity Act of 2014 (WIOA) (P.L. 113-128), which transferred the responsibility for administering this program from the Department of Education to the Department of Health and Human Services.

REHABILITATION SERVICES

Summary of Request

People with disabilities represent a vital and integral part of our society. Giving workers with disabilities the support and the opportunity to acquire the skills that they need for in-demand jobs and careers is critical to growing our economy, ensuring that everyone who works hard is rewarded, and building a strong middle class. To help achieve this goal, the Rehabilitation Act seeks to empower individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society.

The Administration's 2017 Request for the Rehabilitation Services account provides \$3.5 billion to support comprehensive and coordinated vocational rehabilitation for individuals with disabilities through training, demonstration, technical assistance, and advocacy, and to assist older individuals who are blind to live more independently. The Rehabilitation Act was reauthorized by Title IV of the Workforce Innovation and Opportunity Act (WIOA) enacted in July of 2014. WIOA supports the Nation's workforce development system through programs and investments in employment services, workforce development, adult education, and vocational rehabilitation.

The \$3.4 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of \$6.8 million over the fiscal year 2016 mandatory level, consistent with the inflationary increase specified in the authorizing statute, to assist States and tribal governments in increasing the participation of individuals with disabilities in the workforce. WIOA strengthened the alignment of the VR program with other components of the workforce development system to ensure a coordinated and streamlined workforce development system. As an integral partner in this system, the VR program is the primary Federal vehicle for assisting individuals with disabilities, particularly individuals with the most significant disabilities, to prepare for, obtain, retain, or advance in high quality employment. In implementing the changes to Titles I and IV of WIOA, the Department's Office of Special Education and Rehabilitative Services (OSERS) is working with its partners in the Federal workforce development system to improve employment outcomes for individuals with disabilities, particularly individuals with significant disabilities and youth with disabilities.

As in previous years, the 2017 Request includes appropriations language that would allow the Secretary to use amounts under the VR State Grants program that would otherwise return to the Treasury to support innovative activities aimed at improving outcomes for individuals with disabilities. The requested language also would provide authority for these funds to remain available for Federal obligation until September 30, 2018.

The Administration requests \$30.5 million for Supported Employment State Grants program, an increase of \$3 million (10.9 percent) over the 2016 level to assist State agencies in meeting the new challenges and opportunities resulting from WIOA. WIOA made several significant changes to this program in order to maximize the potential of individuals with the most significant disabilities, particularly youth with the most significant disabilities, who require ongoing supports to achieve competitive integrated employment. These changes will have a major impact on the provision of supported employment services, including increasing the demand and the cost of services.

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The Administration requests \$35.3 million for the Independent Living Services for Older Individuals who are Blind (OIB) program for fiscal year 2017, a \$2.0 million (6 percent) increase over the 2016 level, to assist States in meeting an anticipated increase in the demand for program services. Of this amount, the Department plans to reserve 1.8 percent of the funds to provide training and technical assistance to Designated State Agencies or other providers of OIB services that receive OIB program funds.

All other programs in the Rehabilitation Services account would be maintained at the 2016 level. The Administration believes that this level will provide sufficient funds for the activities in these programs.

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Vocational rehabilitation State grants

(Rehabilitation Act of 1973, Title I, Parts A, B (Sections 110 and 111), and C)

(dollars in thousands)

FY 2017 Authorization: \$3,398,554¹

Budget Authority:

	<u>2016</u>	<u>2017</u>	<u>Change</u>
State grants	\$3,348,770	\$3,355,454	+\$6,684
Indian set-aside	<u>43,000</u>	<u>43,100</u>	<u>+100</u>
Total	3,391,770 ²	3,398,554,	+6,784

¹ The Vocational Rehabilitation (VR) State Grants program was reauthorized in July 2014 by the Workforce Innovation and Opportunities Act of 2014 (WIOA). The authorizing statute specifies that the amount to be appropriated for a fiscal year be at least the level of the prior fiscal year increased by the 12-month percentage change (from October to October) in the Consumer Price Index for all Urban Consumers (CPIU). For fiscal year 2017 this amount is \$3,398,554 thousand. The authorizing statute also requires that not less than 1.0 percent, and not more than 1.5 percent, of the appropriation for each fiscal year for VR State Grants be set aside for Grants for American Indians.

² The total amount shown in the 2016 column is the mandatory amount for the VR State Grants program and does not include the sequester reduction for mandatory programs pursuant to the Budget Control Act of 2011. The reduced level for the VR State Grants program in 2016 subsequent to the 6.8 percent sequester is \$3,161,129,640.

PROGRAM DESCRIPTION

The Vocational Rehabilitation (VR) State Grants program supports formula grants to States that provide individuals with disabilities, particularly individuals with the most significant disabilities, the services they need to obtain competitive integrated employment. Grant funds are administered by VR agencies designated by each State. There are currently a total of 80 State VR agencies. Thirty-two (32) States operate a “combined” agency serving all disability categories. Twenty-four (24) States operate a separate agency for individuals who are blind or visually impaired and a “general” agency for all other disability categories. The authorizing legislation requires the program to be funded at least at the prior year level, and increased by the percentage increase in the Consumer Price Index for Urban Consumers (CPIU) over the previous year.

Workforce Development System

The Vocational Rehabilitation (VR) State Grants program was reauthorized in July of 2014 in Title IV of the Workforce Innovation and Opportunity Act (WIOA). WIOA supports the Nation’s primary programs and investments in employment services, workforce development, adult education, and vocational rehabilitation. WIOA is designed to align workforce development, education, and economic development programs with regional economic development strategies to meet the needs of local and regional employers, and to provide services through a

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comprehensive, accessible, high-quality workforce development system. The one-stop system, established under 121(e) of WIOA, operates through a network of centers in each State that provide a variety of services to assist individuals to meet their employment and training needs, while also assisting local employers to meet their needs for qualified personnel.

The VR State Grants program is a core program and a required partner in the one-stop service delivery system. As such, it is subject to provisions in the Rehabilitation Act under Title IV of WIOA, as well as applicable provisions under Title I of WIOA. For a State to be eligible to receive Federal funds for the core programs, the Governor must submit a unified State plan, including the VR plan. After approval of the VR portion of the plan by the Commissioner of the Rehabilitation Services Administration (RSA), the unified State plan is subject to the approval of both the Secretaries of Labor and Education.

Performance Accountability

Title I of WIOA establishes six performance accountability measures that apply across the core programs, including the VR program, to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served by those programs. WIOA core programs, including the State VR Grants program, States must report the results of the following primary performance indicators set forth in section 116 of WIOA.

- The percentage of program participants who are in unsubsidized employment during the second quarter after exit;
- The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit;
- The median earnings of program participants who are in unsubsidized employment during the second quarter after exit;
- The percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent during participation in or within 1 year after exit, if such participants have also obtained or retained employment or are in an education or training program leading to a recognized postsecondary credential within 1 year of exit;
- The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
- The State's effectiveness in serving employers (to be determined by the Secretaries of Labor and Education by summer 2016).

Implementing Regulations

In April of 2015, the Departments of Education and Labor concurrently published five Notices of Proposed Rulemaking (NPRMs), one of which covers jointly administered activities (e.g., unified and combined state plans, performance accountability, and the one-stop system). The other

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NPRMs would implement the remaining provisions of Title I and Title III of WIOA, administered by the Department of Labor; Title II, administered by the Department of Education; and Title IV of WIOA, administered by the Department of Education. The proposed rules implementing the Rehabilitation Act (Title IV of WIOA) are presented in two separate NPRMs due to the number of programs affected. The larger of these NPRMs implements the State VR and Supported Employment (SE) programs and rules on the use of subminimum wages under section 511 of the Rehabilitation Act (Title V of WIOA). The Department received and reviewed over a thousand comments in response to the NPRM implementing the State VR and SE programs and the use of subminimum wages under section 511.

VR Grants to States

VR agencies provide a wide range of services designed to help persons with disabilities prepare for and engage in competitive integrated employment to the extent of their capabilities. Individuals with a physical or mental impairment that results in a substantial impediment to employment, who can benefit in terms of an employment outcome, and require VR services are eligible for assistance. Program services are tailored to the specific needs of the individual through an individualized plan for employment (IPE). The program may provide a variety of services, such as vocational evaluation, counseling, mental and physical restoration, education, vocational training, job placement, rehabilitation technology, and supported employment services. Priority is given to serving individuals with the most significant disabilities.

This is a current-funded formula grant program that provides financial assistance to States to cover the cost of direct services and program administration. Funds become available for obligation from October 1 of the fiscal year in which they are appropriated and remain available through September 30 of that year. The State matching requirement is 21.3 percent, except the State share is 50 percent for the cost of construction of a facility for community rehabilitation program purposes. If a State has met all matching requirements for the fiscal year in which funds were appropriated, the State may carry over unobligated Federal funds for an additional year. States are also required to maintain the level of State expenditures made under the State plan from non-Federal sources at least at the level spent during the fiscal year 2 years earlier. Amendments made by WIOA to section 111 of the Rehabilitation Act allow the Department to reduce a State's VR grant by the amount of a Maintenance of Effort (MOE) deficit from any previous fiscal year. Previously, only the subsequent fiscal year's grant could be reduced and the Department was required to recover penalties that were discovered after the subsequent fiscal year through an audit disallowance.

An allotment formula that takes into account population and per capita income is used to distribute funds among the States. Each State is required to reserve and use at least 15 percent of their Federal VR State Grant allotment to support pre-employment transition services for students with disabilities provided in accordance with new section 113 of the Rehabilitation Act. Each State is also required to reserve and use a portion of the Federal funds received under the VR State Grants program for innovation and expansion activities authorized in section 101(a)(18).

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The fiscal year 2015 State distributions were based on the July 1, 2013 estimates published on December 30, 2013. The fiscal year 2016 State distributions are based on the July 1, 2014 estimates published on December 30, 2014. The fiscal year 2017 State distributions are based on the July 1, 2015 estimates published in December 2015. Per capita income averages for fiscal year 2015 are based on Bureau of Economic Analysis revised estimates for calendar years 2009, 2010, and 2011 as reported by the Department of Commerce on September 25, 2012. Per capita income averages for fiscal years 2016 and 2017 are based on Bureau of Economic Analysis revised estimates for calendar years 2011, 2012, and 2013 as reported by the Department of Commerce on September 30, 2014.

American Indian VR Services (AIVRS)

The Rehabilitation Act requires that not less than 1.0 percent or more than 1.5 percent of the funds appropriated for the VR State grants program be set aside for grants under the AIVRS program (section 121 of the Act). Service grants for up to 5 years are awarded to Indian tribes on a competitive basis to help tribes develop the capacity to provide VR services to American Indians with disabilities living on or near reservations. Amendments made to the AIVRS program by WIOA require the Department to reserve not less than 1.8 percent and not more than 2 percent of the funds set aside for AIVRS to provide training and technical assistance to governing bodies of Indian tribes located on Federal and State reservations.

Funding levels for the past 5 fiscal years were as follows:

Fiscal Year	(dollars in thousands)
2012.....	\$3,121,712
2013.....	3,066,192
2014.....	3,064,305 ¹
2015.....	3,091,614 ¹
2016.....	3,161,130 ¹

¹ The amounts shown for 2014, 2015, and 2016 reflect the sequester reduction for mandatory programs pursuant to the Budget Control Act of 2011 (P.L. 112-25). The mandatory appropriation was reduced by 7.2 percent in 2014, 7.3 percent in 2015, and 6.8 percent in 2016.

FY 2017 BUDGET REQUEST

The Administration requests \$3.4 billion, an increase of \$6.8 million over the fiscal year 2016 mandatory level to help States and Tribal governments increase the participation of individuals with disabilities in the workforce. Of the amount requested, \$43.1 million would be set aside to support grants under the American Indian Vocational Rehabilitation Services (AIVRS) program. The Request reflects the economic adjustment specified in the authorizing statute based on the Consumer Price Index for all Urban Consumers (0.2 percent for fiscal year 2017). While individuals with disabilities are a vital and integral part of American society, some face particular barriers to high-quality employment. Although many people with disabilities are obtaining jobs and remaining employed, the unemployment rate for people with disabilities is

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Vocational rehabilitation State grants

still very high. For example, in the “Persons with a Disability: Labor Force Characteristics” report released in June 2015 (2014 data), the U.S. Bureau of Labor Statistics released results from the Current Population Survey indicating that of those aged 16-64 (U.S. working age population), people with sensory, physical, mental, and/or self-care disabilities are significantly less likely to be employed (either full time or part time) than people without such disabilities (26.0 percent versus 71.7 percent, respectively) and that only 18.4 percent of working-age individuals with disabilities were usually working full-time. Of those people with disabilities who were employed, 29.3 percent usually worked part time (less than 35 hours per week) compared to 17.3 percent of people without such disabilities. In addition, employed persons with a disability were more likely to be self-employed (11.1 percent) than those with no disability (6.2 percent). (Source: <http://www.bls.gov/news.release/disabl.toc.htm>.)

The VR State Grants program is a critical component of the Federal workforce development system and continues to be the primary Federal vehicle for assisting individuals with disabilities, particularly individuals with the most significant disabilities, to obtain competitive integrated employment. Nationally, there are about 1 million individuals with disabilities in various phases of the vocational rehabilitation process within the VR system, about 94 percent of whom are individuals with significant disabilities. If a State VR agency cannot serve all eligible persons, it must first serve those individuals with the most significant disabilities under an “order of selection.” For fiscal year 2016, the State Plans of 37 of the 80 State VR agencies documented that the agency had established an order of selection, one agency more than in fiscal year 2016. This total includes 60.7 percent of the general and combined State VR agencies and 12.5 percent of the State VR agencies serving blind individuals.

Opportunities and Challenges

WIOA fosters new opportunities for innovation and collaboration across Federal, State, and local agencies, private organizations, and employers; and promotes increased access to employment, education, training, and support services to assist individuals with employment barriers, such as individuals with disabilities and youth, to succeed in the competitive labor market. As a core partner of WIOA’s one-stop service delivery system, the VR program provides individuals with disabilities, particularly individuals with the most significant disabilities, the services they need to obtain competitive integrated employment. In the 21st century global economy, individuals with disabilities must acquire the skills they need to compete for, obtain, and advance in the same type of high quality jobs and high demand careers as persons without disabilities.

VR agencies will face a number of challenges in developing and expanding employment opportunities for individuals with disabilities and building their capacity to successfully carry out the goals of and requirements of the new workforce development system. State VR agencies will need to build their capacity to:

- Provide the services and supports that individuals with disabilities will require to achieve high quality employment in the 21st century global economy;

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- Coordinate and work effectively with their workforce partners, including employers, education and training providers, and other entities providing services to individuals with disabilities;
- Expand the knowledge and skills of VR counselors and other personnel to implement effective job-driven strategies that better enable employers to recruit, job match, hire, and retain qualified individuals with disabilities; and
- Efficiently and effectively manage program resources, including reallocating limited resources to carry out new statutory and regulatory requirements.

For example, State VR agencies must invest additional resources in building and maintaining relationships with employers, including working with employers to determine local or regional hiring needs, designing training programs that are responsive to those needs, and developing work-based learning opportunities (e.g., paid internships, apprenticeships, or on-the-job-training) and in training VR personnel to understand and utilize data about job trends and industry and occupational classification systems.

WIOA places great emphasis on the provision of services to students and youth with disabilities to ensure that they have meaningful opportunities to receive the training and other services they need to achieve competitive integrated employment. In particular, WIOA amendments to the Rehabilitation Act expand the population of students who may receive services under the VR program and permit a wider range of services to students who are transitioning from school to post-school activities. To meet these challenges, State VR agencies will need to:

- Engage in coordinated transition planning, with various education systems, job training programs, Medicaid, independent living centers, housing and transportation authorities, as well as businesses and employers;
- Assist students to identify and pursue career pathways and employment goals that will lead to competitive integrated employment; and
- Provide a broad spectrum of services that will support students throughout the transition process, including work-based learning experiences, postsecondary education and training, and supported employment.

In addition, State VR agencies will need to redirect resources to provide pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services; transition services for the benefit of groups of students and youth with disabilities; and extended services to youth with the most significant disabilities seeking supported employment.

As a core partner of WIOA's one-stop service delivery system, State VR agencies will also face new administrative and resource challenges, including mandated support for one-stop system and implementation and on-going costs associated with performance accountability (e.g., new data collection and reporting requirements). In addition, expansion of services under the

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Rehabilitation Act will present new challenges in the allocation of program resources, case management, and the delivery of services.

WIOA Implementation and Capacity Building

The Department has analyzed the public comments from the five NPRMs implementing WIOA and the associated information collection requirements and has worked with the Department of Labor to address joint policy issues. The final regulations will assist States in implementing the new WIOA provisions which the Departments anticipate will be published concurrently in June 2016. In addition to issuing final rules, the Office of Special Education and Rehabilitative Services (OSERS) will be developing guidance to assist State VR agencies and its partners that play a role in the success of individuals with disabilities in obtaining and maintaining employment, including youth with disabilities transitioning from high school to postsecondary education and careers.

To help meet these challenges, the Department is also directing available discretionary resources to assist State VR agencies in implementing new WIOA requirements and building their capacity to meet the employment needs of individuals with disabilities and their prospective employers. In fiscal years 2014 and 2015, the Rehabilitation Services Administration (RSA) awarded cooperative agreements under the Rehabilitation Training and the Demonstration and Training programs for this purpose, including five VR technical assistance and training centers and four model projects demonstrating promising practices in the use of career pathways to improve employment outcomes for individuals with disabilities.

The Administration is also planning to leverage existing resources to meet the data requirements of WIOA. Included in the President's budget request for the Department of Health and Human Services (HHS) is a proposal to allow other agencies, and their State partners, access to the National Directory of New Hires, a federal database of employment and unemployment insurance information administered by the Office of Child Support Enforcement within HHS. This resource, which would be utilized at the sole discretion and option of the State, would provide States with an additional data collection tool to determine employment and wage outcomes across State lines for the purpose of reporting program performance under WIOA. The proposal includes language that would limit unauthorized access, use, disclosure, or re-disclosure of personally identifiable information; requires that the minimum data necessary be accessed; and satisfies the Administration's criteria for when authority to access NDNH data should be considered. More information about this request, as well as the package of proposals allowing additional programs and agencies authority to access NDNH, can be found in the HHS budget request, posted at <http://www.hhs.gov/about/budget/>, and the *A Government of the Future Budget* chapter.

While the Administration is optimistic that changes resulting from WIOA will improve performance of the VR program in the long-term, we recognize that State VR agencies face significant implementation challenges, particularly where such changes are likely to increase program costs and the demand for services. Without additional resources, increased costs coupled with new set-asides and infrastructure support will strain resources for providing direct services to VR consumers. Unfortunately in recent years, resources for the VR program have

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been reduced through sequestration of mandatory programs required by the Budget Control Act of 2011.

Disability Innovation Fund

In order to receive their full Federal VR allotment, States must provide the required non-Federal share (21.3 percent) and have met their maintenance of effort (MOE) requirement for the previous year. In recent years, the economic downturn negatively affected a number of States' ability to meet these requirements. Section 110(b)(2) of the Rehabilitation Act requires the Commissioner of RSA to make available for reallocation to States any funds that were allotted but not utilized by a State to carry out the VR program, if they will be able to use such additional amounts during the current or subsequent fiscal year, provided they are able to pay the non-Federal share of the cost in the fiscal year for which the funds are appropriated. Historically, the Department had been able to reallocate all of the funds that had been returned or unallotted due to MOE penalties because the request for additional funds exceeded the amounts available for reobligation. However, since 2009, fewer States have requested additional funds during reallocation. As a result, the amount of funds returned by States at the end of the fiscal year, or remained unobligated due to MOE penalties, has exceeded the additional funds requested because many States are unable to match the Federal funds.

Beginning with the fiscal year 2012 budget request, the Administration has sought authority to use amounts that remain available subsequent to the reallocation of funds to States under the VR State Grants program to conduct innovative activities aimed at improving outcomes for individuals with disabilities (Disability Innovation Fund or "DIF"). Absent authority provided in appropriations language, these annual funds would lapse and no longer be available for Federal obligation.

Promoting Readiness of Minors in Social Security Income (FY 2012 and 2013 VR Funds)

In the fiscal year 2012 and 2013 appropriation bills, Congress provided authority to use these unobligated funds to improve the education and employment outcomes of children receiving Supplemental Security Income (SSI) and their families, including authority for the funds to remain available for Federal obligation for an additional 12-month period. In fiscal year 2013, VR funds remaining from the 2012 appropriation were used to award 5-year grants to five States and a consortium of States for model demonstration projects (MDPs) under the Promoting Readiness of Minors in Social Security Income (PROMISE) program. PROMISE is a joint initiative with the Social Security Administration (SSA) and the Departments of Health and Human Services and Labor. Under the PROMISE program, States have developed partnerships and are implementing interventions designed to improve the provision and coordination of services and supports for children who receive SSI and their families and achieve outcomes that lead to increased economic self-sufficiency and a reduction in their dependence on SSI payments. A rigorously designed national evaluation of PROMISE is being conducted under a contract with SSA, in collaboration with the Department of Education. The evaluation will result in several products, one of which is a series of early assessment reports that have assessed issues related to the implementation of the evaluation in each program and have provided recommendations for evaluation-related technical assistance.

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In fiscal year 2014, the Department used \$92.5 million in unobligated VR funds that became available from the fiscal year 2013 appropriation for the VR State Grants program to cover continuation costs of the MDPs, as well as the costs of the PROMISE technical assistance grant awarded in fiscal year 2014. All six projects are recruiting and enrolling participants and they will continue this process through April 2016. In total, the projects have committed to enrolling 13,172 child SSI participants. Approximately half of the children and families enrolled will be placed in the treatment group and receive project services. As of January 25, 2016, 11,257 participants (85 percent of the goal) have been enrolled across the six projects and enrollment will continue until April 30, 2016 or earlier, if a project reaches its enrollment target. Program participants in the intervention group are receiving services that include paid competitive employment opportunities. For example, in the summer of 2015, approximately 280 youth in the Arkansas PROMISE project were engaged in summer employment across approximately 200 different organizations. As of January 21, 2016, 208 Maryland PROMISE participants have gained paid employment experiences across all five regions in Maryland. In addition, 227 family members and 106 youth from Wisconsin PROMISE have participated in paid community employment experiences. Additional information can be found on the PROMISE technical assistance center's website at <http://www.promisetacenter.org/>.

Automatic Personalization Computing Project (FY 2014 VR Funds)

The fiscal year 2014 appropriation included language that allows the Department to use funds that remain available subsequent to the reallocation of 2014 funds to State VR agencies to support activities under the PROMISE program and up to an additional \$20 million of such funds for other innovative activities aimed at improving outcomes for individuals with disabilities. The 2014 language also provided authority for the funds to remain available for Federal obligation until September 30, 2015. In fiscal year 2015, the Department used unobligated fiscal year 2014 VR funds (about \$37.2 million) to fully fund a 5-year innovative Automated Personalization Computing Project (APCP) that will help to advance equal access to Web-based content and tools for individuals with disabilities or language barriers, and to provide supplemental awards to support PROMISE activities. The goal of the APCP is to ensure that individuals with disabilities can access computer information with personalized accommodations whether at home, school, or the workplace, as long as there is Web access. This initiative will build upon past research supported by the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR) on accessible computing, including its work with the World Wide Web Consortium's Web Accessibility Initiative, which sets international standards for Internet accessibility.

The APCP is designed as a public/private partnership that will pilot a 5-year project to improve outcomes for individuals with disabilities by increasing access to information and communication technologies through automatic personalization of needed assistive technology. Examples of such personalization could include font size or color, text-to-speech functionality, overall cognitive access (such as site simplification, or simple language), translation from one language to another, and volume levels of audio features. This project is creating an information technology infrastructure to allow users of information and communication technologies to store preferences in the cloud or other technology, and allow the supported Internet-capable devices they are using to automatically run their preferred assistive technology solutions. In addition to

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piloting and testing the reliability of the infrastructure, the project will demonstrate the transferability of the automated personalization to ensure it can follow a person across multiple sites and multiple devices, and the scalability and sustainability of the model(s).

The Department partnered with NIDILRR (now administered by the Administration for Community Living in HHS), the National Institute of Standards and Technology (NIST), and the Access Board, among others, in overseeing this initiative.

Transition Work-Based Learning Demonstrations (FY 2015 VR Funds)

Despite heightened emphasis on the provision of transition services under the Individuals with Disabilities Education Act, (IDEA) and the Rehabilitation Act of 1973 as amended (Rehabilitation Act), students with disabilities continue to face challenges as they transition from school to post-school activities, including postsecondary education and competitive integrated employment. These individuals often have lower high school graduation rates, lower postsecondary enrollment rates, and higher unemployment rates than peers without disabilities (Leucking, D.M., & Luecking, R.G. (2015, May)).¹

These challenges have led to recent attempts to synthesize what works in transition and to suggest approaches to address these challenges. For example, the “National Collaborative on Workforce and Disability for Youth, Guideposts for Success” (second edition) identifies five guideposts as part of a framework for facilitating the transition of youth with disabilities — school-based preparation, career preparation and work-based learning activities, youth development and leadership, connecting activities, and family involvement and support (see <http://www.ncwd-youth.info/guideposts>).

As stated previously, WIOA expands the services and population of students with disabilities who may receive services under the VR program. In particular, States are required to reserve 15 percent of their VR allotment to provide pre-employment transition services identified in new section 113 of the Rehabilitation Act to students with disabilities who are eligible or potentially eligible for VR services. The pre-employment transition services that State VR agencies must provide under section 113 are aligned with the career preparation and work-based learning activities guidepost. These pre-employment transition services include: job exploration counseling, workplace readiness training, work-based learning experiences, counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education, and instruction in self-advocacy.

While there is emerging consensus about the practices, factors, or elements that appear to contribute to the delivery of optimal transition services, the evidence-base for specific interventions aligned with these elements is very limited. However, work-based learning is widely considered a key component in improving outcomes for youth with disabilities. Research conducted by Richard Luecking and others over the last 10 years has shown a strong

¹ Leucking, D.M., & Luecking, R.G. (2015, May). Translating Research Into a Seamless Transition Model. *Career Development and Transition for Exceptional Individuals*, 38(1), 4-13.

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relationship between work experiences during secondary school and post-school employment for youth with disabilities. Research also indicates that work experiences for youth with disabilities, especially paid employment, can be effective in influencing post-school employment. However, strategies and interventions that are based on the most promising evidence of effectiveness in providing work-based learning experiences are needed.

Through the Disability Innovation Fund, the Department plans to award 5-year demonstration projects in FY 2016 to identify and demonstrate work-based learning interventions for students with disabilities that are supported by research and rigorously evaluated. Information gained from these projects would be translated for use by State VR agencies in collaboration with their local partners to improve postsecondary and career outcomes for youth with disabilities. As with other DIF initiatives, the Department has sought input in the early planning of this initiative from colleagues with related expertise in the Department, such as IES, and our Federal partners from the Departments of Labor, Health and Human Services, and the Social Security Administration. The Department expects to publish a notice of proposed priorities for this grant competition to obtain public comment in March 2016.

Approximately \$28.5 million remained unobligated at the end of fiscal year 2015, the majority of which was from MOE penalties (\$22.6 million). Similar to previous years, a small percentage of States returned grant funds they had been awarded. A total of 13 States returned some of their 2015 grant funds, while 26 States requested additional funds in reallocation. Three of the 13 States accounted for 45 percent of the returned funds. In addition, 17 States had their fiscal year 2015 allotment reduced because they did not meet their fiscal year 2014 MOE requirement. Seven of the 17 States with MOE penalty reductions also returned a portion of their 2015 grant funds and 2 requested additional funds in reallocation.

DIF Proposal for Fiscal Year 2016 and 2017 Funds

After a record high in fiscal year 2012 (over \$100 million), the amount of available VR funds that are not reallocated to States by September 30th of that fiscal year has been gradually declining. In general, States continue to recover from the earlier economic downturn and stabilize their spending patterns. In addition, the sequestration of mandatory funds in recent years has reduced the amount of funds State VR agencies would have otherwise received through the allotment formula.

The Department expects that only a very few State VR agencies will be unable to match their fiscal year 2016 and 2017 Federal funds and will be able to reallocate all returned grant funds to other State VR agencies. While the Department expects that the number of States that are unable to meet their MOE requirement will decline, we also anticipate that there will continue to be unobligated funds resulting from MOE penalties in fiscal years 2016 and 2017. Based on this assumption, the Administration is requesting appropriations language for fiscal year 2017 to continue the authority to use such funds to support innovative activities under the DIF that would otherwise be unavailable for Federal obligation.

Consistent with the fiscal year 2016 Budget Request, the Administration would use unobligated fiscal year 2016 VR funds to help support demonstrations to provide early intervention services

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to populations at risk of dependence on SSDI/SSI. If unobligated FY 2016 VR funds are not sufficient to fully fund the cost or ED's contribution to the total cost of this initiative, a portion of FY 2017 unobligated VR funds may also be used for this purpose. People with chronic conditions and disabilities, even when those conditions cause significant functional impairments, can often remain at work as their condition worsens, provided they have affordable access to the right types of accommodations, supports, health care, and job training or retraining at the right time. Additionally, Section 412(a)(3) of WIOA amends the VR State plan to include a new provision that permits a State to elect to serve eligible individuals (whether or not receiving vocational rehabilitation services) who require specific services or equipment to maintain employment. This DIF proposal would support that provision by helping State VR agencies to identify and implement effective strategies to help individuals maintain employment. The Department will work with SSA and other agencies to further develop this proposal as well as other possible demonstrations to provide early intervention services to populations at risk of dependence on SSDI/SSI.

WIOA made significant changes to the VR State Grants program and its core partner programs under the workforce development system. As States begin implementing new regulations over the next two years, the Administration will be closely monitoring their impact and will work with the Departments of Labor and Education in identifying how FY 2017 unobligated funds could be used to support innovative strategies that can improve outcomes for individuals with disabilities in the new WIOA environment.

American Indian Vocational Rehabilitation Services

In fiscal year 2017, the Department would set aside \$43.1 million for grants under the American Indian Vocational Rehabilitation Services (AIVRS) program. The request would enable the Department to provide support for the continuation of about 86 tribal VR projects that were awarded in previous years. These funds assist tribal governments to provide a program of VR services in a culturally relevant manner to American Indians with disabilities residing on or near reservations. Consistent with Section 121(c) of the Rehabilitation Act, the Department plans to reserve 1.8 percent of these funds to support training and technical assistance to governing bodies of Indian tribes located on Federal and State reservations.

New section 121(c) of the Rehabilitation Act requires RSA to reserve not less than 1.8 percent and not more than 2 percent of the funds set aside from the State VR program (section 110(c) of the Act) for the AIVRS program to provide training and TA to governing bodies of Indian tribes that have received AIVRS grants under section 121(a) of the Act. The Department awarded a five year cooperative agreement in fiscal year 2015 to establish an AIVRS Training and Technical Assistance Center. The Center will develop and provide training and TA for AIVRS projects in the following priority areas:

- Applicable laws and regulations governing the AIVRS program;
- Promising practices for providing services to American Indians with disabilities;

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- Delivery of services to American Indians with disabilities, including the determination of eligibility, case management, case record documentation, assessment, development of the individualized plan for employment, and placement into competitive integrated employment;
- Assistive Technology (AT), including what AT is, how to evaluate the need for AT, use of AT, and access to AT;
- Professional development practices to ensure effective project coordination, administration, and management;
- Financial and grant management practices to ensure compliance with OMB's Uniform Guidance (2 CFR 200) and the Education Department General Administrative Regulations; and
- Evaluating program performance, including data collection, data analysis, and reporting.

PROGRAM OUTPUT MEASURES

Vocational rehabilitation State grants

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Individuals receiving services ¹	950,000	960,000	965,000
Individuals with significant disabilities as a percent of all individuals receiving services	94%	94%	94%
Total number of cases closed	464,000	466,400	467,000
Individuals whose cases were closed and received VR services	325,000	326,000	327,000
Individuals achieving an employment outcome ²	184,000	184,500	185,000
Individuals with significant disabilities as a percent of all individuals achieving an employment outcome	94%	94%	94%

Note: Data for fiscal years 2015 through 2017 are projections based on actual data for fiscal years 2013 and 2014 and preliminary 2015 data from the RSA Quarterly Cumulative Caseload Report (RSA-113).

¹ Includes all eligible individuals who received VR services during the fiscal year.

² Represents the number of individuals who exited the program after receiving services and achieved an employment outcome.

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American Indian vocational rehabilitation services (dollars in thousands)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Project funding:			
New AIVRS project funds	\$13,598 ¹	\$7,840	0
Continuation AIVRS project funds	24,850 ²	34,378	42,324
Technical assistance	705	774	776
Peer review of new awards applications	7	8	0
Number of AIVRS projects:			
New projects	29	11	0
Continuation projects	<u>55</u>	<u>75</u>	<u>86</u>
Total projects	84	86	86

¹ The total amount for new awards shown in the 2015 column of the table includes \$593 thousand that was used to pay a portion of the 2016 continuation costs of 3 AIVRS projects awarded in 2015.

² The total amount of continuation funding shown in the table does not include two projects for which the fiscal year 2012 through 2015 continuation costs were paid in fiscal year 2011. These costs were paid from unobligated funds that became available as a result of the reallocation of funds under the VR State Grants program carried out pursuant to section 110(b)(2).

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years, as well as the resources and efforts invested by those served by this program.

WIOA eliminated the VR standards and indicators under section 106 of the Rehabilitation Act, which previously served as the basis for most of the VR State Grant program GPRA measures and requires that States that operate core programs of the publicly funded workforce system, including the VR State Grants program, to comply with common performance accountability requirements in section 116 of WIOA. Section 116 of WIOA requires States that operate core programs to submit common performance data to demonstrate that specified performance levels are achieved. Required annual data for the core programs include those related to the primary performance indicators, participant counts and costs, and barriers to employment. A list of the primary performance indicators set forth in section 116 of WIOA is included in the 'Program Description'. In addition to the data to support the WIOA primary performance indicators, State VR agencies will continue to report program-specific data through the RSA-

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911. However, consistent with its WIOA partners, the Department plans to collect program and performance data on a quarterly basis for a 12-month program year cycle from July to June, rather than the current fiscal year cycle from October to September. While, agencies are expected to begin to collect data to support the joint performance measures during program year 2016, the Departments of Education and Labor expect all agencies to fully collect and report quarterly performance and other data for program year 2017. Thus, the Budget Request does not include 2017 performance targets for the current GPRA measures.

While targets for fiscal years 2015 and 2016 have been included for the current GPRA measures below, the Department is considering whether to replace these measures with interim GPRA measures that are more aligned with the WIOA joint primary indicators until State performance data on those indicators are available. The interim GPRA measures would use data that is available from the current VR Case Service Report (RSA-911) to assess program performance.

VR State Grants

Goal: Individuals with disabilities served by the Vocational Rehabilitation State Grant program will achieve high quality employment.

***Objective:** Ensure that individuals with disabilities who are served by the Vocational Rehabilitation State Grant program achieve employment consistent with their particular strengths, resources, abilities, capabilities, and interests.*

Measure: Percentage of general and combined State VR agencies that assist at least 55.8 percent of individuals receiving services to achieve employment.

Year	Target	Actual
2012	55%	57%
2013	57	64
2014	59	79
2015	60	
2016	62	

Measure: Percentage of State VR agencies for the blind that assist at least 68.9 percent of individuals receiving services to achieve employment.

Year	Target	Actual
2012	60%	67%
2013	62	62
2014	62	62
2015	64	
2016	64	

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Additional information: This measure assesses the percentage of individuals who the State VR agency determines to have achieved an employment outcome out of all the individuals who exit the VR program after receiving services. In order to pass this indicator, a general or combined agency must achieve an employment outcome rate of 55.8 percent, while an agency for the blind must achieve a rate of 68.9 percent.

In fiscal year 2014, the target set for the group of general and combined State VR agencies was far exceeded and performance on this measure (78.6 percent) improved significantly, with 44 of 56 agencies meeting the 55.8 percent performance criteria, 8 more than in 2013. The group of State VR agencies serving individuals who are blind also met their fiscal year target for the measure. Overall, fiscal year 2014 data show continued progress, with an increase of 737 employment outcomes as compared to fiscal year 2013. However, the performance of many State agencies continues to vary, particularly in terms of the number and percentage of employment outcomes. In fiscal year 2014, 59 of the 80 agencies experienced an increase or no change in the number of employment outcomes, however, 21 agencies had a decrease in employment outcomes. For example, one agency reported an increase of approximately 1,000 employment outcomes in fiscal year 2014, while another agency reported a decrease of approximately 2,000 employment outcomes.

Measure: Percentage of general and combined State VR agencies that assist at least 85 percent of individuals with employment outcomes to achieve competitive integrated employment.

Year	Target	Actual
2012	95%	96%
2013	95	96
2014	95	95
2015	96	
2016	98	

Measure: Percentage of State VR agencies for the blind that assist at least 65 percent of individuals with employment outcomes to achieve competitive integrated employment.

Year	Target	Actual
2012	85%	92%
2013	90	88
2014	92	88
2015	92	
2016	92	

Additional information: These measures assess the percentage of all individuals with employment outcomes who achieve competitive employment. Competitive employment is defined in current State VR program regulations as work in the competitive labor market that is performed on a full-time or part-time basis in an integrated setting, and for which an individual is

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compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled.

Under these measures, general and combined agencies must assist at least 85 percent of individuals with employment outcomes to achieve competitive employment, and agencies for the blind must assist at least 65 percent of individuals with employment outcomes to achieve competitive employment. In fiscal year 2014, the performance of the general and combined agencies on this measure was slightly below 2013, but the target was still met. In fiscal year 2014, only 3 of the 56 general and combined agencies did not meet the performance criterion. In 2014, performance for the group of agencies for the blind was the same as in 2013, but performance was still lower than in fiscal years 2011 and 2012, with three agencies not performing at the 65 percent criterion and so the target was not met.

Measure: Percentage of general and combined State VR agencies for which at least 80 percent of the individuals achieving competitive employment have significant disabilities.

Year	Target	Actual
2012	90%	89%
2013	91	91
2014	92	93
2015	92	
2016	93	

Measure: Percentage of State VR agencies for the blind for which at least 90 percent of the individuals achieving competitive employment have significant disabilities.

Year	Target	Actual
2012	100%	96%
2013	100	96
2014	100	96
2015	100	
2016	100	

Additional information: This measure assesses the percentage of individuals achieving competitive employment who have significant disabilities. In order for a general or combined agency to pass this indicator, at least 80 percent of individuals achieving competitive employment must have a significant disability. In fiscal year 2014, the performance of general and combined agencies on this measure increased as compared to 2013, and the 92 percent GPRA target was met.

For an agency for the blind to pass this indicator, at least 90 percent of individuals achieving competitive employment must have a significant disability. The performance criterion for agencies for the blind on this measure is higher, 90 percent compared to 80 percent, because a

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higher percentage of individuals served by these agencies have significant disabilities. As in the 3 previous years, all but one of the 24 agencies for the blind met the 90 percent criterion, but performance fell short of the 100 percent target.

Efficiency Measure

Goal: State VR agencies will effectively manage their Federal Vocational Rehabilitation State Grant program resources.

Objective: *Ensure that State VR agencies demonstrate effective fiscal management.*

Measure: Percentage of general and combined State VR agencies that demonstrate an average cost per participant between \$1,200 and \$3,300.

Year	Target	Actual
2012	70%	68%
2013	70	64
2014	66	61
2015	64	
2016	64	

Measure: Percentage of State VR agencies for the Blind that demonstrate an average cost per participant of no more than \$8,000.

Year	Target	Actual
2012	63%	63%
2013	63	58
2014	63	58
2015	63	
2016	63	

Additional information: A common efficiency measure for job training programs is the cost per participant. At the national aggregate level, the cost per participant is calculated by dividing the final grant award by the total number of eligible individuals who received VR services. The sources of data for this measure are State agency data from the RSA-113 Caseload Report and RSA final State agency allocation tables. In fiscal year 2014, performance on this measure decreased with 34 of the 56 (60.7 percent) general and combined State VR agencies demonstrating an average cost per participant within the established performance range (between \$1,200 and \$3,300), two agencies fewer than in fiscal year 2013. Of the 24 agencies for the blind, 14 (58.3 percent) had an average cost per participant of no more than \$8,000, the same as the previous year.

For fiscal year 2014, the average annual cost per participant for general and combined State vocational rehabilitation agencies was \$3,015 with a range (excluding the outlying areas) of \$1,383 to \$6,295. For agencies for the blind, the average annual cost per participant was

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\$7,065 with a range from \$3,789 to \$14,308. In comparison, the fiscal year 2013 average annual cost per participant for general and combined State vocational rehabilitation agencies was \$2,885, while for agencies for the blind it was \$6,994.

The Department plans to revise these measures because the criterion set (e.g., average cost per participant between \$1,200 and \$3,300 for general and combined State VR agencies) is no longer appropriate. Therefore, fiscal year 2017 targets for these measures have not been set.

American Indian Vocational Rehabilitation Services

Performance Measures

Goal: To improve employment outcomes of American Indians with disabilities who live on or near reservations by providing effective tribal vocational rehabilitation services.

Objective: *Ensure that eligible American Indians with disabilities receive vocational rehabilitation services and achieve employment outcomes consistent with their particular strengths, resources, abilities, capabilities, and interests.*

Measure: The percentage of individuals who leave the program with employment outcomes, after receiving services under an individualized plan for employment.

Year	Target	Actual
2012	64%	62%
2013	65	69
2014	65	67
2015	66	
2016	66	
2017	67	

Additional information: Data for fiscal year 2014 show that 67 percent of the 3,139 individuals with disabilities who exited the program after receiving services in that year achieved an employment outcome and the performance target for this measure was met. While overall performance on this measure decreased as compared to the previous fiscal year, the reported number of American Indians with disabilities achieving an employment outcome increased compared to 2013. In fiscal year 2014, the 84 projects operating in that fiscal year (projects funded with fiscal year 2013 appropriations) that reported data assisted a total of 2,102 American Indians with disabilities to achieve an employment outcome as compared to 1,891 in the previous year. However, there is a wide variation in the reported number and percentage of individuals who achieve an employment outcome by individual AIVRS projects. Fiscal year 2014 was the fifth and final project year for over half of the grantees, which may have contributed to the reported increase in employment outcomes. Fiscal year 2015 performance is likely to drop as it will be the first project year for over half of the 83 projects operating in that year. Fiscal year 2015 data will be available in May 2016.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Vocational rehabilitation State grants

Efficiency Measures

The Department established two efficiency measures to ensure that AIVRS projects demonstrate effective fiscal management. These include cost per employment outcome and cost per participant.

Objective: *Ensure that AIVRS projects demonstrate effective fiscal management.*

Measure: The percentage of AIVRS projects that demonstrate an average annual cost per employment outcome of no more than \$35,000.

Year	Target	Actual
2012	72%	76%
2013	72	76
2014	72	80
2015	76	
2016	76	
2017	76	

Additional information: This efficiency measure examines the percentage of AIVRS projects having a cost per employment outcome within a specified range. The source of data for this measure is the AIVRS Annual Reporting Form. At the national level, the average cost per employment outcome for this program is calculated by dividing the amount of the set-aside, excluding peer review costs, by the total number of individuals who achieved an employment outcome. Using this method for the AIVRS program in fiscal year 2014, 79.6 percent of the projects demonstrated an average annual cost per employment outcome of no more than \$35,000 and the target for this measure was exceeded. The median cost per employment outcome for the 84 projects reporting data was approximately \$20,294. However, the cost per employment outcome varied significantly across projects.

Measure: The percentage of AIVRS projects that demonstrate an average annual cost per participant of no more than \$10,000.

Year	Target	Actual
2012	84%	88%
2013	85	88
2014	86	83
2015	86	
2016	86	
2017	86	

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Additional information: At the national level, the average annual cost per participant for this program is calculated by dividing the amount of the set-aside, excluding peer review costs, by the total number of individuals who received services under an Individualized Plan for Employment (IPE). In fiscal year 2014, 84 AIVRS projects reported serving a total of 8,185 American Indians with disabilities, about 404 more individuals than in 2013. While the total number of participants increased, performance on this measure decreased in fiscal year 2014 with more projects reporting an average annual cost per participant of more than \$10,000, and so the target was not met. The median annual cost per participant for the 84 projects reporting data was approximately \$5,834.

REHABILITATION SERVICES

Client assistance State grants
(Rehabilitation Act of 1973, Title I, Section 112)

(dollars in thousands)

FY 2017 Authorization: \$13,195

Budget Authority:

<u>2016</u>	<u>2017</u>	<u>Change</u>
\$13,000	\$13,000	0

PROGRAM DESCRIPTION

The Client Assistance Program (CAP) provides grants to States for services to assist eligible individuals and applicants for the Vocational Rehabilitation (VR) State Grants program and other programs, projects, and services funded under the Rehabilitation Act (the Act). Services are provided to help eligible individuals and applicants understand the rehabilitation services and benefits available under the Act, and to advise them of their rights and responsibilities in connection with those benefits. Assistance may also be provided to help eligible individuals and applicants in their relationships with those providing services under the Act, including assistance and advocacy in pursuing legal and administrative remedies to ensure the protection of their rights. State VR agencies must inform VR consumers about the services available from the CAP and how to contact the CAP. States must operate a CAP in order to receive VR State grant funds.

States and outlying areas have adopted different organizational structures for meeting the requirement to establish a CAP in each State. Each Governor designates a public or private agency to operate a CAP. This designated agency must be independent of any agency that provides services under the Act, except in cases where the Act “grandfathered” agencies providing such services under the Act. If one of these “grandfathered” agencies should be restructured, the Governor is required to redesignate the CAP to an agency that does not provide services under the Act.

Current designations include the following:

- 12 of the Governors have designated the CAP to external State agencies;
- 7 of the Governors have designated CAP agencies internal to the VR agency; and
- 37 of the Governors have designated CAP to private or non-profit organizations.

The CAP is a current-funded formula grant program. When appropriations exceed \$7.5 million, funds are distributed on the basis of population, with a minimum allotment of \$100,000 to each of the 50 States, D.C., and Puerto Rico and \$45,000 to each of the outlying areas. When the appropriation increases, the Act also requires the Secretary to increase the minimum allotments for States and outlying areas by an amount not greater than the percentage increase in the appropriation. The Workforce Innovation and Opportunity Act also requires that funds be set

REHABILITATION SERVICES AND DISABILITY RESEARCH

Client assistance State grants

aside under this program for two activities before awarding grants to eligible States and outlying areas with the remaining funds. The first set-aside reserves funds, at the same amount as provided to outlying areas, for an award to the eligible system established under the Developmental Disabilities Assistance and Bill of Rights Act to serve the American Indian consortium. In addition, if the appropriation is equal to or exceeds \$14 million, the Secretary must set aside between 1.8 percent and 2.2 percent of the amount appropriated for training and technical assistance to CAPs established under this program. The fiscal year 2015 allotments were based on the July 1, 2013 population estimates published in December 2013. The fiscal year 2016 allotments are based on the July 1, 2014 population estimates published in December 2014. The fiscal year 2017 State distributions will be based on the July 1, 2015 Census data released in December 2015.

Funding levels for the past 5 fiscal years were as follows:

Fiscal Year	(dollars in thousands)
2012.....	\$12,240
2013.....	11,600
2014.....	12,000
2015.....	13,000
2016.....	13,000

FY 2017 BUDGET REQUEST

The Administration requests \$13 million in fiscal year 2017 for the Client Assistance Program (CAP), the same as the fiscal year 2016 level. This request will help ensure that individuals with disabilities who are applying for or receiving services funded under the Rehabilitation Act will receive appropriate services and have access to administrative, legal, and other appropriate remedies when needed to protect their rights.

Data collected by the Rehabilitation Services Administration for fiscal year 2014 show that, nationwide, CAPs responded to 39,654 requests for information and provided extensive services to 5,415 individuals. Slightly more than 96 percent of those cases in which extensive services were provided involved applicants for or recipients of services from the Vocational Rehabilitation (VR) program. In 89 percent of all cases, issues related to the VR process or delivery of VR services. This data also demonstrates that in 41 percent of the cases closed, CAPs enabled the individuals to advocate for themselves through the explanation of policies; 16 percent resulted in the development or implementation of an Individualized Plan for Employment (IPE); and 15 percent resulted in the reestablishment of communication between the individuals and other parties. In addition, 71 percent of the cases requiring action by the CAP on behalf of the individual were resolved in the individual's favor.

The following activities provided in fiscal year 2014 are examples of CAP activities. Fiscal year 2017 funds may support similar activities.

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- In the District of Columbia (DC), CAP represented a consumer with autism and learning disabilities who was denied college tuition by the VR agency to a college in Connecticut that specializes in educating students with significant learning disabilities. Due to the consumer's significant learning disability, the consumer requires intensive supports while attending college to be successful. The VR agency questioned whether the consumer needed to attend college to meet his vocational goal, which was to be a criminal investigator. The DC CAP filed for an expedited hearing before the Office of Administrative Hearings, seeking college tuition, room and board, tutoring support, transportation and a computer and software.

During the Administrative Hearing, CAP presented four witnesses, which included the consumer, his mother, his high school guidance counselor, and the psychologist from his high school. After the first day of a 3-day trial, the VR agency agreed to settle the case and funded the consumer's tuition for all 4 years, including the costs for tuition, room and board. In addition, the VR agency agreed to provide the consumer with a computer, needed software, and all transportation costs to and from the college.

- In Louisiana, a consumer diagnosed with quadriplegia following an all-terrain vehicle accident, required the use of an electric wheelchair for mobility, and assistance through personal care services for most of her personal needs, requested CAP's representation to resolve a dispute she was having with the VR agency.

The VR agency conducted a vocational evaluation and found the consumer to be "an excellent candidate for vocational rehabilitation" and "capable of college study." As the consumer began her college education in pursuit of a Psychology degree, the consumer made arrangements to purchase a van and requested the VR agency provide the necessary funding for her van modification as a means for her to get to and from college. The VR agency denied the consumer's request for the modifications and offered no other alternative means of transportation for her attend college.

CAP filed a request for a Fair Hearing on the consumer's behalf and submitted a pre- and post-Hearing Memorandum. Following an administrative hearing, the Hearing Officers determined, "[the VR agency] acted contrary to the Rehabilitation Act of 1973 in its decision in not providing [the consumer] van modifications as those are necessary for her to obtain her education which, in turn, is paramount for her to be able to work." As a result, the VR agency was ordered to provide the necessary van modifications to the consumer. The consumer is currently attending college and excelling in her classes.

- In Maryland, a consumer who is deaf contacted CAP and asked for assistance in appealing a decision by the VR agency related to services under his individualized plan for employment (IPE). Specifically, the VR agency denied the consumer's request to attend an out-of-state community college with a program designed specifically for the deaf. The consumer stated that the VR agency had offered to provide funding for him to attend school, but would only provide the same level of funding for an in-state community college since the VR agency believed he could receive the needed accommodation at a local school.

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CAP evaluated the consumer's request for funding to attend an out-of-state school along with the policies of the VR agency to determine if the case had merit. This individual was represented by the CAP's attorney at the appeal hearing held before an Administrative Law Judge with the Maryland Office of Administrative Hearings. This hearing resulted in a favorable ruling for the individual and the VR agency was required to fund the required costs associated with attending an out-of-state community college. The VR agency appealed the Administrative Law Judge's ruling to the Circuit Court. The Circuit Court reviewed and upheld the ruling made by the Administrative Law Judge to provide the necessary funding for the individual to attend school out-of-state.

- In Massachusetts, an individual with a disability related to her spinal cord had requested assistance from the CAP following the VR agency's denial of her desired vocational goal. The VR counselor denied the consumer's request for funding required for a real estate course noting multiple barriers to achieving the vocational goal of a real estate agent, including disability related limitations, financial difficulties, lack of a vehicle, and technological illiteracy. In addition, the consumer did not have any recent work history and very little financial means. The VR counselor suggested the consumer work in a paid internship in a different, unrelated field, and to take computer courses. The consumer was not interested in pursuing these options and was adamant about her chosen vocational goal.

The CAP agreed to represent her in an administrative review with the goal of assisting her to achieve her vocational goal. An administrative review was conducted, followed by the VR agency committing to assisting the consumer to achieve her vocational goal by finding an on-the-job training opportunity within a local real estate agency. She proceeded to learn, first hand, the particulars and job functions of a real estate agent as she began her career in real estate.

PROGRAM OUTPUT MEASURES

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Information inquiries/referrals	40,000	40,000	40,000
Individuals provided case services	5,500	5,500	5,500

NOTE: Data for fiscal years 2015 through 2017 are projected from actual data collected for fiscal year 2014 in which CAPs responded to 39,654 requests for information and provided extensive services to 5,415 individuals. Data for fiscal year 2015 will be available in December of 2016.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of results is based on the

REHABILITATION SERVICES AND DISABILITY RESEARCH

Client assistance State grants

cumulative effect of the resources provided in previous years and those requested in fiscal year 2017 and future years, as well as the resources and efforts invested by those served by this program.

Goal: To provide assistance and information to help individuals with disabilities secure the benefits available under the Vocational Rehabilitation State Grants program and other programs funded under the Rehabilitation Act of 1973, as amended.

Objective: *Accurately identify problem areas requiring systemic change and engage in systemic activity to improve services under the Rehabilitation Act.*

Measure: The percentage of CAPs that reported that their systemic advocacy resulted in changes in policy or practice.

Year	Target	Actual
2012	70%	80%
2013	70	73
2014	72	78
2015	74	
2016	74	
2017	74	

Additional information: CAPs address numerous systemic issues related to the provision of VR and other services under the Act. CAPs utilize a variety of methods to achieve changes in policies and practices, including individual advocacy, participation in the policymaking process, and negotiation with State agencies. Permanent systemic change is very difficult to achieve, and some States undertake activities that may take years to accomplish. All 56 CAPs currently are engaged in work that should ultimately result in systemic change, but this indicator measures only those States that report their activity as complete. Data are compiled from narrative reports submitted by all CAPs. A random sample of files is cross-checked with reported data to verify the data quality. The grantees input their data into the RSA Management Information System (MIS), which has edit checks to verify the accuracy of the information entered into the data fields.

During fiscal years 2009 through 2012, performance on this measure was significantly higher as compared to previous years. In fiscal year 2011, 87 percent of the CAP agencies (49 of 56 agencies) reported that their systemic advocacy resulted in changes in policy or practice. In fiscal year 2012, performance decreased to 80 percent and in 2013, performance dropped further to 73 percent (40 of 56 agencies). During fiscal year 2014, performance increased to 78 percent (44 of 56 agencies). Overall, performance during fiscal years 2012 through 2014 was still above the 2010 level of 64 percent and the targets were met. It is not clear what factor or factors may account for these large variations in performance. However, CAP performance on this measure has increased over time, as the baseline established in 1999 was 43 percent (24 of 56 agencies). Performance data for fiscal year 2015 will be available in April 2016.

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Objective: *Resolve cases at lowest possible level.*

Measure: The percentage of cases resolved through the use of alternative dispute resolution (ADR).

Year	Target	Actual
2012	93%	98%
2013	98	98
2014	98	99
2015	98	
2016	98	
2017	98	

Additional information: Since fiscal year 2007, the percentage of cases being resolved through the use of ADR has ranged from about 97 to 99 percent and the program has consistently met the performance targets established for this measure. Targets for fiscal year 2013 and future years were raised to reflect the high level of performance. Performance data for fiscal year 2015 will be available in April 2016.

REHABILITATION SERVICES

Training

(Rehabilitation Act of 1973, Title III, Section 302)

(dollars in thousands)

FY 2017 Authorization: \$37,009

Budget Authority:

<u>2016</u>	<u>2017</u>	<u>Change</u>
\$30,188	\$30,188	0

PROGRAM DESCRIPTION

The purpose of the Training program is to ensure that skilled personnel are available to meet the rehabilitation needs of individuals with disabilities assisted through vocational rehabilitation (VR), supported employment, and independent living programs. The program supports training and related activities designed to increase the number of qualified personnel providing rehabilitation services. Grants and contracts are awarded to States and public and nonprofit agencies and organizations, including institutions of higher education (IHEs), to pay all or part of the cost of conducting training programs.

Awards may be made in any of 31 long-term training fields, in addition to awards for continuing education, short-term training, experimental and innovative training, and training interpreters for persons who are deaf or hard of hearing and persons who are deaf-blind. These training programs vary in terms of content, methodology, and type of trainee. For example, the Long-Term Training program supports academic training grants that must direct 75 percent of the funds to trainee scholarships. Students who receive financial assistance from projects funded under the program are required to pay back such assistance, either by maintaining acceptable employment in public or private non-profit rehabilitation agencies for a period of time after they complete their training, or by making a cash repayment to the Federal Government.

The Training program authority requires recipients of grants under the Long-Term Training program to build closer relationships between training institutions and State VR agencies, promote careers in public vocational rehabilitation programs, identify potential employers who would meet students' payback requirements, and ensure that data on student employment are accurate. Training of statewide workforce systems personnel is authorized under the Training program, and such training may be jointly funded by the Department of Labor. Statewide workforce systems personnel may be trained in evaluation skills to determine whether an individual with a disability may be served by the VR State grants program or another component of the statewide workforce system.

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Training

FY 2017 BUDGET REQUEST

The Administration requests \$30.188 million for the Training program in fiscal year 2017, the same as the fiscal year 2016 level. In fiscal year 2017, 91 percent of the funds requested would be used to support continuation costs.

The Training program is designed to support programs that provide training to new VR staff or upgrade the qualifications of existing staff. In recent years, the major focus of the program has been to address the shortage of qualified State VR agency staff by supporting long-term training programs at IHEs to train new counselors and administrators. Currently, VR agencies are undergoing dramatic turnover due to the retirement of a large number of qualified counselors. According to 2013 data from State VR agencies, there were 1,622 vacancies out of the 17,655 total positions (9.1 percent of positions vacant) nationwide in these offices. Over the next 5 years, these agencies projected an additional 5,201 vacancies. This would mean that, in the next 5 years, State VR agencies may need to successfully fill 39 percent of existing positions just to maintain current staffing levels. The Department believes that similar shortages, though not as severe, will also affect other VR providers in the same timeframe. To address this issue, the Department has focused a considerable amount of Training program resources on long-term training, and is seeking to further target funds to address those areas of greatest need. Additionally, 75 percent of the funds awarded to universities under the Long-Term Training (LTT) program go directly to students for tuition assistance and stipends. Since this tuition assistance must be repaid through work in State VR agencies and other appropriate work settings, the Administration believes that the LTT program is the best mechanism for recruiting new graduates into the rehabilitation field.

In fiscal year 2017, the Department would also continue support for technical assistance to State VR agency personnel and their partners to improve use of promising practices that have the potential to improve the performance of the VR program. Beginning in fiscal year 2014, the Department shifted its technical assistance strategy under this program from a network of comprehensive, regionally-based centers to supporting a series of targeted, topical centers that focus on providing a wide range of support to State VR agency personnel nationwide on a specific set of issues. The majority of funds requested for fiscal year 2017 would be used to support ongoing work through these centers and those in the Long-Term Training program.

In particular, the Department is targeting the Training program's resources to assist State VR agencies in implementing new requirements under the Workforce Innovation and Opportunities Act (WIOA) and building their capacity to meet the employment needs of individuals with disabilities and their prospective employers. In fiscal year 2014, the Rehabilitation Services Administration (RSA) awarded a cooperative agreement under the Rehabilitation Training Program to establish a Job-Driven Vocational Rehabilitation Technical Assistance Center to help support State VR agency personnel in implementing job-driven strategies for employer-engagement and training for VR consumers. In fiscal year 2015, RSA awarded cooperative agreements to establish four additional vocational rehabilitation technical assistance and training centers (VRTACs) under the Rehabilitation Training Program. The Workforce Innovation Technical Assistance Center will support State VR agency personnel in

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implementing key WIOA requirements, such as the integration of the State VR program into the workforce development system, transition to the new common performance accountability system under section 116 of WIOA, and the provision of pre-employment transition services.

Other new VRTACs would help to increase the capacity of VR personnel to:

- Improve services to and outcomes of students with disabilities who are not receiving services under the IDEA and targeted youth with disabilities who are no longer in school and unemployed;
- Assist economically disadvantaged individuals with disabilities to achieve competitive integrated employment outcomes through outreach to partner agencies within targeted communities; and
- Improve performance management by building capacity to carry out high quality program evaluations and quality assurance practices that promote continuous program improvement.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Program Funding:			
Long-Term Training:			
New	\$7,771	0	\$2,045
Continuations	<u>9,693</u> ¹	<u>\$19,468</u>	<u>17,626</u>
Subtotal	17,464	19,468	19,671
Technical Assistance:			
New	8,100	0	0
Continuations	<u>0</u>	<u>7,500</u>	<u>7,500</u>
Subtotal	8,100	7,500	7,500
Short-Term Training:			
New	200	0	0
Continuations	<u>0</u>	<u>200</u>	<u>200</u>
Subtotal	200	200	200

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PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Program Funding:			
Training for Interpreters for Individuals who are Deaf and Deaf-Blind:			
New	0	\$2,100	0
Continuations	<u>\$1,980</u>	<u>0</u>	<u>\$2,100</u>
Subtotal	1,980	2,100	2,100
Experimental & Innovative Training:			
New	500	0	0
Continuations	<u>1,000</u> ²	<u>0</u>	<u>0</u>
Subtotal	1,500	0	0
Other Activities:			
New	212	612	0
Continuations	<u>396</u>	<u>0</u>	<u>400</u>
Subtotal	608	612	400
Program Totals:			
New	16,783	2,712	2,045
Continuations	13,069	27,168	27,826
Peer review of new award applications	34	6	15
Minority Outreach ³	<u>302</u>	<u>302</u>	<u>302</u>
Total	<u>30,188</u>	<u>30,188</u>	<u>30,188</u>

NOTE: Amounts listed as "TBD" in FY 2017 reflect topical areas for which decisions on FY 2016 competitions have not been made.

¹ Section 21(b) the Rehabilitation Act requires the Rehabilitation Services Administration to set aside 1 percent of funds appropriated under this account for minority outreach activities.

² The FY 2015 awards total includes approximately \$1,000 thousand in FY 2015 funds used to support FY 2016 continuation costs.

³ Section 21(b) the Rehabilitation Act requires the Rehabilitation Services Administration to set aside 1 percent of funds appropriated under this account for minority outreach activities.

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PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2017 and future years, and the resources and efforts invested by those served by this program.

Goal: To provide the public vocational rehabilitation (VR) sector with well-trained staff and to maintain and upgrade the skills of current staff.

Objective: To provide graduates who work within the vocational rehabilitation (VR) system to help individuals with disabilities achieve their goals.

Annual Performance Measures

This program has three annual performance measures. All three of these measures are designed to provide information on various aspects of the program, including its ability to address the shortage of State VR agency counselors and staff, the proportion of scholars fulfilling their payback requirements, and the proportion of currently employed State VR agency counselors who meet their State's CSPD requirements. While these measures alone do not provide a comprehensive view of the Training program, the Department believes that they do provide evidence as to the efficacy of the program and its expenditures.

Measure: The percentage of masters-level counseling graduates fulfilling their payback requirements through employment in State Vocational Rehabilitation agencies.

Year	Target	Actual
2012	53%	35%
2013	55	33
2014	45	31
2015	47	
2016	47	
2017	47	

Additional Information: The Department annually collects data about scholars through the Payback Reporting Form, which grantees submit by November 30 of each year. The proportion of Masters-level counseling graduates fulfilling their payback requirements through employment in State VR agencies has decreased consistently since 2005. While program graduates are not mandated to meet their service obligation by working in State VR agencies, the Department believes that these agencies should be the main employer of these graduates, especially given the current and future shortages outlined above. This overall downward trend may have been the result of a confluence of factors, including, but not limited to, the range of acceptable

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employment for meeting the service obligations outlined in statute, State hiring freezes, and the salary and working conditions in State VR agencies relative to those in other acceptable employment settings. According to the Act, program graduates are able to meet the requirements of their payback through employment in a number of different types of agencies, including employment in private VR agencies or in related State agencies, such as special education. As a result, some of the program's graduates are able to find acceptable employment in a number of different settings other than State VR agencies. When combined with the lower salary offered by State VR agencies compared to those in private firms, it may be that more program graduates are opting to seek employment elsewhere, while still meeting the terms of their service obligation. Of all graduates, 73 percent were fulfilling their service obligation in some form of acceptable employment in 2014, with roughly 60 percent of the employed graduates opting to work in settings other than the State VR agency. Over the past 8 years, the proportion of graduates fulfilling their payback requirements in settings other than the State VR agency has, in general, been slowly increasing. To address this issue, in 2014, the Department developed new priorities for all LTT competitions that required, where appropriate, that students in LTT programs completed internships or practicum experiences in State VR agencies as a requirement for completion of their program of study. We believe that these requirements will provide students with hands-on experience in State VR agencies, helping them to build rapport with current staff in those agencies and hopefully increase the number of graduates who are willing to accept positions in such agencies. Data for 2015 are expected to be available in fall 2016.

Measure: The percentage of RSA-supported masters-level graduates fulfilling their payback requirements through acceptable employment.

Year	Target	Actual
2012	87%	82%
2013	87	81
2014	85	77
2015	80	
2016	83	
2017	85	

Additional Information: Using the annual Payback Reporting Form, grantees are required to report the number of Rehabilitation Services Department (RSA)-supported graduates fulfilling their payback requirements through acceptable employment. This measure captures all Masters-level program graduates who received RSA-supported scholarships. It also includes individuals maintaining acceptable employment in all acceptable agencies, not just State VR agencies. The Act requires that all program graduates maintain acceptable employment for at least 2 years for every year they received assistance from an RSA-supported grant. However, only four in five scholars are currently doing so. Among all program graduates, including those receiving undergraduate and graduate degrees and certificates, 73 percent were fulfilling their payback requirements through acceptable employment in 2014. It is possible that some portion of program graduates are receiving waivers of their payback requirements for various reasons, including exceptions and deferrals provided in accordance with 34 CFR 386.41, such as permanent disability or full-time enrollment in an institution of higher education. It is also

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possible that some subset of individuals who received scholarship support opt to obtain employment in for-profit rehabilitation agencies and simply repay their initial scholarship as if it were a loan. Without further information, the Department cannot determine the extent to which these explanations hold, but RSA has revised the Payback Reporting Form to be used by grantees in order to significantly improve the quality and accuracy of the data RSA receives about scholars. The Department does not expect data on this issue from the revised form to be available until summer 2016 at the earliest.

Measure: The percentage of currently employed State Vocational Rehabilitation agency counselors who meet their state's Comprehensive System of Personnel Development (CSPD) standards.

Additional Information: Previously, the Administration annually reported on this measure using data submitted by State VR agencies about the qualifications of their currently-employed counselors. From 2002 until 2013, the proportion of currently employed State VR agency counselors who met their State's CSPD standards increased consistently, with 87 percent of staff meeting the CSPD standards in 2013. However, amendments to section 101(a)(7)(B)(ii) of the Rehabilitation Act made by the Workforce Innovation and Opportunity Act made a wider range for work experience acceptable for meeting States' CSPD Standards. As such, the Department believes continuing to report on this measure, which already exhibited a high level of performance, when the CSPD standards have been dramatically decreased would no longer be appropriate as we do not believe it would continue to provide relevant, meaningful performance information regarding the Training program.

Efficiency Measures

Measure: The Federal cost per RSA supported rehabilitation counseling graduate at the masters level.

Year	Target	Actual
2012	\$10,702	\$20,275
2013	24,000	28,351
2014	24,000	20,596
2015	24,000	
2016	24,000	
2017	24,000	

Additional Information: The measure is calculated by dividing the total funds spent on long-term training during a fiscal year by the number of graduates supported under that program during the same fiscal year. The Department calculates this measure for individual cohorts of grantees by dividing the sum of all project costs supported with Federal funds (across all years of each individual scholar's training) by the number of degree recipients who successfully completed funded training programs closing in that year. Prior to 2010, this measure was calculated using only the funds directly made available for scholarships. The target for 2012 is based on the previous methodology. The higher Federal cost per RSA-supported graduate under the new methodology is in line with similar measures in other programs supporting

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training at the Masters level. However, there remains wide variation across types of programs and projects. The Department believes that this variation accounted for the increased cost per graduate in 2013. Data for 2015 are expected to be available in fall 2016.

REHABILITATION SERVICES

Demonstration and training programs (Rehabilitation Act of 1973, Title III, Section 303)

(dollars in thousands)

FY 2017 Authorization: \$6,373

Budget Authority:

<u>2016</u>	<u>2017</u>	<u>Change</u>
\$5,796	\$5,796	0

PROGRAM DESCRIPTION

Demonstration and Training programs are authorized to provide competitive grants to, or contracts with, eligible entities to expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act (the Act) and “to further the purposes and policies of the Act”. These current-funded discretionary programs are also authorized to support activities that increase the provision, extent, availability, scope, and quality of rehabilitation services under the Act, including related research and evaluation activities.

The majority of projects currently supported under Demonstration and Training programs are designed to increase employment opportunities for individuals with disabilities by expanding and improving the availability and provision of rehabilitation and other services. These projects are intended to increase employment outcomes for individuals for whom vocational rehabilitation services were previously unavailable or who previously did not take advantage of such services.

Other activities authorized and currently funded under the Act include:

Section 303(b) of the Rehabilitation Act authorizes the support of activities to demonstrate methods of service delivery to individuals with disabilities, as well as activities such as technical assistance, systems change, special studies and evaluation, and dissemination and utilization of project findings. Eligible entities include State Vocational Rehabilitation (VR) agencies, community rehabilitation programs, Indian tribes or tribal organizations, other public or nonprofit agencies or organizations, and for-profit organizations. Competitions may be limited to one or more type of entity.

Sections 303(c) and (d) of the Act authorize a parent information and training program and a Braille training program.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Demonstration and training programs

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2012	\$5,325
2013	5,046
2014	5,796
2015	5,796
2016	5,796

FY 2017 BUDGET REQUEST

The Administration requests \$5.8 million for the Demonstration and Training programs in fiscal year 2017, the same as the fiscal year 2016 level. The request includes funds to support continuation costs for awards that began in previous fiscal years. There are no funds requested for new awards in fiscal year 2017.

Fiscal year 2017 funds would be used to support the second year of a planned two-year contract to develop voluntary comprehensive model standards for initial and continuing training for employees under the Federal Randolph-Sheppard program. The Randolph-Sheppard program provides persons who are blind with remunerative employment and self-support through the operation of vending facilities on Federal and other property. Sites covered by the program include military mess halls, cafeterias, snack bars, miscellaneous shops, and facilities comprised of vending machines. Currently there are approximately 2,200 vendors participating in the Randolph-Sheppard program. State VR agencies, serving as the State licensing agency, recruit qualified individuals who are blind, train such individuals on the management and operation of small business enterprises, and license qualified blind vendors to operate the facilities. In addition, there are no standards for the training that is provided to potential vendors or for the training to improve the skills of current vendors. Standards are needed to ensure that employees under the Federal Randolph-Sheppard program receive training that will enable them to effectively acquire and operate a vending facility, maintain their skills, learn of best practices, and to keep employees knowledgeable about evolving technologies.

Also in fiscal year 2017, the Administration would support continuation costs for four 5-year career pathways model projects that were initially funded in fiscal year 2015. Career pathways projects are typically intended to help individuals with disabilities enter into competitive integrated employment. Career pathways projects offer an efficient and customer-centered way to promote competitive integrated employment, by successfully providing the necessary adult basic education, occupational training, postsecondary education, career and academic advising, and support services to enter and progress in a career. Career pathways generally refer to a series of connected education and training strategies and support services that enable individuals to secure industry relevant certification, obtain employment within an occupational area, and to advance to higher levels of future education and employment in that area.

The current cohort of career pathways projects are demonstrating a well-defined strategy to help youth and adults with disabilities acquire marketable skills and industry-recognized credentials through better alignment of education, training, employment, and human and social

REHABILITATION SERVICES AND DISABILITY RESEARCH

Demonstration and training programs

services among public agencies and with employers. Grantees are State Vocational Rehabilitation (VR) agencies or a consortium of State VR agencies in partnership with other key entities, such as State and local educational agencies, community rehabilitation providers, 2-year and 4-year postsecondary educational institutions (including vocational and technical schools), and employers.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Program funding:			
Career Pathways, new awards	\$3,273	0	0
Continuation awards	0	\$3,301	\$3,319
Technical assistance activities			
Continuation award	400 ¹	400 ¹	400 ¹
Braille training			
Continuation awards	328	328	328
Parent information and training			
Continuation awards	1,733	1,509	1,491
Randolph-Sheppard contract	0	200	200
Peer review of new award applications	4	0	0
Minority Outreach	<u>58</u>	<u>58</u>	<u>58</u>
Total, Program funding	5,796	5,796	5,796
Number of awards:			
Continuation awards	11	15	16
New awards	<u>4</u>	<u>1</u>	<u>0</u>
Total, Number of awards	15	16	16

¹ These funds are used to jointly support the National Technical Assistance Center on Improving Transition to Postsecondary Education and Employment for Students with Disabilities which also receives funding from the Office of Special Education programs.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Demonstration and training programs

PROGRAM PERFORMANCE INFORMATION

Efficiency Measure

Goal: To expand, improve or further the purposes of activities authorized under the Act.

Objective: *Expand and improve the provision of rehabilitation services that lead to employment outcomes.*

The efficiency measure for this program is the percentage of projects that met their goals and objectives as established in their original applications, or as modified during the first year. This efficiency measure is designed to determine whether grantees under this program are accomplishing the objectives of the projects for which they received competitive funding.

The Training and Demonstration programs supported a 5-year model project, Improving Outcomes of Individuals with Disabilities who are Social Security Disability Insurance (SSDI) Beneficiaries, that ended in fiscal year 2015, designed to demonstrate how State VR agencies can improve employment outcomes for Social Security Disability Insurance (SSDI) and Social Security Income recipients. Specific measures were developed for this model demonstration, to assess the effectiveness of the grantee's performance. After the project has concluded, data from the grantee's final performance report will be used to assess performance in the following areas:

- The degree to which the data collected from the project sites show that the intervention model results in improvement in employment outcomes, such as employment rate, wages at case closure, average hours worked, and the percentage of individuals earning an amount greater than substantial gainful activity, as determined by the Social Security Administration, at closure;
- The degree to which the project recommended strategies that could be used by other State VR agencies to implement the model;
- The degree to which the grantee has disseminated its findings to State VR agencies; and
- The responsiveness of the grantee to recommendations made through the reviews conducted by the panel of experts.

REHABILITATION SERVICES

Protection and advocacy of individual rights (Rehabilitation Act of 1973, Title V, Section 509)

(dollars in thousands)

FY 2017 Authorization: \$19,408

Budget Authority:

<u>2016</u>	<u>2017</u>	<u>Change</u>
\$17,650	\$17,650	0

PROGRAM DESCRIPTION

The Protection and Advocacy of Individual Rights (PAIR) program supports statewide systems to protect the legal and human rights of individuals with disabilities who are ineligible for protection and advocacy (P&A) services provided under Part C of the Developmental Disabilities Assistance and Bill of Rights Act, the Protection and Advocacy for Individuals with Mental Illness Act, or who need P&A services that are beyond the scope of the Client Assistance Program. The purpose of this program is to provide assistance and information to eligible individuals with disabilities and conduct advocacy to ensure the protection of their rights under Federal law. States may use these funds to plan and carry out P&A programs for eligible individuals with disabilities and to develop outreach strategies to inform individuals with disabilities of their rights.

Funds must be set aside under this program for two activities before awarding grants to eligible States and outlying areas with the remaining appropriation. If the appropriation is equal to or exceeds \$5.5 million, the Secretary must first set aside between 1.8 percent and 2.2 percent of the amount appropriated for training and technical assistance to eligible systems established under this program. In addition, the Rehabilitation Act of 1973 (the Act) requires that in any year in which the total appropriation exceeds \$10.5 million, the Secretary must award \$50,000 to the eligible system established under the Developmental Disabilities Assistance and Bill of Rights Act to serve the American Indian consortium. The Secretary distributes the remainder of the appropriation to the eligible systems within the States and outlying areas based on population estimates and after satisfying minimum allocations. The fiscal year 2015 State distributions were based on the July 1, 2013 estimates published in December 2013. The fiscal year 2016 State distributions are based on the July 1, 2014 estimates published in December 2014. The fiscal year 2017 State distributions will be based on the July 1, 2015 estimates published in December 2015.

The Act also requires the Secretary to increase the minimum allotments for States and outlying areas by an amount not greater than the percentage increase in the total amount appropriated for this program for the previous fiscal year. The Act establishes a minimum allotment of \$100,000 for States or one-third of 1 percent of funds remaining after the technical assistance set-side and grant for the American Indian consortium, whichever is greater. The outlying areas

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Protection and advocacy of individual rights

receive a minimum allotment of \$50,000. The program is current-funded but States and outlying areas may carry over unobligated Federal funds for an additional year.

Funding levels for the past 5 fiscal years were as follows:

Fiscal Year	(dollars in thousands)
2012	\$18,031
2013	17,088
2014	17,650
2015	17,650
2016	17,650

FY 2017 BUDGET REQUEST

The Administration requests \$17.6 million in fiscal year 2017 for the Protection and Advocacy of Individual Rights (PAIR) program, the same as the fiscal year 2016 level. The PAIR program supports State-wide systems that are designed to protect the legal and human rights of individuals with disabilities who are ineligible for protection and advocacy (P&A) services provided under Part C of the Developmental Disabilities Assistance and Bill of Rights Act, the Protection and Advocacy for Individuals with Mental Illness Act, or who need P&A services that are beyond the scope of the Client Assistance Program. The purpose of this program is to provide assistance and information to eligible individuals with disabilities and conduct advocacy to ensure the protection of their rights under Federal Law.

During fiscal year 2014, PAIR programs reported handling 12,904 cases and responded to 43,196 requests for information or referral. Of the cases handled by PAIR programs in that year, the greatest number of specified issues involved government benefits/services (19 percent), education (17 percent), employment (13 percent), health care (13 percent) and housing (12 percent).

In addition to providing representation to individuals, PAIR programs address systemic issues faced by persons with disabilities through a variety of methods, including negotiations with public and private entities and class action litigation. In fiscal year 2014, 53 out of the 57 PAIR programs (93 percent) reported that these activities resulted in changes in policies and practices benefiting individuals with disabilities.

The following examples of case services provided in fiscal year 2014 illustrate how PAIR programs assist individuals and, in some cases, bring about systemic change. Funds requested in fiscal year 2017 will support similar activities.

- Disability Law Center of Massachusetts assisted a 15-year-old deaf student who recently immigrated to the United States. The school district placed him in a general education classroom with hearing students and a teacher who did not know American Sign Language (ASL). The school administrators provided general services under section 504 of the Rehabilitation Act (Nondiscrimination under Federal grants and programs), despite the fact that the student did not have any language skills. Several months later, after being

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contacted by the parents of the student, the P&A agency coordinated a meeting with school representatives and an in-house expert from a neighboring children's hospital to develop a more specialized Individualized Education Program (IEP). The P&A agency also advocated for a different educational placement that would allow the student to learn ASL. As a result of the P&A assistance provided, the student is currently enrolled at a new school that teaches ASL and is reported to be thriving socially in the new learning environment with other students in the classroom who are also deaf.

- Disability Rights California provided assistance to a 20-year-old man with multiple disabilities, including an acquired brain injury that significantly limits his independence in activities of daily living. Because his brain injury manifested shortly after he turned 18, he was found ineligible for supported living and other services that are available through the State Medicaid program for persons with developmental disabilities. The P&A agency reviewed the case and discovered that the individual had spent the past decade in a series of inappropriate restrictive and sometimes abusive living situations, including a State hospital stay where he was restrained for almost three weeks. The P&A agency filed several Medicaid fair hearings with the State, and negotiated with the State's health office on the individual's behalf. As a result of these legal and advocacy efforts, the P&A agency secured a unique Medicaid waiver placement that allows the individual to live in his home near his family, with supportive services that he needs to maintain his highest possible level of independence. This one case of direct representation will have a systemic impact for others in similar situations in California.
- The Arizona Disability Law Center assisted a 58-year-old woman with a visual impairment who requested accommodations for her computer after her State agency employer updated the computer system. Her requests for an accommodation were not fulfilled and she was not able to meet deadlines. She subsequently filed a complaint of discrimination with the U.S. Equal Employment Opportunity Commission and used the services of the P&A agency for legal representation during mediation, and to provide guidance about a settlement. Consequently, the parties reached an agreement that the employer provide the individual with effective assistive technology, training in its use, and ongoing work site evaluations. The State agency was also required to provide training on disability awareness to all personnel within the individual's unit.
- Disability Rights New Jersey assisted a 48-year-old man with traumatic brain injury living in a nursing facility. The individual's mother alleged that the facility provided deficient care for her son and would not recognize her as the legal health care agent so that she could make improvements to his quality of care. The P&A agency investigated and filed a complaint with the State health agency, which found that there was a deficient practice. As a result, the nursing facility will continue to be monitored until it can demonstrate compliance with State guidelines on standards of care. Also, the individual successfully transferred to a community brain injury rehabilitation home, and both he and his mother are pleased with the quality of care being provided by the new facility.

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Protection and advocacy of individual rights

PROGRAM OUTPUT MEASURES

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Information inquiries/referrals	43,000	43,000	43,000
Individuals provided case services	12,800	12,800	12,800

NOTE: Data are projected from actual data collected for fiscal year 2014. Actual data for fiscal year 2015 will be available in April 2016.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2017 and future years, and the resources and efforts invested by those served by this program.

Goal: To provide assistance and information to individuals with disabilities eligible for the Protection and Advocacy of Individual Rights program and conduct advocacy to ensure the protection of their rights under Federal law.

Objective: *Identify problem areas requiring systemic change and engage in systemic activities to address those problems.*

Measure: The percentage of PAIR programs that reported that their systemic advocacy resulted in a change in policy or practice.

Year	Target	Actual
2012	91%	96%
2013	91	91
2014	91	93
2015	92	
2016	92	
2017	92	

Additional information: Because PAIR programs cannot address all issues facing individuals with disabilities solely through individual advocacy, they seek to change public and private policies and practices that present barriers to the rights of individuals with disabilities, utilizing negotiations and class action litigation. Successful performance under this measure is calculated by the number of PAIR programs reporting a change in policy or practice that results

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Protection and advocacy of individual rights

from their intervention. The target was met in fiscal year 2014 with 53 out of the 57 (93 percent) PAIR programs reporting success.

REHABILITATION SERVICES

Supported employment State grants (Rehabilitation Act of 1973, Title VI)

(dollars in thousands)

FY 2017 Authorization: \$30,292

Budget Authority:

	<u>2016</u>	<u>2017</u>	<u>Change</u>
	\$27,548	\$30,548	+\$3,000

PROGRAM DESCRIPTION

The purpose of the Supported Employment (SE) State Grants program is to assist States in developing collaborative programs with appropriate public and private nonprofit organizations to provide supported employment services for individuals with the most significant disabilities. Supported employment enables individuals with the most significant disabilities who, because of the nature and severity of their disability, need ongoing support. Such support may include intensive supported employment services followed by extended services after the individual's ability to perform the job with support has stabilized, in order to maintain competitive integrated employment.

Under this formula grant program, State vocational rehabilitation (VR) agencies receive supplemental funds to assist VR consumers with the most significant disabilities in achieving the employment outcome of supported employment. The term "supported employment" includes both competitive integrated employment and working on a short-term basis toward competitive integrated employment. An individual's potential for supported employment must be considered as part of the assessment to determine eligibility for the Title I Vocational Rehabilitation State Grants program. The requirements pertaining to individuals with an employment goal of supported employment are the same in both the VR State Grants program and the SE State Grants program. A State VR agency may support an individual's supported employment services solely with VR State Grant funds, or it may fund the cost of SE services in whole or in part with funds under the SE State Grants program.

States are permitted to provide SE services to eligible individuals for up to 24 months. State VR agencies must demonstrate evidence of their efforts to identify and make arrangements with other public or nonprofit agencies or organizations within the State, employers, natural supports, and other entities with respect to the provision of extended services. However, they may use SE funds to provide extended services for up to 4 years to eligible youth with the most significant disabilities.

Beginning with fiscal year 2015, States are required to use half of their SE allotment to provide SE and extended services to youth with the most significant disabilities and to provide a match of 10 percent for the SE allotment portion used to serve such youth. Supported employment

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

funds are distributed on the basis of population with no State receiving less than \$300,000, or one-third of 1 percent of the sums appropriated, whichever is greater. The minimum allotment for Territories remains one-eighth of 1 percent of the sums appropriated. The fiscal year 2015 State allotments were based on the July 1, 2013 estimates published in December 2013. The fiscal year 2016 allotments are based on the July 1, 2014 estimates published in December 2014. The fiscal year 2017 allotments will be based on the July 1, 2015 estimates published in December 2015.

Funding levels for the past 5 fiscal years were as follows:

Fiscal Year	(dollars in thousands)
2012	\$29,068
2013	27,548
2014	27,548
2015	27,548
2016	27,548

FY 2017 BUDGET REQUEST

The Administration requests \$30.5 million for Supported Employment (SE) State Grants program, an increase of \$3 million from the 2017 level. Supported employment is recognized as an effective strategy in assisting individuals with the most significant disabilities to obtain competitive employment in integrated settings. The amendments Congress made to this program under Workforce Innovation and Opportunity Act (WIOA) reflect supported employment's important role in increasing competitive employment opportunities for such individuals, particularly youth with the most significant disabilities.

WIOA made a number of significant changes to the SE State Grants program that will have a major impact on the provision of supported employment services under both the Vocational Rehabilitation (VR) and SE State Grant programs. These changes include:

- Permitting States to provide SE services for up to 24 months, rather than the 18 months previously authorized;
- Requiring States to use half of their SE allotment to provide SE services to youth with the most significant disabilities and to provide a match of at least 10 percent for the SE allotment portion used to serve such youth; and
- Permitting the use of SE funds and VR funds to provide extended services for up to 4 years to eligible youth with the most significant disabilities.

Of these changes, the most significant is the new authority permitting the use of SE and VR funds to pay for extended services for eligible youth with the most significant disabilities. Before enactment of WIOA, State VR agencies provided short-term supported employment services (up to 18 months) until the individual was stabilized in the job. State VR agencies were prohibited from using the Federal funds received under the VR and SE programs for extended services and other State and local agencies and private nonprofit organizations were expected

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Supported employment State grants

to support the cost of these services. Under WIOA, State VR agencies may now provide extended services for up to 4 years to eligible youth with the most significant disabilities.

While in the long-term we expect the benefit of providing additional services for a longer period of time to outweigh the costs; in the short-term, this change will likely increase the average cost of an individual served in supported employment. Without additional resources, fewer individuals may be served by State VR agencies. In addition, the new requirement that a State use half of its SE allotment to provide services to eligible youth with the most significant disabilities will likely change who receives SE services from the State VR agency. While the new 10 percent match required of the funds reserved for youth with the most significant disabilities is intended to help increase resources for such services, it may not be sufficient to offset the demand for and cost of services. The requested \$3 million increase would help State agencies offset the increased costs associated with meeting the new challenges and opportunities resulting from WIOA.

Data collection requirements resulting from WIOA will require additional changes to the *RSA-911* data collection, including data collected on individuals receiving supported employment services under both the VR State Grants and SE State Grants programs. The redesigned post-WIOA data collection will provide quarterly data on individuals who are receiving services as opposed to the current annual data collection that only provides information on individuals whose case service records were closed in that year. The Department anticipates that this additional information will be collected beginning in 2017. The enhanced data on individuals receiving supported employment services will enable RSA to better monitor the services, service costs, and the outcomes achieved by such individuals under the VR and SE State Grant program and help to identify those agencies that need technical assistance. Because the WIOA amendments only recently went into effect, we do not expect significant changes in the 2015 program output estimates as compared to 2014. The Department anticipates that the WIOA amendments will begin to have an impact on the fiscal year 2016 and 2017 output measures. However, the Department does not have the information necessary on which to base estimates for 2016 and 2017 at this time and is, therefore, showing outputs for 2016 and 2017 at the same level as estimated for 2015.

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Supported employment State grants

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Individuals with a supported employment IPE goal when they exited the program	35,000	35,000	35,000
Employment outcomes:	21,080 ¹	21,080 ¹	21,080 ¹
Supported employment outcomes	16,000 ²	16,000 ²	16,000 ²
Employment without supports in an integrated setting	5,000 ³	5,000 ³	5,000 ³
Other employment outcomes	80 ⁴	80 ⁴	80 ⁴
Minority outreach	\$275	\$275	\$305

NOTE: Estimates are based on actual 2014 closure data from the RSA-911 Case Service Report for all VR consumers with a supported employment goal identified on their IPE (including consumers who received SE services with funds provided under the VR State Grants and/or under the Supported Employment State Grants programs). However, fiscal year 2014 is the first year that State VR agencies reported information under the revised data collection that went into effect on October 1, 2013, and the data may be less reliable than in previous fiscal years.

¹ Includes employment outcomes for all VR consumers who had a supported employment goal.

² Of the individuals who had a supported employment goal, the number who were employed in an integrated setting and receiving ongoing support services.

³ Of the individuals who had a supported employment goal, the number who met the employment outcome criteria for the VR State Grants program but who were not receiving ongoing support services.

⁴ Of the individuals who had a supported employment goal, the number who met the employment outcome criteria for the VR State Grants program who were either self-employed, employed in a Business Enterprise Program, a family worker, or a homemaker.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided for this program and the VR State Grants program in previous years, and those requested in fiscal year 2017 and future years, as well as the resources and efforts invested by those served by these programs.

Goal: Individuals with significant disabilities with a goal of supported employment will achieve high quality employment.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

Objective: *Ensure that individuals with significant disabilities with a supported employment goal achieve high quality employment.*

Measure: Of those individuals with significant disabilities who had a supported employment goal and achieved an employment outcome, the percentage who obtained competitive employment, including individuals who receive supported employment services funded under the VR State Grants program and/or the SE State Grants program.

Year	Target	Actual
2012	94%	94%
2013	94	95
2014	94	95
2015	95	
2016	95	
2017	96	

Additional information: Individuals with a supported employment goal who achieve an employment outcome may be working in competitive integrated employment (employment at least at the minimum wage in an integrated setting) or may be working in an integrated setting toward competitive employment at or above the minimum wage.

Fiscal year 2014 RSA 911 Case Service Report data show that 22,000 individuals who had a goal of supported employment on their IPE at the time their case service record was closed, including both consumers who received SE services from funds provided under the VR State Grants and under the SE State Grants programs, achieved an employment outcome. Of those who achieved an employment outcome, about 95 percent achieved a competitive employment outcome and the performance target was met. In addition, 95 percent of the 14,620 individuals with a supported employment goal who obtained a supported employment outcome (employment in an integrated setting and receiving ongoing supports) achieved a competitive employment outcome. Data for fiscal year 2015 are expected to be available in May 2016.

Measure: Average weekly earnings for individuals with significant disabilities who achieved a supported employment outcome.

Year	Target	Actual
2012	\$203	\$211
2013	205	207
2014	208	200
2015	208	
2016	208	
2017	208	

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Supported employment State grants

Additional information: Performance data for this measure are calculated by dividing the average weekly earnings for all individuals who obtained a supported employment outcome with earnings by the total number of individuals who obtained a supported employment outcome with earnings. The performance data do not include individuals served by State VR agencies for the blind.

For the performance group, fiscal year 2014 data show that the average weekly earnings of individuals with significant disabilities who achieved a supported employment outcome was \$200, a decrease from 2012 and 2013 levels; and the performance target was not met. While average weekly earnings remained the same as the prior year, there was only a slight reduction in the average hours worked per week (from 22.8 to 22.3) at the time the service record was closed. It should be noted that the average weekly earnings calculation does not include data from the New Jersey VR general agency, which may also have an impact on overall performance on this measure. In prior years, the New Jersey VR general agency has typically reported average weekly earnings of about \$280 for this group. Performance on this measure will be recalculated after New Jersey submits the needed data.

Efficiency Measure

Objective: *Ensure that State VR agencies effectively use Supported Employment Grant funds to achieve supported employment outcomes.*

Measure: Percentage of general and combined State VR agencies that demonstrate at least 30 supported employment outcomes per \$100,000 received in SE Grant funds.

Year	Target	Actual
2012	75%	75%
2013	75	75
2014	75	65
2015	75	
2016	75	
2017	75	

Additional information: The efficiency measure developed for the Supported Employment State Grants program examines the percentage of State VR agencies for which the number of supported employment outcomes per \$100,000 received in SE Grants funds is within a specified range. For the purpose of this measure, the number of supported employment outcomes per \$100,000 is calculated by dividing the reported number of individuals that achieved a supported employment outcome by the amount of a State agency's SE allocation and multiplying the result by 100,000. The performance group does not include State VR agencies for the Blind or the four territories because they receive less than \$100,000 in SE Grants funds. In 2014, there were five fewer State VR agencies that demonstrated at least 30 supported employment outcomes per \$100,000 as compared to the prior year and the performance target was not met. The median number of supported employment outcomes per \$100,000 received in SE Grant funds for the 52 State agencies dropped from 55.3 in 2013 to

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Supported employment State grants

47.3 in 2014. However, it should be noted that there is significant variation among agencies in the performance group, with the supported employment outcomes per \$100,000 in fiscal year 2014 ranging from 1.3 (Alaska) to 258.8 (New York).

Other Performance Information

On an aggregate level, VR consumers who had a goal of supported employment represented about 11 percent of the total individuals whose cases were closed after receiving VR services in fiscal year 2014. Data from the FY 2014 Case Service Report (RSA-911) show that nearly 35,000 individuals receiving services had a goal of supported employment on their individualized plan for employment (IPE) at the time their case service record was closed in fiscal year 2014. These numbers do not include those individuals who were still receiving supported employment services at the close of the fiscal year. While this number is lower than the number reported in the prior year, the difference may largely be due to limitations in the comparability of the 2014 data to previous years a result of changes in the *RSA-911* data collection, including changes to the SE-related data elements. Some of the decrease may also reflect the overall reduction (about 5 percent) in the total number of individuals receiving VR services whose cases were closed in 2014 as compared to the previous year.

In particular, the 2014 data reported here excludes individuals whose IPE was amended during the VR process to change the individual's goal from supported employment to another employment outcome prior to closure of the case service record. Under the previous data collection, agencies reported the number of individuals receiving services for whom supported employment was established as an employment goal at any time during the VR process. The reported data did not allow the Department to distinguish between the outcomes of individuals who initially had a supported employment goal that was later abandoned during the VR process from those individuals whose IPE continued to have a SE goal, or whose IPE goal was later changed to SE prior to exiting the VR program. Revisions in the 2014 data collection allow the Department and State agencies to better review and evaluate the outcomes of these different groups and the SE program. Although State agencies were made aware of these changes well in advance of their implementation in fiscal year 2014, a few State agencies had challenges in reporting the revised elements. The Department expects the reliability in the reporting of the revised SE data elements to improve in the fiscal year 2015 data collection.

REHABILITATION SERVICES

Independent living services for older blind individuals (Rehabilitation Act of 1973, Title VII, Chapter 2)

(dollars in thousands)

FY 2017 Authorization: \$36,635

Budget Authority:

	<u>2016</u>	<u>2017</u>	<u>Change</u>
	\$33,317	\$35,317	+\$2,000

PROGRAM DESCRIPTION

The purpose of independent living services are to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities, and to help integrate these individuals into the mainstream of American society. The Independent Living Services for Older Individuals Who Are Blind (OIB) program supports services to assist individuals aged 55 or older whose recent severe visual impairment makes competitive employment extremely difficult to obtain, but for whom independent living goals are feasible. Funds are used to provide independent living services, conduct activities that will improve or expand services for these individuals, and conduct activities to improve public understanding of the problems of these individuals. Services are designed to help persons served under this program to adjust to their blindness by increasing their ability to care for their individual needs. Services provided under this program are typically not covered under private insurance or Medicaid.

The Workforce Innovation and Opportunities Act amended the OIB program in section 751A of the Rehabilitation Act to require that not less than 1.8 percent and not more than 2 percent of the funds appropriated to the OIB program be used to provide training and technical assistance to Designated State Agencies or other providers of OIB services that receive OIB program funds. As a result, the amount of funds available for allocation to States has decreased as compared to fiscal year 2014.

Grantees are State vocational rehabilitation agencies for persons who are blind and visually impaired or, in States with no separate agency for persons who are blind, State combined vocational rehabilitation agencies. States participating in the Services for Older Individuals Who Are Blind program must match 10 percent of their grant with non-Federal cash or in kind resources in the year for which the Federal funds are appropriated. When appropriations for this program exceed \$13 million—as they have since fiscal year 2000—awards are distributed to States according to a formula based on the population of individuals who are 55 years of age or older. The minimum allotment for each of the 50 States, D.C., and Puerto Rico is \$225,000, with each of the outlying areas receiving a minimum allotment of \$40,000.

The fiscal year 2015 allotments were based on the July 1, 2013 estimates of the population of individuals age 55 and older published by the Census Bureau in December 2013. The fiscal

REHABILITATION SERVICES AND DISABILITY RESEARCH

Independent living for older blind individuals

year 2016 State allotments are based on the July 1, 2014 population estimates released in June 2015. The fiscal year 2017 allotments are based on July 1, 2014 population estimates, and will be updated based on July 1, 2015 population estimates by age group when they become available (estimated to be June 2016).

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2012	\$34,018
2013	32,239
2014	33,317
2015	33,317
2016	33,317

FY 2017 BUDGET REQUEST

The Administration requests \$35.3 million for the Independent Living Services for Older Individuals who are Blind program for fiscal year 2017, a \$2.0 million (6 percent) increase over the 2016 level, to assist States in meeting an anticipated increase in the demand for program services. Of this amount, the Department plans to reserve 1.8 percent of the funds requested to provide training and technical assistance to Designated State Agencies or other providers of OIB services that receive OIB program funds. The requested increase will also help to offset the reduction in funds for State awards resulting from this reservation.

Independent living services for these individuals, including the provision of assistive technology and aids, orientation and mobility training, and daily living skills, are predominately provided through contracts administered by State vocational rehabilitation agencies, not centers for independent living, and many of the needs of this older population are different from those of the consumers that would be served under the Grants for Independent Living program, now administered by the Department of Health and Human Services.

The prevalence of disability increases with age and the occurrence of a sensory disability is more than six times greater among older adults than working-age people. Persons age 55 or older, the target population of this program, are projected to comprise a larger share of the population over the next decade and beyond. According to the U.S. Census Bureau's 2014 American Community Survey, 6.3 percent of individuals 65 and older (about 2.8 million people) have a vision-related disability. In addition, the percentage of individuals who have a disability that affects their independent living status (including vision-related disabilities) increases with age, with a dramatic increase for individuals in the 75 years and over category, where 20.3 percent report having a disability that affects their independent living status.

In 2014, 59,892 individuals received services under the Independent Living Services for Older Individuals who are Blind program, over half of whom were over 80 years of age. Additionally, approximately 35,400 of those individuals were either legally blind or totally blind; nearly one fourth of individuals receiving services under this program also suffered from some degree of hearing impairment. Approximately 83 percent were still living in a private residence.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Independent living for older blind individuals

In the Notice of Proposed Rulemaking implementing changes to the Vocational Rehabilitation (VR) State Grants program (published in the Federal Register on April 16, 2015), the Department proposed to eliminate uncompensated outcomes, including homemaker and unpaid family worker outcomes, from the definition of the term “employment outcome.” While the national percentage of homemaker outcomes compared to all employment outcomes is small (about 3 percent), some State VR agencies have a greater percentage of homemaker outcomes than others, particularly those serving only individuals who are blind and visually impaired.

To offset the impact of this change, the Department has proposed a transition period following the effective date of the final regulations that would allow sufficient time for current VR consumers to receive needed services. In addition, State VR agencies will be responsible for referring individuals to programs and services that can more appropriately meet their individualized needs. Through monitoring of the VR program, the Department has reviewed the case service records of individuals with homemaker outcomes and found that VR agencies sometimes assist individuals to exit the program as homemakers to provide an alternate resource for the provision of independent living services.

The Department anticipates that many of these individuals would be referred for services under the OIB program. For example, in fiscal year 2014, data from RSA’s VR Case Service Report (RSA-911) show that 34 percent (1,033) of the total homemaker closures reported by State VR agencies were individuals who were blind or visually impaired that were age 55 or older. The requested increase would help States to meet the increased demand for independent living services for these older blind individuals. The additional funds requested would also help to offset the decrease in allocations to States due to the new requirement to reserve 1.8 percent of the total amount appropriated for training and technical assistance. For States not receiving the statutory minimum award, the average grant award decreased from \$811,773 in fiscal year 2014 to \$795,115 in fiscal years 2015 and 2016.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Measures:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Number of Grantees	56	56	56
Minimum State award	\$225	\$225	\$225
Number of States at minimum	17	17	17
Average State award	\$620	\$620	\$657
Minority outreach	\$333	\$333	\$353
Training and technical assistance	\$600	\$600	\$636

REHABILITATION SERVICES AND DISABILITY RESEARCH

Independent living for older blind individuals

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years, including funding provided under the Recovery Act, and those requested in fiscal year 2017 and future years, as well as the resources and efforts invested by those served by the program.

Goal: To promote and support a philosophy of independent living (IL)—including a philosophy of consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy—in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities, and the integration and full inclusion of individuals with disabilities into the mainstream of American society.

Objective: *Through the provision of services (either directly or through contracts), increase the percentage of consumers receiving services funded through the Older Blind program who report having access to services needed to improve their ability to live more independently and participate fully in their communities.*

Measure: The percentage of Independent Living Older Blind program consumers who have access to previously unavailable assistive technology aids and devices.

Year	Target	Actual
2012	58%	50%
2013	58	55
2014	58	54
2015	56	
2016	56	
2017	56	

Additional information: The percentage of consumers reporting access to previously unavailable assistive technology in 2014 decreased slightly from the prior year and performance was below the target level for the third consecutive year. Assistive technology is one of the most frequently requested and expensive forms of assistance offered by this program, and consequently some States may have difficulty meeting consumer demand. This measure is calculated by dividing the number of consumers who received assistive technology by the total number of Older Blind program consumers ($32,090/59,892 = 54\%$). Data for 2015 are expected by fall 2016.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Independent living for older blind individuals

Measure: The percentage of Independent Living Older Blind program consumers who report an improvement in daily living skills.

Year	Target	Actual
2012	59%	55%
2013	60	62
2014	60	62
2015	62	
2016	62	
2017	62	

Additional information: The percentage of consumers reporting improvement in their daily living skills for 2014 was the same as in the prior year and the target level was met. This measure is calculated by dividing the number of Older Blind program consumers who reported improvement in daily living skills by the total number of Older Blind program consumers who received daily living skills training ($11,921/19,598 = 62\%$). Daily living skills include activities such as bathing, moving around the home, getting out of bed or a chair, and eating a meal. State agencies collect and provide this data in their annual program reports. Data for 2015 are expected by fall 2016.

REHABILITATION SERVICES

Helen Keller National Center (Helen Keller National Center Act)

(dollars in thousands)

FY 2017 Authorization: 0 ¹

Budget Authority:

<u>2016</u>	<u>2017</u>	<u>Change</u>
\$10,336	\$10,336	0

¹ The GEPA extension expired September 30, 2004; reauthorizing legislation is sought for FY 2017.

PROGRAM DESCRIPTION

The Helen Keller National Center for Deaf-Blind Youths and Adults (HKNC) was created by Congress in 1969, and operates under the auspices of Helen Keller Services for the Blind, Inc. The HKNC provides services on a national basis to youths and adults who are deaf-blind, their families, and service providers through three programs: a national headquarters center (Center) located in Sands Point, New York, with a residential training and rehabilitation facility where deaf-blind individuals receive intensive specialized services; a network of 10 regional field offices (Regional Network) that provide referral, counseling, advocacy, and transition assistance to deaf-blind individuals and technical assistance to service providers; and an Information, Research and Professional Development (IRPD) component. HKNC's mission is to enable each person who is deaf-blind to live, work, and thrive in his or her community of choice. This includes having access to local resources for community living and employment opportunities.

- The Center provides comprehensive vocational rehabilitation (VR) services for individuals with deaf-blindness in order to enhance their potential for employment and to live independently in their home communities. Center programs provide clients with an array of services, supports, and adaptive skills training, with an emphasis on enhanced mobility, improved and accessible communication (including the use of adaptive technology), constructive participation in home and community settings, leadership and advocacy training through mentoring, ongoing social and professional opportunities, increased employability, and other improvements to their personal development and quality of life. The Center also offers training and consultation to other programs serving individuals who are deaf-blind.
- The IRPD, in collaboration with universities, personnel preparation programs, and research projects throughout the country, identifies effective practices for working with youths and adults who are deaf-blind and disseminates these best practices nationally via professional training initiatives in collaboration with HKNC Direct Services and Field Service staff. In collaboration with HKNC, the IRPD offers on-campus workshops and seminars in a myriad of disciplines such as Train-the-Trainer seminars for Adaptive Technology Instructors working to support the National Deaf-Blind Equipment Distribution Program, training for sign

REHABILITATION SERVICES AND DISABILITY RESEARCH

Helen Keller National Center

language interpreters working with individuals who are deaf-blind, Support Service Providers (SSP) services, and training for VR Counselors. The IRPD has increased the number of qualified professionals working with individuals who are deaf-blind by utilizing technology and distance learning opportunities such as instructional videos, webinars, and online courses. Through these means, HKNC provides technical knowledge, expertise, training, and services to its partners across the United States.

- The Regional Network employs 11 regional representatives, who provide a wide variety of services to individuals who are deaf-blind in their home communities, including: training for State and local service agency staff, general technical assistance, program assessment, community advocacy, and assistance to vocational rehabilitation counselors, mental health workers, special education personnel, and deaf-blind consumers with developing individualized service plans. In addition, the Regional Network offices provide counseling, information, and referral services for individuals who are deaf-blind and their families to assist them to live and work independently. Regional representatives also assist clients who have received training at headquarters with making the transition back to their home community.
- Regional representatives collaborate with States to increase local capacity in the areas of implementing SSP programs, professional development training for VR and blind/visually impaired counselors, developing VR case sharing models, identifying deaf-blind leaders for representation on task forces/advisory councils and program planning/training, development of online and webinar training, and expanding the vocational access service provider model.

HKNC also operates a number of special projects related to deaf-blindness and partners with other national organizations. These include service projects for elderly and transition-age deaf-blind individuals. HKNC provides financial support to the National Family Association for Deaf-Blind, CHARGE Foundation and DeafBlind Citizens in Action. HKNC has participated in research conducted by Mississippi State University, the National Institute of Health, Virginia Commonwealth University, and in collaboration with VR in the States of Georgia, Missouri, Arizona, and Oregon. Over time, HKNC's research portfolio has expanded to include several focus areas, such as assistive technology, Congenital Rubella Syndrome, Ushers Syndrome, Services for Senior Citizens, SSP services, and statewide needs of individuals who are deaf-blind. In addition, the HKNC operates an internship program for undergraduate and graduate students studying and practicing in a variety of disciplines such as orientation and mobility, art therapy, rehabilitation counseling, and interpreting in the field of deaf-blindness.

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Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2012.....	\$9,145
2013.....	8,667
2014.....	9,127
2015.....	9,127
2016.....	10,336

FY 2017 BUDGET REQUEST

The Department requests \$10.3 million in fiscal year 2017 for the Helen Keller National Center (HKNC), the same as the fiscal year 2016 level. The requested funds would provide direct services for approximately 85 clients at the Center's residential training and rehabilitation program and would serve an estimated 1,700 consumers, 450 families, and 860 agencies and organizations through its regional offices.

The funds requested in fiscal year 2017 would support the Center's educational and vocational rehabilitation training programs that expand independent living and employment opportunities for individuals who are deaf-blind. Currently, most of the Center's budget supports operations and programs associated with serving clients in the HKNC headquarters, however, HKNC recognizes the need to expand its field services and restore the national affiliate network. HKNC has created Memorandums of Understandings (MOUs) with an array of organizations across the country and has surveyed 57 agencies receiving an overwhelming positive response to re-invent the affiliate network. The HKNC national affiliated network will become a National Community of Practice of professionals working in the field of vocational rehabilitation with individuals who are deaf-blind, by supporting them to achieve their vocational, social, independent living, and rehabilitative goals and aspirations. HKNC recognizes the need to expand its field operations to include deaf-blind specialists working in partnership with HKNC regional representatives, direct service teams and affiliate organizations.

In 2015, the Center served 55 clients in the intensive training program, 30 clients through its Community Services Program. Four consumers participated in paid three month internships through its Professional Learning and Leadership Institute. HKNC served 1,710 consumers through its regional offices. In addition, the Center provided training to 706 professions working in the field of deaf-blindness and hosted 18 interns who are currently completing college/university level studies in various fields serving the deaf-blind.

At the requested level, the Center estimates that it would serve approximately 85 adult clients with deaf-blindness at the HKNC headquarters intensive training program and provide specialized short-term training for approximately 10 high school students, 4 senior citizens, and 4 individuals who need training in the use of technology or other targeted skills. In addition HKNC will expand its Summer Youth Vocational Program by providing summer job opportunities to 6-8 transition age youth. The comprehensive vocational rehabilitation program is an active adult learning community whereby promising and best practices emerge and the co-construction of knowledge is the result of collaboration among members of the deaf-blind community.

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HKNC's current focus is on participatory leadership among individuals in the deaf-blind community with anticipated outcomes of deaf-blind community members playing a pivotal role in the design and implementation of services and organizational strategy.

HKNC would devote approximately 30 percent of the amount requested to its field services, community education and professional development programs, including the activities of HKNC's 10 regional offices and the Professional Learning Department. These programs help reach consumers in their home communities and assist personnel at State agencies and other organizations to serve or develop the capacity to serve individuals who are deaf-blind through training, community education, and technical assistance. HKNC helps to address a critical shortage of professionals qualified to meet the unique needs of individuals who are deaf-blind by training personnel such as teachers and vocational rehabilitation counselors, rehabilitation teachers, orientation and mobility specialists, adaptive technology instructors and interpreters.

Other Sources of Funding: In fiscal year 2017, in addition to the funds appropriated to HKNC through the Rehabilitation Services and Disability Research account, the Center expects to receive funding from a variety of State, private, and other Federal sources. In fiscal year 2015, as a member on the National Consortium on Deaf-Blindness, HKNC received \$641,000 in fiscal year 2015 through a grant from the Department's Office of Special Education Programs to provide technical assistance to State and local educational agencies. In recent years, the Center has also received a number of non-Federal grants. HKNC received \$1,101,000 for year 2 of a 5-year grant from the New York State Office for People with Developmental Disabilities to operate housing and provide supported employment services for individuals who are deaf-blind with intellectual disabilities who were former participants in HKNC's training program.

HKNC also has a contract with the New York State Commission for the Blind and Visually Impaired to operate a Community Services Program that provides rehabilitation training, orientation and mobility, case work, and job placement to deaf-blind individuals in the New York metropolitan area who do not require the comprehensive services offered at the headquarters training program.

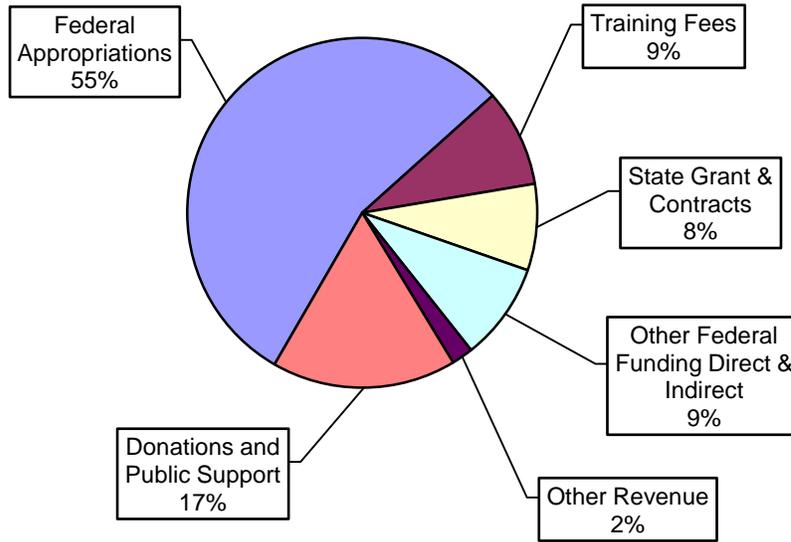
HKNC has been identified by the Federal Communication Commission as the certified entity in the States of New York, Iowa, and Hawaii responsible for administering the Deaf-Blind Equipment Distribution Program in these three states. The annual allocation in fiscal year 2015 is \$470,000 (NY), \$116,000 (IA), and \$80,000 (HI) to provide telecommunications equipment, assessment, and training and to residents who are deaf-blind in New York, Iowa and Hawaii.

The following charts show HKNC's revenues and expenses for fiscal year 2015. The Center reported total public support and revenues of \$16,409,000 and incurred total operating expenses of \$19,034,000 resulting in a net loss of \$2,625,000. While the Center has sought to increase other sources of funding, the Federal appropriation remains its primary source of support. Salaries and fringe benefits account for most of the Center's expenses, 91 percent of which are to support staff that are responsible for providing program services.

REHABILITATION SERVICES AND DISABILITY RESEARCH

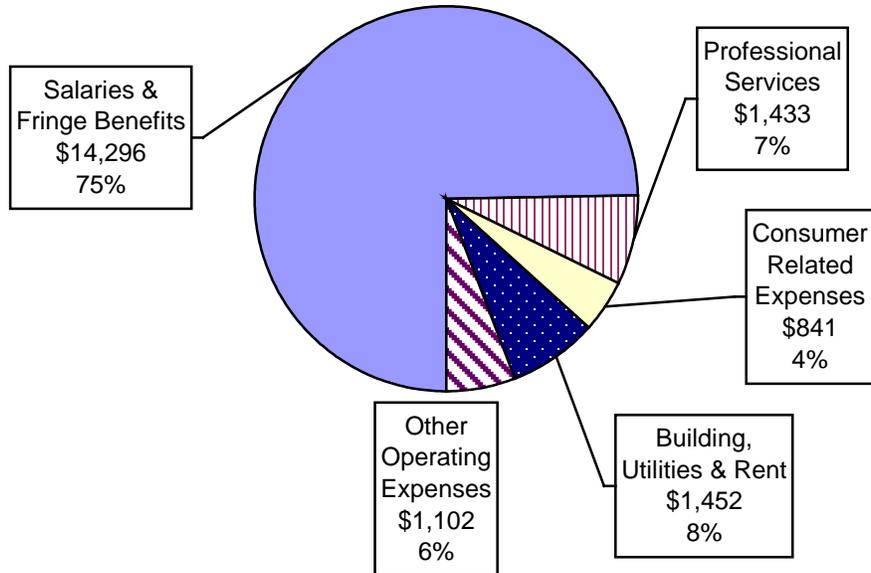
Helen Keller National Center

FY 2015 Sources of Funds (\$16.41 million)



FY 2015 Expenses (\$19.034 million)

(all funds) (dollars in thousands)



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PROGRAM OUTPUT MEASURES

<u>Output measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Number of individuals served at headquarters:			
Adult training program clients	65	55	55
Specialized training services:			
Transition for high school students	11	10	10
Senior citizens	3	4	4
Targeted skills training	2	4	4
Community Services Program	2	30	30
Number of individuals served through regional representatives:			
Consumers	1,500	1,710	1,710
Families	350	443	443
Agencies/organizations	800	861	861
HKNC FTE staff	144	146	146

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2017 and future years, as well as the resources and efforts invested by those served by this program.

Goal: Individuals who are deaf-blind will become independent and function as full and productive members of their local community.

Objective: *Individuals who are deaf-blind receive the specialized services and training they need to become as independent and self-sufficient as possible.*

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Measure: The percentage of training goals set and achieved by adult consumers (both on and off campus starting in 2013), of adult consumers seeking employment who are placed in employment both on and off campus starting in 2013), and of adult consumers seeking to maintain their ability to live independently or move to less restrictive settings who achieve their goals.

Year	Target # of Adult Con- sumers	Actual # of Adult Con- sumers	Target % in Less Restrictive Settings	Actual % in Less Restrictive Settings	Target % of Training goals met	Actual % of Training goals met	Target % Placed in Employ- ment	Actual % Placed in Employ- ment
2012	90	52	75%	89%	90%	89%	45%	38%
2013	68	52/52	85	83	95	96	46	36/67
2014	70	57/38	86	83	95	91	47	42/88
2015	71	55/30	87	82	95	93	48	41/56
2016	75		86		95		48	
2017	75		86		95		48	

Additional information: The number of adult clients attending the HKNC on-campus rehabilitation training center in fiscal year 2015 was 55, which was below the target of 71. However, the HKNC also served 30 additional off-campus consumers. HKNC points out that the number of consumers served may fluctuate from year to year due to factors beyond the control of the Center. For example, the length of time an individual participates in training may vary anywhere from two weeks to beyond one year due to varying levels of training intensity and differing individual needs.

The Center evaluates the progress of consumers in achieving the goals stated in their individualized training plans (ITPs). This measure represents the percent of adult consumers served by the HKNC who successfully achieved identified training goals during the program year. The consumers and their instructors mutually develop these instructional objectives. To ensure that the measure is an accurate reflection of the Center's performance, the Department and HKNC have agreed that it should only include the outcomes for adult consumers enrolled in the long-term formal program and the targeted skills training program. Consumers in the short-term programs for high school students are not included in the calculation. In 2015, 93 percent of adult consumers achieved their training goals.

The less restrictive settings measure refers to clients who move from settings such as living with parents or guardians, assisted living settings, and nursing homes to more independent living arrangements such as their own home or apartment or group homes. In addition, this measure includes participants who achieved a less restrictive living environment by successfully acquiring skills in two or more core areas resulting in the ability to maintain a home and more fully participate in community life. In 2015, 82 percent of clients moved into, or remained in, less restrictive settings, which was slightly below the target set for this measure.

Objective: Increase the capacity of deaf-blind consumers to function more independently in the home community.

REHABILITATION SERVICES AND DISABILITY RESEARCH

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Measure: The number of individuals (or families on behalf of individuals) referred to State or local agencies or service providers by HKNC's regional offices.

Year	Target	Actual
2012		300
2013	245	898
2014	265	575
2015	265	551
2016	300	
2017	285	

Additional information: In fiscal year 2015, HKNC's regional offices referred 551 individuals to State or local agencies or service providers. In recent years, regional offices have significantly increased the number of individuals referred to other entities for assistance due to the regional representatives' involvement in four State-wide needs assessments and services rendered as part of the National Deaf-Blind Equipment Distribution Program (NDBEDP).

Measure: The percentage of consumers who participated in services of programs (other than HKNC) as a result of receiving a referral from HKNC's regional offices.

Year	Target	Actual
2012		74%
2013	66%	66
2014	67	95
2015	68	66
2016	66	
2017	66	

Additional information: This measure provides information on the activities of the field services programs, including the 11 regional representatives and the national training team, which consume a significant portion of the Center's resources. Regional representatives serve individuals with deaf-blindness in their home communities, which often lack other service providers that are trained and equipped to meet the unique and multi-faceted needs of these consumers. The referrals provided by regional representatives often are the gateway to finding appropriate and individualized supports from various agencies and organizations. The intensity of consumers' interactions with HKNC field staff varies significantly. Some consumers interact with staff only once over the phone, while others benefit from repeated in-person visits for a variety of services, such as skills assessments, counseling, and advocacy.

Fiscal year 2015 data reflects a return to actual data prior to fiscal year 2014, which showed a significant increase in the percentage of consumers participating in service programs (other than HKNC programs) as a result of a regional office referral. RSA is reviewing the data

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reported for fiscal years 2014 and 2015, and will work with HKNC to assess whether fiscal year 2014 performance represents a one-time anomaly.

Objective: HKNC will assist State vocational rehabilitation and employment programs in increasing employment outcomes for individuals who are deaf-blind.

Measure: The number of referrals by HKNC's regional offices to vocational rehabilitation or related employment programs.

Year	Target	Actual
2012		57
2013	84	62
2014	88	65
2015	92	65
2016	65	
2017	65	

Measure: The percentage of individuals who achieved successful employment outcomes in which HKNC's regional offices played a collaborative role contributing training, advocacy and/or support to the consumer or job training agency.

Year	Target	Actual
2012		45%
2013	28%	32
2014	30	55
2015	32	46
2016	40	
2017	40	

Additional information: HKNC plays an important role in connecting individuals who are deaf-blind to vocational rehabilitation agencies. Many vocational rehabilitation (VR) agencies lack sufficient numbers of personnel trained in providing services to consumers who are deaf-blind. HKNC field staff frequently facilitate interactions between consumers and VR agencies, train VR agency staff about the specialized needs of these clients, and assist consumers who are returning to their State's VR system after attending intensive training at HKNC headquarters. However, the number of referrals to VR agencies is somewhat limited by the fact that not all consumers served by HKNC field staff have vocational goals.

For the measure on the percentage of individuals who achieved employment outcomes, the numerator is the number of clients served by HKNC regional representatives who achieved employment outcomes in which HKNC's regional offices played a collaborative role providing training, advocacy and/or support to the consumer or job training agency. The denominator is the total number of clients served by HKNC regional representatives who achieved employment outcomes. In fiscal year 2015, 46 percent of individuals achieved successful employment outcomes in which HKNC's regional offices played a collaborative role providing training,

REHABILITATION SERVICES AND DISABILITY RESEARCH

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advocacy and/or support to the consumer or job training agency, and exceeded the target for his measure.

REHABILITATION SERVICES
