

Department of Education
REHABILITATION SERVICES
Fiscal Year 2018 Budget Request

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¹ State tables reflecting final 2016 allocations and 2017 and 2018 estimates are posted on the Department's webpage at: <https://www2.ed.gov/about/overview/budget/statetables/index.html>

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For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973 and the Helen Keller National Center Act, \$3,563,008,000, of which \$3,452,931,000 shall be for grants for vocational rehabilitation services under Title I of the Rehabilitation Act:¹ *Provided*, 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:² *Provided further*, That States may award subgrants for a portion of the funds to other public and private, non-profit entities:³ *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, 2019:⁴

NOTE:

A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

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 <u>...of which \$3,452,931,000 shall be for grants for vocational rehabilitation services under Title I of the Rehabilitation Act:</u></p>	<p>This language earmarks funds provided for Vocational Rehabilitation (VR) State Grants program.</p>
<p>² <u>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:</u></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>
<p>³ <u>Provided further, That States may award subgrants for a portion of the funds to other public and private, non-profit entities:</u></p>	<p>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.</p>
<p>⁴ <u>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 30,2019:</u></p>	<p>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.</p>

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Appropriation, Adjustments and Transfers
(dollars in thousands)

Appropriation/Adjustments/Transfers	2016	2017 Annualized CR	2018
Discretionary:			
Appropriation.....	\$137,835	\$137,573	\$110,077
Mandatory:			
Appropriation.....	3,391,770	3,398,554	3,452,931
Sequester (P.L. 112-25).....	<u>-230,640</u>	<u>-234,500</u>	<u>0</u>
Total, adjusted mandatory appropriation	3,161,130	3,164,054	3,452,931
Total, discretionary and adjusted mandatory appropriation.....	3,298,965	3,301,627	3,563,008

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Summary of Changes
(dollars in thousands)

2017 Annualized CR	\$3,536,127 ¹
2018.....	<u>3,563,008</u>
Net change.....	+26,881

¹ Excludes 6.9 percent sequester reduction of mandatory VR State Grant funds pursuant to the Budget Control Act (P.L. 112-25)

	2017 Annualized <u>CR base</u>	Change from base
Increases:		
<u>Built in</u>		
Increase in funding for Vocational Rehabilitation (VR) State grants, consistent with the inflation increase specified in the authorizing statute.	\$3,398,554	+\$54,377
Decreases:		
<u>Program:</u>		
No funds are requested for Supported Employment State grants.	27,496	-27,496
Net change		+26,881

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Authorizing Legislation

(dollars in thousands)

Activity	2017 Authorized	2017 Annualized CR	2018 Authorized	2018 Request
Vocational rehabilitation (VR) State grants:				
Grants to States (RA-I A, B-110 and 111)	\$3,398,554 ¹	\$3,121,054 ²	\$3,452,931 ³	\$3,452,931
Grants for Indians (RA-I-C)	(1, 4) 43,000	43,000	(3,4) 43,000	43,000
Client assistance State grants (RA-I-112)	13,195	12,975	13,488	12,975
Supported employment State grants (RA-VI)	30,292	27,496	30,963	0
Training (RA-III-302)	37,009	30,131	37,830	30,131
Demonstration and training programs (RA-III-303)	6,373	5,785	6,515	5,785
Services for older blind individuals (RA-VII-2)	36,635	33,254	36,635	33,254
Protection and advocacy of individual rights (RA-V-509)	19,408	17,616	19,838	17,616
Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	<u>0</u> ⁵	<u>10,316</u>	<u>0</u> ⁵	<u>10,316</u>
Total definite authorization	0		0	
Total discretionary appropriation		137,573		110,077
Total mandatory appropriation		3,398,554		3,452,931
Total appropriation		3,536,127		3,563,008
Portion of request not authorized				10,316
Total appropriation including required mandatory reduction		3,301,627 ²		

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 2017, this amount was \$3,398,554 thousand.

² The amount reflects the 6.9 percent reduction of mandatory programs that went into effect on October 1, 2016, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

³ 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 2018, this amount is \$3,452,931 thousand.

⁴ 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.

⁵ The GEPA extension expired September 30, 2004; the program is authorized in FY 2017 through appropriations language. Continued funding is proposed for this program in FY 2018 under appropriations language.

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Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
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	3,534,027 ¹⁰	3,536,389 ¹⁰	3,535,589 ¹⁰
2018	3,563,008			

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.

¹⁰ The levels for House and Senate allowances reflect Committee action on the regular annual 2017 appropriations bill; the Appropriation reflects the Consolidated Appropriation Act, 2017.

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DEPARTMENT OF EDUCATION FISCAL YEAR 2018 PRESIDENT'S BUDGET
(dollars in thousands)

Account, Program and Activity	Category Code	2016 Appropriation	2017 Annualized CR	2017 Appropriation	2018 President's Budget	2018 President's Budget Compared to 2017 Annualized CR		2018 President's Budget Compared to 2017 Appropriation	
						Amount	Percent	Amount	Percent
Rehabilitation Services									
1. Vocational rehabilitation State grants:									
(a) Grants to States (RA Title I-A, sections 110 and 111) ¹	M	3,118,130	3,121,054	3,121,054	3,409,931	288,877	9.26%	288,877	9.26%
(b) Grants to Indians (RA Title I-C)	M	43,000	43,000	43,000	43,000	0	0.00%	0	0.00%
Subtotal		3,161,130	3,164,054	3,164,054	3,452,931	288,877	9.13%	288,877	9.13%
Mandatory baseline	M	3,391,770	3,398,554	3,398,554	3,452,931	54,377	1.60%	54,377	1.60%
2. Client assistance State grants (RA section 112)	D	13,000	12,975	13,000	12,975	0	0.00%	(25)	-0.19%
3. Training (RA section 302)	D	30,188	30,131	29,388	30,131	0	0.00%	743	2.53%
4. Demonstration and training programs (RA section 303)	D	5,796	5,785	5,796	5,785	0	0.00%	(11)	-0.19%
5. Protection and advocacy of individual rights (RA section 509)	D	17,650	17,616	17,650	17,616	0	0.00%	(34)	-0.19%
6. Supported employment State grants (RA VI)	D	27,548	27,496	27,548	0	(27,496)	-100.00%	(27,548)	-100.00%
7. Independent living services for older blind individuals (RA VII, Chapter 2)	D	33,317	33,254	33,317	33,254	0	0.00%	(63)	-0.19%
8. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	D	10,336	10,316	10,336	10,316	0	0.00%	(20)	-0.19%
Subtotal		137,835	137,573	137,035	110,077	(27,496)	-19.99%	(26,958)	-19.67%
Total		3,298,965	3,301,627	3,301,089	3,563,008	261,381	7.92%	261,919	7.93%
Discretionary	D	137,835	137,573	137,035	110,077	(27,496)	-19.99%	(26,958)	-19.67%
Mandatory	M	3,161,130	3,164,054	3,164,054	3,452,931	288,877	9.13%	288,877	9.13%

NOTES: D = discretionary program; M = mandatory program

For the Vocational Rehabilitation State Grants program, the levels shown in the 2016 Appropriation column reflect the 6.8 percent reduction that went into effect on October 1, 2015, and in the 2017 Annualized CR and 2017 Appropriation columns, the 6.9 percent reduction that went into effect on October 1, 2016, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

Detail may not add to totals due to rounding.

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.

A full-year 2017 appropriation was not enacted at the time the FY 2018 Budget was prepared; therefore, the Budget assumes the Department is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution. The Department of Education Appropriations Act, 2017 provided \$3.536 billion, an increase of \$5.984 million, or 0.17 percent, more than the 2016 appropriated level for programs in this account.

The Administration's 2018 Request for the Rehabilitation Services account provides \$3.563 billion to support comprehensive and coordinated vocational rehabilitation for individuals with disabilities through direct services, training and technical assistance, and model demonstrations, as well as direct services to assist older individuals who are blind 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 \$3.453 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of \$54.377 million over the fiscal year 2017 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 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 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 2018 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, 2019.

No funds are requested for the Supported Employment State Grants program. The Administration recognizes that supported employment can be an effective strategy in assisting individuals with the most significant disabilities to obtain competitive employment in integrated

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settings. However, the Administration believes that a separate supplemental grant program is not necessary for the provision of supported employment services and the proposed elimination would reduce unnecessary administrative burden and streamline program administration at the Federal and State levels.

All other programs in the Rehabilitation Services account would be maintained at the 2017 Annualized CR 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 2018 Authorization: \$3,452,931¹

Budget Authority:

	<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
State grants	\$3,355,554	\$3,355,554	\$3,409,931	+\$54,377
Indian set-aside	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>	<u>+0</u>
Total	3,398,554 ²	3,398,554 ²	3,452,931	+54,377

¹ The Vocational Rehabilitation State Grants program was reauthorized in July 2014 by the Workforce Innovation and Opportunities Act of 2014. 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. For fiscal year 2018 this amount is \$3,452,931 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 2017 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 2017 subsequent to the 6.9 percent sequester is \$3,164,053,774, a reduction of \$234.5 million.

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 no less than the prior year level, increased by the percentage change in the Consumer Price Index for Urban Consumers.

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

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Vocational rehabilitation State grants

strategies to meet the needs of local and regional employers, and to provide services through a 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. For 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.

- Employment Rate – 2nd Quarter After Exit: The percentage of program participants who are in unsubsidized employment during the second quarter after exit;
- Employment Rate – 4th Quarter After Exit: The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit;
- Median Earnings – 2nd Quarter After Exit: The median earnings of program participants who are in unsubsidized employment during the second quarter after exit;
- Credential Attainment: The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program.
- Measurable Skill Gains: The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains, defined as documented academic, technical, occupational, or other forms of progress, towards such a credential or employment; and
- Effectiveness in Serving Employers: Three approaches designed to gauge three critical workforce needs of the business community are being piloting, including retention with the same employer, repeat business customers, and employer penetration rate. During the pilot, States must select two of the three approaches.

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Implementing Regulations

On August 19, 2016, the Departments of Education and Labor concurrently published five Notices of Final Rulemaking (NFRs), one of which covers jointly administered activities (e.g., unified and combined state plans, performance accountability, and the one-stop system). The other NFRs implement the remaining provisions of Title I and Title III of WIOA, administered by the Department of Labor (DOL); and Titles II and IV of WIOA, administered by the Department of Education. The rules implementing the Rehabilitation Act (Title IV of WIOA) are presented in two separate NFRs due to the number of programs affected. The larger of these NFRs 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).

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, education, vocational training, job placement, rehabilitation technology, supported employment services, and treatment of mental or physical conditions that may reasonably be expected to reduce or eliminate an impediment to employment. 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 must also maintain non-Federal expenditures at no less than 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 2016 State distributions were 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. The fiscal year 2018 State distributions are based on the July 1, 2016 estimates published in December 2016. 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. Per capita income averages for fiscal year 2018 are based on Bureau of Economic Analysis revised estimates for calendar years 2013, 2014, and 2015 as reported by the Department of Commerce on September 28, 2016.

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)
2013.....	\$3,066,192
2014.....	3,064,305 ¹
2015.....	3,091,614 ¹
2016.....	3,161,130 ¹
2017.....	3,164,054 ¹

¹ The amounts shown for 2014, 2015, 2016, and 2017 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, 6.8 percent in 2016, and 6.9 percent in 2017.

FY 2018 BUDGET REQUEST

The Administration requests \$3.5 billion, \$54.4 million over the fiscal year 2017 mandatory level to help States and Tribal governments increase the participation of individuals with disabilities in the workforce. Of the amount requested, \$43.0 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 (1.6 percent for fiscal year 2018).

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 still very high. For example, in the “Persons with a Disability: Labor Force Characteristics”

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report released in June 2016 (2015 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 (26.9 percent versus 72.2 percent, respectively) and that only 19.2 percent of working-age individuals with disabilities were usually working full-time. Of those people with disabilities who were employed, 28.8 percent usually worked part time (less than 35 hours per week) compared to 16.8 percent of people without such disabilities. In addition, employed persons with a disability were more likely to be self-employed (10.0 percent) than those with no disability (6.3 percent)¹.

Through the workforce development system, 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. The VR State Grants program is a critical component of the 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 program year 2016 (July 1, 2016 – June 30, 2017), the State Plans of 35 of the 80 State VR agencies documented that the agency had established an order of selection. This total includes 57.1 percent of the general and combined State VR agencies and 12.5 percent of the State VR agencies serving blind individuals.

WIOA recognizes that local businesses are best positioned to inform the workforce development system. Within this system, local economies drive alignment between programmatic services and industry needs, thereby increasing opportunities for job-seekers. To take advantage of these opportunities, individuals with disabilities must acquire the skills needed to compete for, obtain, and advance in the same type of high quality jobs and high demand careers as persons without disabilities. Amendments to the VR State Grants program made by WIOA emphasize the importance of fostering working relationships between VR agencies and business, including expanding the scope of services that a VR agency may provide to employers for the benefit of individuals with disabilities in achieving competitive integrated employment. Through these relationships with business, VR agencies are able to provide the services necessary to assist individuals with disabilities to gain the requisite skills and training, thereby promoting careers that match employers’ needs in the local area.

The emphasis on the provision of services to students and youth with disabilities also heightens the importance of the relationships between VR agencies and employers. The cooperative working relationships that VR agencies foster with employers will be especially

¹ <https://www.bls.gov/news.release/disabl.htm>

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critical for the development of work-based learning experiences for students with disabilities with respect to the provision of pre-employment transition services.

In FY 2016, RSA initiated a process of working with employers at the Federal level through a series of Business Roundtable discussions. RSA hosted employers from a number of sectors, including federal contracting, healthcare, banking/finance, and information and technology. Through these roundtables, RSA has encouraged State VR agencies to implement similar events to initiate a dialogue with local, State, and regional employers. RSA also encourages State VR agencies to meet employer needs by continuing to work with human resource firms and other organizations that focus on workplace diversity and talent acquisition.

WIOA includes new unified State planning requirements intended to build positive cooperative working relationships between VR agencies and employers. Requiring VR agencies to plan how they will work collaboratively with employers forces VR agencies to be thoughtful and strategic about building these relationships in order to expand work-based learning and employment opportunities for individuals with disabilities in their communities.

In an effort to improve the ability of State VR agencies to work with employers and training providers, RSA awarded a grant in 2014 under the Rehabilitation Training program to establish a Job-Driven Vocational Rehabilitation Technical Assistance Center. In addition to providing intensive training and technical assistance to States, the Center has developed a number of resources for States, including job-driven toolkits that provide resources on promising and emerging job-driven strategies from the field. The toolkits help embed and sustain job-driven VR practices that lead to improved employment or training outcomes for people with disabilities. Major focus areas of the toolkit include business engagement, labor market information, and employer supports¹.

State VR agencies are implementing a number of initiatives to build better working relationships and increase coordination with employers and workforce partners to improve opportunities for individuals with disabilities to engage in employment in the competitive labor market. Some examples include:

- Coordination with employers using utilizing labor market information (California)
- Partnering with workforce agencies to align with regional employment sectors (Illinois)
- Optimizing on-the-job training (Ohio)
- Connecting with business via talent networks (New Jersey)
- Employer engagement panel (Georgia)
- Incorporating rapid engagement strategies (Nebraska)

¹ <http://www.explorevr.org/>

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WIOA Implementation and Capacity Building

The final regulations published in August 2016 will assist States in implementing the new WIOA provisions. In addition to issuing final rules, the Department, in conjunction with DOL, has developed and issued guidance and technical assistance, held webinars and trainings, and presented at meetings and conferences on a number of key WIOA topics. For example, DOL and the Department have issued joint guidance and technical on major topics such as unified State plans, performance accountability, and one-stop infrastructure costs. Some of these efforts have been targeted to the wider workforce partnership and some have been specifically designed for VR State agencies. In addition, the Department has provided technical assistance and 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. This information can be found on the Department's website¹.

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, 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. In addition, the Department awarded 5-year grants to 5 State VR agencies under the Disability Innovation Fund in fiscal year 2016 to identify and demonstrate work-based learning interventions for students with disabilities that could be used to assist State VR agencies to improve the provision of transition services, including pre-employment transition services. (See further discussion under "Disability Innovation Fund" below.)

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 workforce infrastructure supports will strain resources for providing direct services to VR consumers. The requested increase, although subject to the sequestration mandatory program under Budget Control Act of 2011, will provide some assistance to States in addressing these resource challenges.

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

¹ <https://www2.ed.gov/about/offices/list/osers/rsa/wioa-reauthorization.html>

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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, beginning in 2009, fewer States 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, exceeded the additional funds requested because many States are unable to match the Federal funds.

Beginning with the fiscal year 2012 budget request, the Department 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. 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.

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. By the end of the recruitment period in April 2016, all six projects met their project recruitment goals, with a total of 13,378 participants enrolled across the six projects. Approximately half of the children and families enrolled will be placed in the treatment group and receive project services. Program participants in the intervention group are receiving services that include paid competitive employment opportunities. For example, in the summer of 2016, approximately 500 youth in the Arkansas PROMISE project were engaged in paid summer employment and over 600 youth had completed individualized employment plans. As

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of August 2016, 108 Maryland PROMISE participants have secured paid employment experiences for the summer and 72 participants have engaged in financial education. In addition, over 500 family members and over 350 youth from Wisconsin PROMISE have participated in paid community employment experiences. Additional information can be found on the PROMISE technical assistance center's website¹.

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) (\$20 million) 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 (\$17.2million).

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 developing an information technology (IT) infrastructure on which Internet-capable computers automatically run AT solutions customized for individual users with disabilities according to their preferences. Examples of such personalization could include font size or color, line-spacing, 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. In addition to 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).

During fiscal year 2017, the APCP begins its second year of activities working closely with the pilot team to coordinate planning and carry out pre-pilot testing at the selected American Job Centers. Results of pre-pilot testing will provide guidance for refining the user experience, support materials, and methods to be used in the pilot implementations scheduled to begin in the third year of the APCP, which begins in fiscal year 2018. The Department is partnering with NIDILRR (now administered by the Administration for Community Living in HHS), the National

¹ <http://www.promisetacenter.org/>.

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Institute of Standards and Technology, 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 (Luecking, 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 support².

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 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.

¹ Luecking, 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.

² <http://www.ncwd-youth.info/guideposts>

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Through the Disability Innovation Fund, the Department awarded 5-year demonstration projects to five State VR agencies 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 will 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 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.

DIF - Fiscal Year 2017 and 2018 Funds

There were no unobligated VR State Grant funds remaining at the end of fiscal year 2016 and there were more funds requested by States in reallocation than there were available for the redistribution. 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 had been gradually declining. In general, this trend suggests that States continue to recover from the earlier economic downturn and are stabilizing 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 and have been required to match.

Similar to previous years, a small percentage of States returned grant funds they had been awarded either because they were unable to provide the required match or meet their maintenance of effort (MOE). A total of 12 States returned some of their 2016 grant funds, while 24 States requested additional funds in reallocation. Five of the 12 States accounted for 77 percent of the returned funds. In addition, 10 States had their fiscal year 2016 allotment reduced because they did not meet their fiscal year 2015 MOE requirement. Four of the 10 States with MOE penalty reductions also returned a portion of their 2016 grant funds and 4 requested additional funds in reallocation.

The Department expects the number of State VR agencies that are unable to match their fiscal year 2017 and future VR allocations to decline, while the number of States requesting an increase in funds during reallocation is expected to remain about the same or to slightly increase. Thus, the Department expects to 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 maintenance of effort requirement will decline, it also anticipates that there will continue to be unobligated funds resulting from MOE penalties in fiscal years 2017 and 2018, which the Department may or may not be able to redistribute based on the demand for additional funds. Based on this assumption, the Administration is requesting appropriations language for fiscal year 2018 to continue the authority to use such funds to support innovative activities under the DIF that would otherwise be unavailable for Federal obligation.

If available, the Administration would use unobligated fiscal year 2017 and 2018 VR funds to help support demonstrations to provide early intervention services to populations at risk of dependence on SSDI/SSI. People with chronic conditions and disabilities, even when those conditions cause significant functional impairments, can often remain at work as their condition

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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. If funds become available, 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.

American Indian Vocational Rehabilitation Services

In fiscal year 2018, the Department would set aside \$43.0 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 88 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 the 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;
- 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.

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PROGRAM OUTPUT MEASURES

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<u>Output Measures</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Individuals receiving services ¹	961,350	962,000	964,000
Individuals with significant disabilities as a percent of all individuals receiving services	94%	94%	94%
Total number of cases closed who received services	469,820	470,100	470,450
Individuals whose cases were closed and received VR services	328,415	328,800	329,250
Individuals achieving an employment outcome ²	186,715	187,000	187,350
Individuals with significant disabilities as a percent of all individuals achieving an employment outcome	94%	94%	94%

Note: Data for fiscal years 2016 through 2017 are projections based on actual data for fiscal years 2014 and 2015 and preliminary 2016 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.

American Indian vocational rehabilitation services (dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Project funding:			
New AIVRS project funds	\$10,557 ¹	0	0
Continuation AIVRS project funds	31,665	\$42,226 ²	\$42,226 ²
Technical assistance	774	774	774
Peer review of new awards applications	4	0	0

¹ The total amount for new awards shown in the 2016 column of the table includes \$2,540 thousand that was used to pay a portion of the 2017 continuation costs of 11 of the 13 AIVRS projects awarded in 2016.

² The total amount for continuations shown in the 2017 and 2018 columns of the table include about \$1 million that will be used to pay a portion of the 2018 and 2019 continuation costs.

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<u>Output Measures</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Number of AIVRS projects:			
New projects	13	0	0
Continuation projects	<u>75</u>	<u>88</u>	<u>88</u>
Total projects	88	88	88

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 fiscal year 2018 and future years, as well as the resources and efforts invested by those served by this program.

VR State Grants

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. WIOA requires 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. In particular, 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' on page I-11.) Additionally, State VR agencies will continue to report program-specific data through the revised Case Service Report (RSA-911-16).

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. Agencies are expected to begin to collect data to support the joint performance measures during program year 2016, and the Departments of Education and Labor expect all agencies to fully collect and report quarterly performance and other data for program year 2017. While fiscal year 2015 performance is reported for the previous GPRA measures, the Budget Request does not include 2016 through 2018 performance targets for these measures.

The Department has developed interim GPRA measures that are more aligned with the WIOA joint primary indicators until State performance data on those indicators are available. The

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interim GPRA measures would use available data from the current Case Service Report (RSA-911-14) which States will continue to use through June 30, 2017 to assess program performance. Fiscal year 2015 performance data for these measures is presented below. Because these measures will only be used for fiscal years 2015 and 2016, no targets will be established.

Interim VR Measures

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 competitive integrated employment consistent with their particular strengths, resources, abilities, capabilities, interests, and informed choice.*

Measure: Percentage of participants who exited the VR program in competitive integrated employment.

In fiscal year 2015, 54.3 percent of the 328,220 participants who exited the VR program obtained competitive integrated employment. State performance varied considerably with performance ranging from a low of 37 percent to a high of 71 percent.

For the purposes of this interim measure and the interim measures below, A VR participant is an eligible individual who has an approved and signed IPE and has begun to receive services. A VR participant is reported to have exited the program when the participant's record of service is closed. Competitive integrated employment is 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 compensated at or above the minimum wage, but not less than the customary wage rate paid by the employer for the same or similar work performed by other individuals who are not disabled and who are similarly situated in similar occupations by the same employer and who have the similar training, experience, and skills, including eligibility for the same level of benefits. (See 34 CFR 361.5(c)(9).)

Measure: Median weekly earnings for participants who exited the VR program with a competitive integrated employment outcome.

The median weekly earnings for participants who exited the VR program with a competitive integrated employment outcome in fiscal year 2015 were \$303. Median weekly earnings at exit ranged from \$225 to \$481. Median weekly earnings are based on RSA 911-14 State reported data for all 52 states as defined in program regulations and the outlying areas.

Objective: *Ensure that youth with disabilities who are served by the Vocational Rehabilitation State Grant program receive the education and training needed to achieve competitive integrated employment.*

Measure: Percent of youth participants who exit the VR program who received at least one of seven specified training services.

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Of those youth participants who exited the VR program in fiscal year 2015, 47.7% received at least one of seven specified training services. Of the seven training services, the most frequently received was occupational or vocational training followed closely by four-year college or university training. However, please note that under program regulations, training or training services in an institution of higher education (universities, colleges, community or junior colleges, vocational schools, technical institutes, or hospital schools of nursing or any other postsecondary education institution) may not be paid for with VR program funds unless maximum efforts have been made by the VR State agency and the individual to secure grant assistance in whole or in part from other sources to pay for that training.

For the purpose of this measure, youth participants are youth with a disability between the ages of 14 and 24 at the time of application to the VR program. Training services, for the purpose of this measure, include graduate college or university training, four-year college or university training, junior or community college training, occupational or vocational training, apprenticeship training, basic academic remedial or literacy training, or miscellaneous training.

Performance on Previous VR GPRA measures.

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
2013	57%	64%
2014	59	79
2015	60	66

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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
2013	62%	62%
2014	62	62
2015	64	63

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 2015, the target set for the group of general and combined State VR agencies was exceeded, with 37 of 56 agencies (66.1 percent) meeting the 55.8 percent performance criteria. However, performance on this measure was significantly lower than the previous year. Performance in fiscal year 2014 was unusually high compared to previous years and thus, given 2015 performance, raises questions as to its reliability. While performance increased for the group of State VR agencies serving individuals who are blind, the target for 2015 was not met. However, the performance of many State agencies continues to vary, particularly in terms of the number and percentage of 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
2013	95%	96%
2014	95	95
2015	96	96

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
2013	90%	88%
2014	92	88
2015	92	88

Additional information: These measures assess the percentage of all individuals with employment outcomes who achieve competitive employment. For the purpose of this measure competitive employment is defined 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 compensated

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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 2015, the performance of the general and combined agencies on this measure returned to the 2013 level and the target was met. In fiscal year 2015, only 2 of the 56 general and combined agencies did not meet the performance criterion. In 2015, performance for the group of agencies for the blind was the same as in 2013 and 2014, with three agencies not performing at the 65 percent criterion, so the target was not met.

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
2013	70%	64%
2014	66	61
2015	64	59

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
2013	63%	58%
2014	63	58
2015	63	58

Additional information: 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 2015, the performance of the general and combined agencies on this measure was slightly lower than the previous year, with 33 of the 56 (58.9 percent) agencies demonstrating an average cost per participant within the established performance range (between \$1,200 and \$3,300), a decrease of one agency. In 2015, performance on this measure for agencies for the blind was the same as the previous year, with 14 of 24 agencies (58.3 percent) demonstrating an average cost per participant of no more than \$8,000. It should

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be noted the cost ranges for this measure were established more than 10 years ago based on 2005 and 2006 data. Given inflation and the increasing costs of the program, these ranges are no longer valid. A new efficiency measure will be developed for future years.

For fiscal year 2015, the average annual cost per participant for general and combined State vocational rehabilitation agencies was \$3,014 with a range (excluding the outlying areas) of \$1,438 to \$8,017. For agencies for the blind, the average annual cost per participant was \$7,235 with a range from \$4,541 to \$13,359. In comparison, the fiscal year 2014 average annual cost per participant for general and combined State vocational rehabilitation agencies was \$3,015, while for agencies for the blind it was \$7,065.

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
2013	65%	69%
2014	65	67
2015	66	68
2016	66	
2017	67	
2018	67	

Additional information: Data for fiscal year 2015 show that 68 percent of the 2,692 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. However, there is a wide variation in the reported number and percentage of individuals who achieve an employment outcome by individual AIVRS projects. In fiscal year 2015, the 84 projects operating in that fiscal year (projects funded with fiscal year 2014 appropriations and 3 projects operating under a no cost extension) reported that they assisted a total of 1,835 American Indians with disabilities to achieve an employment outcome. Fiscal year 2015 was the first project year for more than half of the projects operating in that year and the fifth and final project year for 28 of the grantee. One of the new projects was unable to begin providing services in the first year of its grant and is not included in the analysis for this measure nor the two efficiency measures. They will use their FY 2014 grant funds to provide services in fiscal year 2016. Fiscal year 2016 data will be available in May 2017.

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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
2013	72%	76%
2014	72	80
2015	76	68
2016	76	
2017	76	
2018		

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. In fiscal year 2015, the 84 projects assisted a total of 1,835 individuals to obtain employment outcomes, 266 fewer than in fiscal year 2014. As a result, the annual cost per employment outcome increased, and only 68 percent of the projects demonstrated an average annual cost per employment outcome of no more than \$35,000. The median cost per employment outcome for the 84 projects reporting data rose from \$20,294 in fiscal year 2014 to approximately \$25,000 in fiscal year 2015. However, the cost per employment outcome varied significantly across projects. The Department expects that performance on this measure will improve in fiscal year 2016 because the new projects awarded in fiscal year 2014 will be in their second project period.

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Vocational rehabilitation State grants

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

Year	Target	Actual
2013	85%	88%
2014	86	83
2015	86	71
2016	86	
2017	86	
2018	86	

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 IPE. In fiscal year 2015, 84 AIVRS projects reported serving a total of 6,634 American Indians with disabilities, significantly less than the number served in 2014, so the percentage of AIVRS projects that met the average annual cost per participant of no more \$10,000 dropped to 71 percent, and the target was not met. The median annual cost per participant for the 84 projects reporting data rose from approximately \$5,834 to \$7,223.

REHABILITATION SERVICES

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

(dollars in thousands)

FY 2018 Authorization: \$13,488

Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$12,975	\$13,000	\$12,975	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). CAP focuses on promoting understanding of the rehabilitation services and benefits available under the Act, and advising eligible individuals of their rights and responsibilities in connection with those benefits. The program also offers eligible individuals and applicants a variety of other kinds of assistance, including assistance and advocacy in pursuing legal and administrative remedies to ensure the protection of their rights. State VR agencies are required to inform VR consumers about the services available from the CAP and how to contact the CAP. Also, 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 re-designate the CAP to an agency that does not provide services under the Act.

Designations for the 57 CAPs, including the CAP for the American Indian consortium, are as follows:

- 10 of the Governors have designated the CAP to external State agencies;
- 8 of the Governors have designated CAP agencies internal to the VR agency; and
- 39 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

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Client assistance State grants

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 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 2016 allotments were based on the July 1, 2014 population estimates published in December 2014. The fiscal year 2017 State distributions are based on the July 1, 2015 Census data released in December 2015. The fiscal year 2018 State distributions are based on the July 1, 2016 Census data released in December 2016.

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

Fiscal Year	(dollars in thousands)
2013.....	\$11,600
2014.....	12,000
2015.....	13,000
2016.....	13,000
2017.....	13,000

FY 2018 BUDGET REQUEST

The Administration requests \$12.975 million in fiscal year 2018 for the Client Assistance Program, the same as the fiscal year 2017 annualized Continuing Resolution (CR) level. The Department of Education Appropriations Act, 2017, provided \$13.0 million for this program. 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 2015 show that, nationwide, CAPs responded to 35,609 requests for information and referral (I&R). While the average number of I&R requests that States responded to was 614, the median number was 87. The most frequent I&R requests were for information regarding the VR program (40 percent) and information regarding CAP (32 percent). However, it should be noted that data reported by the one CAP for a large State accounted for 40 percent of the total I&R requests, and in particular, it accounted for 63 percent of the total requests for information regarding the CAP. Preliminary data for fiscal year 2016 show that the high number of I&R requests for this particular CAP dropped significantly in 2016.

In addition, CAPs provided extensive services to 5,397 individuals. Approximately 94 percent of such cases involved applicants for, or recipients of, services from the VR program. These data also demonstrate that in 41 percent of the cases closed, CAPs enabled individuals to advocate

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Client assistance State grants

for themselves through the explanation of policies; 18 percent resulted in the development or implementation of an Individualized Plan for Employment (IPE); and 15 percent resulted in the re-establishment of communication between the individuals and other parties. In addition, 70 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 2015 are examples of CAP activities. Fiscal year 2018 funds may support similar activities.

- In California, a consumer with a learning disability and ADHD contacted the VR agency expressing an interest in becoming an attorney. The VR agency agreed to assist him in obtaining his Bachelor's Degree as a prerequisite for becoming a lawyer. The consumer's initial Individualized Plan for Employment (IPE) was developed with the understanding that once he completed his undergraduate studies, VR would fund his law school training.

Before he graduated, the consumer's rehabilitation counselor left the agency and the new counselor refused to acknowledge the agreement made with the previous counselor. Although the consumer was accepted and entered into law school, the VR agency continued to deny his multiple requests for an IPE amendment. CAP filed for administrative hearing on the consumer's behalf, and the judge ordered VR to reimburse the consumer for the first two years of law school and related expenses. The consumer has since successfully completed law school and taken the California State Bar Exam.

- In Louisiana, CAP represented a student with a disability receiving Supplemental Security Income (SSI) benefits during his junior year of high school. The student has a physical disability and uses a power wheelchair. Early in his junior year, the student expressed a desire to work and volunteer at Walgreens a couple of hours per week. CAP assisted the student to request pre-employment transition services, which was approved by the VR agency, while remaining a student in high school.

To pursue this opportunity, the student needed assistance obtaining reliable transportation to the job site. To address his transportation issue, CAP advocated for modifications on a van purchased by his family. In order to develop a successful Plan for Achieving Self-Support, CAP worked in conjunction with the State's Work Incentives Planning and Assistance program, the student's mother, personnel from the Social Security Administration, and the VR agency, for approximately nine months. As a result, the student was able to obtain the necessary funding for his van modifications and was able to get to school and his volunteer job. Within two months, the student secured paid employment at a large grocery store.

- In New Jersey, CAP intervened on behalf of a 42-year-old consumer with dyslexia, a speech disorder (apraxia), and a central auditory processing disorder. The consumer receives SSI and Medicaid. She had worked as a day care assistant for many years and recently resigned because the work was too physically demanding. She also experienced allergy-related asthma attacks, and her medication was causing her to become dizzy and sleepy around the children. She contacted the VR agency, seeking help to become an administrative assistant at a non-profit organization. A psychological assessment conducted through the VR agency indicated that the consumer may have new disabilities

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Client assistance State grants

that would require her to pursue a job outside of the day care field, but that an office setting would be difficult for her. The VR agency stated that the consumer should return to a day care assistant position because she had no other skills.

Despite this report, the consumer wanted to pursue administrative assistant work and requested a new counselor. CAP assisted the consumer in obtaining a new VR counselor and advocated for the amendment of her IPE. The VR agency agreed to provide career assessments, a volunteer position in an office setting and computer training necessary to become an administrative assistant. The consumer is now pursuing her chosen vocational goal.

PROGRAM OUTPUT MEASURES

<u>Output Measures</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Information inquiries/referrals	28,600	30,000	30,000
Individuals provided case services	5,115	5,250	5,250

NOTE: Data for fiscal years 2016 through 2018 are projected from actual data reported for fiscal year 2015 and preliminary 2016 data on requests for information and the provision of extensive services. Final data for fiscal year 2016 will be available in June of 2017.

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 2018 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.*

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Client assistance State grants

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

Year	Target	Actual
2013	70%	73%
2014	72	78
2015	74	70
2016	74	
2017	74	
2018	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 CAPs are engaged in work that should ultimately result in systemic change, but this indicator measures only those States that report their activity as complete. Thus, performance on this measure often varies from year to year. 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. Data presented below are based on data from 56 State designated CAPs and do include data from the American Indian Consortium CAP authorized in the amendments to the Rehabilitation Act under Title IV of WIOA.

While performance on this measure increased from 73 percent in fiscal year 2013 to 78 percent in fiscal year 2014 (an increase of 4 agencies), performance dropped to 70 percent (39 of 56 agencies) in fiscal year 2015 and the target was not met. As noted above, performance on this measure fluctuates from year to year. 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 2016 will be available in June 2017.

Objective: *Resolve cases at lowest possible level.*

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

Year	Target	Actual
2013	98%	98%
2014	98	99
2015	98	98
2016	98	
2017	98	
2018	98	

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Additional information: For fiscal year 2015, 98 percent of the 4,040 cases closed were resolved through the use of ADR. 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. Performance data for fiscal year 2016 will be available in June 2017.

REHABILITATION SERVICES

Training

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

(dollars in thousands)

FY 2018 Authorization: \$37,830

Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$30,131	\$29,388	\$30,131	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

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

Fiscal Year	(dollars in thousands)
2013.....	33,657
2014.....	33,657
2015.....	30,188
2016.....	30,188
2017.....	29,388

FY 2018 BUDGET REQUEST

The Administration requests \$30.1 million for the Training program in fiscal year 2018, the same as the fiscal year 2017 annualized continuing resolution (CR) level. The Department of Education Appropriations Act, 2017, provided \$29.4 million for this program. In fiscal year 2018, 100 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 few 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 has sought 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 2018, 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 2018 would be used to support ongoing work through these centers and those in the Long-Term Training program.

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Training

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017 Annualized CR</u>	<u>2018</u>
Program Funding:			
Long-Term Training:			
Continuations	\$18,932	\$19,277	19,331
Subtotal	18,932	19,277	19,331
Technical Assistance:			
Continuations	7,520	7,353	7,499
Subtotal	7,520	7,353	7,499
Short-Term Training:			
Continuations	200	200	200
Subtotal	200	200	200
Training for Interpreters for Individuals who are Deaf and Deaf-Blind:			
New	2,400	0	0
Continuations	0	2,400	2,400
Subtotal	2,400	2,400	2,400
Other Activities:			
New	400	0	0
Continuations	434	600	400
Subtotal	834	600	400
Program Totals:			
New	3,200	0	0
Continuations	26,680	29,830	29,830
Peer review of new award applications	6	0	0
Minority Outreach ¹	302	301	301
Total	30,188	30,131	30,131

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.

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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 fiscal year 2018 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 two annual performance measures. Both 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 and the proportion of scholars fulfilling their payback 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
2013	55%	34%
2014	45	32
2015	47	30
2016	47	
2017	45	
2018	45	

Additional Information: The Department annually collects data about scholars through the Payback Reporting Form, which grantees submit by November 30 of each year. 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. 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

The proportion of Masters-level counseling graduates fulfilling their payback requirements through employment in State VR agencies has decreased consistently since 2005, while the

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Training

proportion opting for different employment settings to fulfill payback requirements has grown. 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. This overall trend may have been the result of a confluence of factors, including, but not limited to, the range of acceptable 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. When combined with the lower salary offered by State VR agencies compared to private firms, it may be that more program graduates are opting to seek employment elsewhere, while still meeting the terms of their service obligation.

To address this issue, in 2014, the Department developed new priorities for all LTT competitions that required, where appropriate, that students in LTT programs complete internships or practicum experiences in State VR agencies as a requirement for 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 increasing the number of graduates who are willing to accept positions in such agencies.

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

Year	Target	Actual
2013	87%	82%
2014	85	78
2015	80	74
2016	83	
2017	85	
2018	85	

Additional Information: Using the annual Payback Reporting Form, grantees are required to report the number of Rehabilitation Services Administration (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 2015. 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 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

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Training

grantees in order to significantly improve the quality and accuracy of the data RSA receives about scholars.

Efficiency Measures

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

Year	Target	Actual
2013	\$24,000	\$28,351
2014	24,000	20,596
2015	24,000	
2016	24,000	
2017	24,000	
2018	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. The Federal cost per RSA-supported graduate is in line with similar measures in other programs supporting 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 higher cost per graduate in 2013. Data for 2015 are expected in summer 2017.

REHABILITATION SERVICES

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

(dollars in thousands)

FY 2018 Authorization: \$6,515

Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$5,785	\$5,796	\$5,785	0

PROGRAM DESCRIPTION

Demonstration and Training programs support activities 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”. Eligible entities receive support through competitive grants and contracts. 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)
2013	\$5,046
2014	5,796
2015	5,796
2016	5,796
2017	5,796

FY 2018 BUDGET REQUEST

The Administration requests \$5.785 million for the Demonstration and Training programs in fiscal year 2018, the same as the fiscal year 2017 annualized continuing resolution (CR) level. The Department of Education Appropriations Act, 2017, provided \$5.796 million for this program. The request would support continuation costs for awards that began in previous fiscal years. No new awards are planned for fiscal year 2018.

In fiscal year 2018, the Administration would support continuation costs for the fourth year of the four 5-year career pathways model projects that were initially funded in fiscal year 2015. 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 advance to higher levels of future education and employment in that area. The career pathways model 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 services among public agencies and with employers. Grantees are State 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.

The Rehabilitation Services Administration (RSA) also supports a number of investments to improve transition of students and youth with disabilities. For example, through a jointly funded grant with the Office of Special Education Programs, funds available under this program are used to support the National Technical Assistance Center on Transition (NTACT)¹. NTACT helps State Education Agencies, Local Education Agencies, State VR agencies, and VR service providers implement evidence-based and promising practices ensuring students with disabilities, including those with significant disabilities, graduate prepared for success in postsecondary education and employment.

The request would also provide funds to support the final year of continuation funding for three Braille Training projects and seven Parent Training and Information (PTI) centers, including the National PTI center, that were awarded in fiscal year 2014.

¹ <http://www.transitionta.org/>

REHABILITATION SERVICES AND DISABILITY RESEARCH

Demonstration and training programs

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output measures</u>	<u>2016</u>	<u>2017 Annualized CR</u>	<u>2018</u>
Program funding:			
Career Pathways, Continuation awards	\$3,682	\$3,508	\$3,508
Technical assistance activities Continuation award	1,000 ^{1,2}	400 ¹	400 ¹
Braille training Continuation awards	328	328	328
Parent information and training Continuation awards	728 ³	1,491	1,491
Peer review of new award applications	4	0	0
Minority Outreach Total, Program funding	<u>58</u> 5,796	<u>58</u> 5,785	<u>58</u> 5,785
Number of awards:			
Continuation awards	15	15	15
New awards	<u>0</u>	<u>0</u>	<u>0</u>
Total, Number of awards	15	15	15

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.

² About \$600 thousand of FY16 funds were used to support a supplement contributing to this TA Center.

³ About \$310 thousand of FY15 funds were used to support project continuation costs for FY2016.

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 2018 and future years, and the resources and efforts invested by those served by this program.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Demonstration and training programs

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.

In fiscal year 2016, RSA extended support, through a no cost extension, for the Improving Outcomes of Individuals with Disabilities who are Social Security Disability Insurance (SSDI) Beneficiaries model demonstration project. Funded under the Demonstration and Training programs, through its Special Demonstrations program, this project is designed to demonstrate how State VR agencies can improve employment outcomes for SSDI and Social Security Income recipients.

The no-cost extension was provided in order to complete demonstration activities with two States and facilitate the sustainability of the model. Both States have contributed significant State resources to this effort and are making plans to sustain the intervention beyond the end of this extension year. Since State resources to continue project activities will not become available until October 1, 2017, the no-cost extension will allow the project to continue to fill in the gap between the original end date and September 30, 2017.

Specific measures were developed for the 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 the rate of participation in VR services of SSDI recipients;
- 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 or sustain the model in States that participated in the project; and
- the degree to which the grantee has disseminated its findings to State VR agencies.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Demonstration and training programs

RSA has received preliminary project reports that are promising with regard to increased VR participation of SSDI recipients who are being served under the model demonstration. Outcome data will be available following the review of the grantee's final report scheduled for submission to RSA in late 2017.

REHABILITATION SERVICES

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

(dollars in thousands)

FY 2018 Authorization: \$19,838

Budget Authority:

<u>2017 Annualized CR</u>	<u>2017 Appropriation</u>	<u>2018</u>	<u>Change from Annualized CR</u>
\$17,616	\$17,650	\$17,616	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 2016 State distributions were based on the July 1, 2014 estimates published in December 2014. The fiscal year 2017 State distributions are based on the July 1, 2015 estimates published in December 2015. The fiscal year 2018 State distributions will be based on the July 1, 2016 estimates published in December 2016.

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

REHABILITATION SERVICES AND DISABILITY RESEARCH

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)
2013	\$17,088
2014	17,650
2015	17,650
2016	17,650
2017	17,650

FY 2018 BUDGET REQUEST

The Administration requests \$17.616 million in fiscal year 2018 for the PAIR program, the same as the fiscal year 2017 annualized continuing resolution (CR) level. The Department of Education Appropriations Act, 2017, provided \$17.650 million for this program. The request will assist PAIR programs to provide information and P&A services to over 50,000 individuals with disabilities in fiscal year 2018.

During fiscal year 2015, PAIR programs nationwide reported handling 12,418 cases and responded to 37,973 requests for information or referral. Of the cases handled by PAIR programs in that year, the greatest number of issues were primarily in the areas of government benefits/services and education (both reported at 14 percent), employment and health care (both reported at 12 percent), and housing (at 11 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 2015, 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 2015 illustrate how PAIR programs assist individuals and, in some cases, bring about systemic change. Funds requested in fiscal year 2018 will support similar activities.

- *Ohio Disability Rights Law and Policy Center* (DRO) assisted a military veteran who worked and received services at a Veterans Administration medical center. The medical center banned the veteran's service dog from the premises due to a leash policy. The veteran contacted DRO for assistance in helping her to find a solution so that she could return to work and resume therapy services.

After informal negotiations failed to resolve the matter, DRO filed a complaint with the U.S. District Court, Southern District of Ohio. The VA medical center settled the dispute by allowing the veteran to return to the facility with her dog, awarding her back pay for her time away from work and the cost of additional training for the dog. In addition, the VA medical center changed its policy to allow service animals in the facility.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Protection and advocacy of individual rights

- *disAbility Law Center of Virginia (dLVCV)* assisted a client with a local Amtrak station that was inaccessible to him and other deaf or other hard of hearing individuals. The client travels to the Philadelphia area roundtrip at least six times a year. The station lacked TTY telephones, and captioned televisions or station announcements. In addition, the client reported that the train cars lacked captioned announcements, requiring him to read every train station sign at each stop. In response to the client's inquiry, dLVCV staff surveyed the Staples Mill Station and filed a complaint with the Federal Department of Transportation (DOT). DOT investigated and issued a findings letter requiring the Staples Mill Amtrak Station to provide captions on its TV displays, add an improved Public Information Display System, address the TTY deficiency, ensure accessibility of its announcements, and expand training and education for its service personnel to assist individuals with vision and hearing disabilities appropriately. Amtrak is creating onboard information displays on intercity rail cars as well.
- *Utah Disability Law Center (DLC)* received a report that a local branch of a bank chain in Bountiful, UT was physically inaccessible. In response, DLC conducted surveys of the Bountiful location, as well as a sampling of four other locations in Utah, to determine if the local bank chain's inaccessibility was a more prevalent issue. DLC sent an Americans With Disabilities Act Accessibility Guidelines violation notice and recommendations letter to each branch manager as well as the national corporation headquarters. In-house counsel for the bank's headquarters agreed that the bank chain would bring those facilities into compliance. As of the end of FY 2015, four of the five branch banks had begun working with contractors to complete the necessary upgrades to ensure the buildings are accessible and the fifth branch ensured the necessary upgrades would be made as soon as possible.

PROGRAM OUTPUT MEASURES

<u>Output Measures</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Information inquiries/referrals	39,300	39,500	39,500
Individuals provided case services	11,630	11,700	11,700

NOTE: Data are projected from actual data reported by PAIRs for fiscal year 2015 and preliminary data for 2016 on the number of requests for information and provision of case services to individuals with disabilities. Final data for fiscal year 2016 will be available in June 2017.

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 2018 and future years, and the resources and efforts invested by those served by this program.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Protection and advocacy of individual rights

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
2013	91%	91%
2014	91	93
2015	91	86
2016	91	
2017	91	
2018	88	

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 from their intervention. The performance target for this performance measure (91 percent or 52 of 57 PAIR programs) was met in fiscal years 2013 and 2014. However, fiscal year 2015 performance dropped to 86 percent with 49 of the 57 PAIR programs reporting that their systemic advocacy resulted in a change in policy or practice in that year, a decrease of 3 programs. Based on a review of these data, preliminary 2016 data, and other program information, RSA has reduced the target for fiscal year 2018 to 88 percent (50 of 57 PAIR programs). Final 2016 data will be available in June 2017.

REHABILITATION SERVICES

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

(dollars in thousands)

FY 2018 Authorization: \$30,963

Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$27,496	\$27,548	0	-\$27,496

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 non-profit organizations to provide supported employment services for individuals with the most significant disabilities. 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. Section 7(38) of the Rehabilitation Act defines “supported employment” as competitive integrated employment, including customized employment, or employment in an integrated work setting in which an individual with a most significant disability, including a youth with a most significant disability, is working on a short-term basis toward competitive integrated employment; and that is individualized and customized, consistent with the individual’s unique strengths, abilities, interests, and informed choice, including with ongoing support services for individuals with the most significant disabilities.

Supported employment uses a “place-train” model in which individuals with the most significant disabilities are placed in a job and provided intensive services and supports. These services are typically provided by a job coach in conjunction with supports provided by the employer to train the individual on the job site, followed by extended services after the individual’s ability to perform the job with support has stabilized. These services and support enable individuals with the most significant disabilities who, because of the nature and severity of their disability, need ongoing support to engage in and maintain 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 VR State Grants program. VR funds are used to the pay the costs associated with assessment and the determination of eligibility, as well as other needed VR services prior to placement in supported employment. Ongoing services are furnished by the VR agency, using funds under the Supported Employment program and/or the VR program, from the time of job placement until the transition to extended services, and thereafter by one or more extended services providers. A State VR agency may support an individual’s supported employment services solely with VR State Grant funds, or it may support these services in whole or in part with funds under the SE State Grants program.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

Recent amendments to Title VI of the Rehabilitation Act made by the Workforce Innovation and Opportunities Act of 2014 (WIOA) significantly change the provision of supported employment services. Such changes include, for example, extending the time frame for the provision of supported employment services from 18 months to 24 months. However, the most significant of these changes focus on the provision of services to youth with the most significant disabilities.

Consistent with the previous authority, State VR agencies must still 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, under the new law State VR agencies must now make extended services available to youth with the most significant disabilities with funds available under the SE program, based upon the individual needs of the youth for a period not to exceed 4 years. Furthermore, section 604(b)(2) under the SE program permits VR agencies to use VR program funds to pay for extended services to youth with the most significant disabilities who have received supported employment services. Extended services are those services provided to individuals with the most significant disabilities by a State agency, a private non-profit organization, employer, or any other appropriate resource once an individual has concluded services from the State VR agency. State VR agencies were previously prohibited from using the Federal funds received under the VR and SE programs for extended services. State VR agencies are still prohibited from providing extended services to individuals with the most significant disabilities who are not youth with significant disabilities using SE or VR program funds.

In addition, States are now required to use half of their SE program funding allotment to provide supported employment 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 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 2016 State allotments were based on the July 1, 2014 estimates published in December 2014. The fiscal year 2017 allotments are based on the July 1, 2015 estimates published in December 2015.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

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

Fiscal Year	(dollars in thousands)
2013	\$27,548
2014	27,548
2015	27,548
2016	27,548
2017	27,548

FY 2018 BUDGET REQUEST

No funds are requested for FY 2018 for the SE State Grants program. The Department of Education Appropriations Act, 2017, provided \$27.5 million for this program. The Administration recognizes that supported employment can be an effective strategy in assisting individuals with the most significant disabilities to obtain competitive employment in integrated settings. However, because supported employment is now an integral part of the VR State Grants program, the Administration believes that there is no longer a need for a separate funding stream to ensure the provision of such services. A separate supplemental grant program is not necessary for the provision of supported employment services, and the proposed elimination would reduce unnecessary administrative burden and streamline program administration at the Federal and State levels. The Department expects that State VR agencies will continue to provide supported employment services in fiscal year 2018 to approximately the same number of individuals as they did under the two separate authorities. However, maintaining these levels will require State VR agencies to use an increased portion of their Title I VR funds to provide supported employment services or seek additional support from State and local resources.

In carrying out its review and monitoring responsibilities under section 107(a)(4) of the Rehabilitation Act Title I of the Rehabilitation Act, the Department will continue to examine the provision of supported employment services to ensure that State agencies invest appropriate levels of their resources in supported employment and to provide technical assistance where needed.

The SE State Grants program was first authorized under the Rehabilitation Act Amendments of 1986 to provide supplemental grants to assist States in developing collaborative programs with public agencies and private nonprofit organizations for training and time-limited post-employment services for individuals with the most severe handicaps. At that time, supported employment was a new promising practice in employing individuals who traditionally would not have achieved employment in the integrated labor market. Initially, many rehabilitation professionals were skeptical about its feasibility and concerned about the potential costs. As a supplemental source of dedicated funds, the SE State grant program was designed to provide an incentive for State VR agencies to provide supported employment services. State VR agencies now recognize supported employment as a viable employment option for individuals with the most significant disabilities and no longer require such an incentive.

Over the last several years, State VR agencies have been spending a significant amount of VR State Grant funds (including State matching funds) to provide supported employment services

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

for those individuals who require such services to participate in the integrated labor market. For example, in FY 2015 State agencies spent a total of \$210.2 million to provide purchased services for individuals with a goal of supported employment, including \$183.0 million from Title I VR funds and \$27.1 million from Title VI SE funds. The cost of purchased services is in addition to the costs of services provided directly by VR agency staff for individuals.

Finally, while well intentioned, the changes to the SE State Grants program made by the WIOA amendments have significantly increased the Federal and State cost and burden of administering the program. Thus, the Administration's proposal would reduce unnecessary administrative burden and streamline program administration at the Federal and State levels. Further, lowering the cap on amount of administrative costs that can be paid for with funds under the SE program (5 percent of State's SE annual allotment to 2.5 percent of State's SE annual allotment) has shifted the higher administrative costs to the VR State Grants program. The increase requested for the VR State Grants program would reduce the impact of the loss of these supplemental funds.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Individuals with a supported employment IPE goal when they exited the program	46,850	46,850	46,850
Employment outcomes:	26,620 ¹	26,620 ¹	26,620 ¹
Supported employment outcomes	19,110 ²	19,110 ²	19,110 ²
Employment without supports in an integrated setting	7,410 ³	7,410 ³	7,410 ³
Other employment outcomes	100 ⁴	100 ⁴	100 ⁴
Minority outreach	\$275	\$275	0

NOTE: Estimates are based on actual 2015 closure data and preliminary 2016 data from the RSA-911 Case Service Report for all VR consumers with a supported employment goal identified on their individualized plan for employment (IPE), including consumers who received SE services with funds provided under the VR State Grants and/or under the Supported Employment State Grants programs.

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

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

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

⁴ Of the individuals who had a supported employment goal at exit, 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.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

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, 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.

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
2013	94%	95%
2014	94	95
2015	95	95
2016	95	
2017	96	
2018	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 2015 RSA 911 Case Service Report data show that 22,950 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, 95 percent achieved a competitive employment outcome and the performance target was met. Data for fiscal year 2016 are expected to be available in June 2017.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

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

Year	Target	Actual
2013	\$205	\$207
2014	208	200
2015	208	215
2016	208	
2017	210	
2018	214	

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 2015 data show that the average weekly earnings of individuals with significant disabilities who achieved a supported employment outcome was \$214.56, a significant increase from 2014, and the performance target was surpassed. Average hourly earnings increased from \$8.70 to \$9.12, with only a very slight increase in the average hours worked per week (from 22.3 to 22.7) at the time the service record was closed. It should be noted that the average weekly earnings calculation for 2015 does not include data for five States. However, preliminary 2016 data, which includes data for these five States, show a continuing increase in average weekly earnings for these individuals. Data for fiscal year 2016 are expected to be available in May 2017.

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
2013	75%	75%
2014	75	65
2015	75	65
2016	75	
2017	75	
2018		

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

REHABILITATION SERVICES AND DISABILITY RESEARCH

Supported employment State grants

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 2015, 34 of the 52 State VR agencies demonstrated at least 30 supported employment outcomes per \$100,000, the same as 2014 and the performance target was not met. This percentage includes 3 agencies that did not report any outcomes for individuals with an SE goal and 2 agencies that only reported employment without supports for such individuals. The median number of supported employment outcomes per \$100,000 received in SE Grant funds for the 52 State agencies increased from 47.3 in 2014 to 63.1 in 2015. 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 2015 ranging from 0 (Alaska) to 286 (Missouri). The Department is reevaluating this measure given the potential impact of the WIOA amendments on performance.

Other Performance Information

On an aggregate level, VR consumers who had a goal of supported employment represented nearly 13 percent of the total individuals whose cases were closed after receiving VR services in fiscal year 2015. Data from the FY 2015 Case Service Report (RSA-911) show that approximately 41,740 individuals receiving services had a goal of supported employment on their IPE at the time their case service record was closed in fiscal year 2015. These numbers do not include those individuals who were still receiving supported employment services at the close of the fiscal year. While the number of individuals receiving services that had a goal of supported employment at the time their case service record was closed in fiscal year 2015 is higher than the number reported in recent years, the difference may largely be due to the fact that SE-related data elements changed in the revised RSA-911 data implemented in FY 2014 and there may be due to the reporting of these data items.

Data collection requirements resulting from WIOA have required additional changes to the RSA-911 Case Service data collection. State VR agencies are required to implement the new data collection beginning in July 2017. The redesigned post-WIOA data collection will provide quarterly data on individuals who are receiving services under the VR program, including data collected on individuals receiving supported employment services. 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 and help to identify those agencies that need technical assistance.

REHABILITATION SERVICES

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

(dollars in thousands)

FY 2018 Authorization: \$37,448

Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$33,254	\$33,317	\$33,254	0

PROGRAM DESCRIPTION

The Independent Living Services for Older Individuals Who Are Blind (ILOIB) program supports services to assist individuals aged 55 or older who have severe visual impairment making 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. ILOIB services are designed to help eligible persons adjust to their blindness by increasing their ability to care for their individual needs.

The Workforce Innovation and Opportunities Act (WIOA) amended the ILOIB 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 ILOIB program be used to provide training and technical assistance to Designated State Agencies or other providers of ILOIB services that receive ILOIB 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 2016 allotments were based on the July 1, 2014 estimates of the population of individuals age 55 and older published by the Census Bureau in June 2015. The fiscal year 2017 allotments are based on July 1, 2015 estimates of the population of individuals age 55 and older published by the Census Bureau in June 2016. The fiscal year 2018 allotments are based on July 1, 2015 population estimates and will be updated based on July 1, 2016 by age group when they become available in June 2017.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Independent living for older blind individuals

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013	\$32,239
2014	33,317
2015	33,317
2016	33,317
2017	33,317

FY 2018 BUDGET REQUEST

The Administration requests \$33.254 million for the ILOIB program for fiscal year 2018, the same as the fiscal year 2017 annualized continuing resolution (CR) level, to assist States in meeting the demand for program services. The Department of Education Appropriations Act, 2017, provided \$33.317 million for this program. Of the amount requested, the Department plans to reserve 1.8 percent of the funds requested to provide training and technical assistance to the ILOIB program and its service providers.

Independent living services are typically provided through contracts with local providers administered by State vocational rehabilitation (VR) agencies. Services provided under the ILOB program, which most frequently include technology aids and devices (57 percent), daily living skills (44 percent) and low vision assessments (37 percent), allow older individuals who are blind or severely visually impaired to be more independent at home and in the community.

Many of the needs of this older population are different from those of the consumers that are served under the Centers for Independent Living, now administered by the Department of Health and Human Services. In 2015, 60,435 individuals received services under the ILOIB program, over half of whom were over 80 years of age and about 82 percent were still living in a private residence. Approximately 55 percent of the individuals served in FY 2015 were either legally blind or totally blind and nearly one fourth also suffered from some degree of hearing impairment. Macular degeneration continues to be the most commonly reported eye condition, followed by glaucoma and diabetic retinopathy.

Trained program personnel are knowledgeable about blindness and other visual impairments, as well as the needs of older individuals with such impairment, including adaptive strategies that can assist these individuals to adjust to their impairments and increase their ability to function more independently. However, most of the specialized services provided by the program for these older individuals are not covered by other public and private payers, such as private insurance, Medicaid, or Medicare.

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 2015 American Community Survey (1-Year Estimates), 6.5 percent of individuals 65 and older (about 3.0 million people) have a vision-related disability. In addition, the percentage of individuals

REHABILITATION SERVICES AND DISABILITY RESEARCH

Independent living for older blind 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 25.2 percent report having a disability that affects their independent living status. Since advancing age is associated with higher prevalence of vision loss, the ILOIB program will likely face an increasing demand for services.

In addition, the final regulations implementing changes to the VR State Grants program, published in the Federal Register on August 19, 2016, eliminate uncompensated outcomes (i.e., homemaker and unpaid family worker outcomes), from the definition of the term “employment outcome.” While the national percentage of individuals with such outcomes served by the VR program has been very small (about 3 percent), many of these individuals were 55 years of age or older and had severe visual impairments. To offset the impact of this change, the VR regulations allow VR agencies to continue to serve such individuals who were receiving services prior to the effective date of the regulations (September 19, 2016) until June 30, 2017. The Department anticipates that VR agencies will refer many of the individuals affected by the rule change to the ILOIB program to obtain the services they need.

In fiscal year 2018, the Department will reserve approximately \$600,000 (1.8 percent of the funds appropriated for the ILOIB program) to support training and technical assistance, as required by the authoring statute. In fiscal year 2015, the National Research and Training Center on Blindness and Low Vision (NRTC) at Mississippi State University was awarded the training and technical Assistance grant for older individuals who are blind that was established under the Rehabilitation Act through amendments to Title IV of WIOA¹. The training and technical assistance activities provided by this 5-year grant are designed to improve program and consumer outcomes and to enhance service providers' knowledge and skills in the areas of best practice, community outreach, budget management, and data collection.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures:</u>	<u>2016</u>	<u>2017</u>	<u>2018</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	\$619
Minority outreach	\$333	\$333	\$333
Training and technical assistance	\$600	\$600	599

¹ <http://www.blind.msstate.edu/research/current-research/oib.php>

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 2018 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
2013	58%	55%
2014	58	54
2015	56	57
2016	56	
2017	57	
2018	57	

Additional information: The percentage of consumers reporting access to previously unavailable assistive technology in 2015 increased from the prior year and the performance target 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. For fiscal year 2015, performance on this measure was calculated by dividing the number of consumers who received assistive technology (34,177) by the total number of Older Blind program consumers (60,435). Data for 2016 are expected by summer of 2017.

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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
2013	60%	62%
2014	60	61
2015	62	60
2016	62	
2017	62	
2018	62	

Additional information: The percentage of consumers reporting improvement in their daily living skills for 2015 was slightly lower than in the prior year, and the target was not met. For fiscal year 2015, performance on this measure was calculated by dividing the number of Older Blind program consumers who reported improvement in daily living skills (18,930) by the total number of Older Blind program consumers who received daily living skills training (31,600). 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 2016 are expected by summer 2017. Because of concerns about the subjectivity of this measure and the difficulty in isolating improvement on the basis of one of a number of services that may be received, the Department is considering alternative methods for assessing the functional improvement of consumers receiving services under the ILOB that will not increase the overall data collection burden for grantees.

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(dollars in thousands)

FY 2018 Authorization: 0 ¹

Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$10,316	\$10,336	\$10,316	0

¹ The GEPA extension expired September 30, 2004; continued funding is proposed for this program in FY 2018 through appropriations language.

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. Unlike the other programs administered by the Department's Rehabilitation Services Administration (RSA), the Helen Keller National Center Act was not reauthorized by WIOA amendments in July of 2014. The HKNC provides services on a national basis to youth and adults who are deaf-blind, their families, and service providers through on- and off-campus services, professional learning, and information on combined vision and hearing loss. 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.

HKNC provides direct services through a residential training facility at its national headquarters center (Center) located in Sands Point, New York, where deaf-blind individuals receive intensive specialized services. The Center provides comprehensive services for individuals with deaf-blindness to enhance their potential for employment and live independently in their home communities. The Center's residential programs provide consumers with an array of services, supports, and adaptive skills training, to help them meet their vocational and independent living goals. The Center's programs emphasize a number of areas such as 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; and employment.

HKNC also provides services through a network of 10 regional field offices staffed by 11 regional representatives and one associate regional representative. Through this network, HKNC provides assistance to deaf-blind individuals and their families, as well as technical assistance to local service providers. The regional network offices provide counseling, information, transition assistance, and referral services for individuals who are deaf-blind and their families to assist them to live and work independently. Regional representatives provide a

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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. Regional representatives also assist clients who have received training at the Center with making the transition back to their home community.

Regional representatives collaborate with States to increase local capacity in the areas of implementing support service provider (SSP) programs, professional development training for VR and blind/visually impaired counselors, developing vocational rehabilitation case sharing models, identifying deaf-blind leaders for representation on task forces/advisory councils and program planning/training, developing online and webinar training, and expanding the vocational access service provider model.

The HKNC Community Services Program (CSP), a model collaboration between the Center and the New York State Commission for the Blind (NYSCB), provides comprehensive rehabilitation, vocational, and support services to eligible persons who are deaf-blind in their homes, worksites and communities. CSP is staffed by credentialed professionals in the fields of blindness and deafness including orientation and mobility specialists, certified interpreters, low vision specialists, vision rehabilitation teachers, and vocational specialists. All CSP staff are proficient in American Sign Language and other alternative modes of communication.

HKNC also provides professional development, training and technical assistance, and consultation to other organizations, programs, and providers serving individuals who are deaf-blind. Through its Information, Research and Professional Development (IRPD) department, HKNC provides technical knowledge, expertise, training, and services to its partners across the United States. The IRPD department 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 language interpreters working with individuals who are deaf-blind, SSP services, and training for vocational rehabilitation counselors. In collaboration with personnel preparation programs, and research projects located at universities throughout the country, IRPD staff work to identify 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 fiscal year 2016, the Center offered three summer programs that focused on the needs and goals of transitioning youth who are deaf-blind. At the end of these programs, recommendations are provided to the student's school in order to continue vocational planning and support the development of individualized plan for employment goals, as appropriate. Brief descriptions of these programs are provided below.

- Summer Youth Vocational Program – This 6-week program offers young adults their first paid work experience with an exploration into how strategies for communication, independent living, and mobility can foster their independence at work.
- Young Adult Summer Program (YASP) – This 2-week program offers youth who are deaf-blind and completing their high school education the opportunity to learn about future

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options related to college, work, and apartment living, how to advocate, and to experience adult life in the residence and community.

- Comprehensive Summer Youth Assessment – The 8-week comprehensive assessment for transitioned aged youth focuses on identifying goals for the remaining years of high school and college, including exploring vocational interests and identifying specific accommodations needed in college environments.

HKNC also offered a new program in 2016 called the Deaf-Blind Immersion Seminar (DBIS), which provides consumers who are deaf-blind with intellectual disabilities, and their support team, a 5-day training experience that includes the consumer's participation in work experiences that match their interests, gifts, and abilities.

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013.....	\$8,667
2014.....	9,127
2015.....	9,127
2016.....	10,336
2017.....	10,336

FY 2018 BUDGET REQUEST

The Administration requests \$10.316 million in fiscal year 2018 for the HKNC, the same as the fiscal year 2017 annualized continuing resolution (CR) level. The Department of Education Appropriations Act, 2017, provided \$10.336 million for this program. The funds requested in fiscal year 2018 would expand independent living and employment opportunities for individuals who are deaf-blind by supporting the Center's comprehensive residential training and assessment programs and HKNC's regional network of field service representatives, along with professional development and training for individuals and organizations who work with deaf-blind individuals.

The request would support services through its regional offices to an estimated 1,600 consumers, 475 families, and 985 agencies and organizations. The request would also support the provision of direct intensive services to approximately 93 consumers, including an estimated 65 consumers at HKNC's residential training and rehabilitation program and an estimated 30 consumers through the CSP.

Approximately 30 percent of the funds requested would provide support to the HKNC for field services, community education, and professional development programs, including the activities of HKNC's 10 regional offices and the IRPD 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.

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In FY 2016, the Center served 92 consumers, most of whom were participants in the intensive specialized vocational and independent living programs (63) and the CSP (29). In FY 2016, HKNC provided a number of specialized residential programs, including a confident living program for seniors and programs designed to serve transitioning youth and individuals who are deaf-blind and have intellectual disabilities. The Center also provided specialized services to other deaf-blind individuals in need of comprehensive assessment and training services. In fiscal 2016, HKNC provided opportunities for individuals with vocational goals to participate in one or more short-term work experiences (66 work experiences in total) with 22 different employers.

Professional Development

The fiscal year 2018 request would continue to support HKNC activities that promote best practices and provide quality information and training to individuals who are deaf-blind, their families, and professionals. To address the critical shortage of professionals qualified to meet the unique needs of individuals who are deaf-blind, HKNC provides training for personnel such as teachers and vocational rehabilitation counselors, rehabilitation teachers, orientation and mobility specialists, adaptive technology instructors and interpreters. One of the IRPD department's main objectives is to support training for professionals in conjunction with HKNC headquarters staff members, regional representatives and consultants across the country. For example, in fiscal year 2016, the IRPD department provided 15 professional development opportunities in a number of areas, such as touch signals training, current techniques in working with consumers in group home settings, creating successful employment options for deaf-blind workers, and orientation and mobility training. Information and training materials are disseminated through customized responses to requests for information, short term and onsite individualized training, topical seminars, and small scale, customized training at locations throughout the United States.

HKNC has also helped to increase 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. For example, HKNC recently produced online courses and short training videos focused on professional development. The online courses offer Certified Rehabilitation Counseling credits and Academy for the Certification of Vision Rehabilitation and Education Professionals continuing education units upon successful completion. The coursework includes topics such as: *Working with Individuals who are DeafBlind - A Course for Vocational Rehabilitation Counselors and Other Professionals* and *Confident Living - A Guide to Working with Senior Adults with Combined Vision and Hearing Loss*. In addition, HKNC partnered with the Perkins School for the Blind to develop short training videos which assist in the transition of deaf-blind and blind consumers with intellectual disabilities to adult services by providing ease of access support for para-professionals and family members in respectful interactions and communication systems. Three short training videos were completed and are available free of charge. HKNC's IRPD goal is to become a national information clearinghouse on deaf-blindness.

Sources of HKNC Revenue

In fiscal year 2016, funds appropriated directly to HKNC through the Department's Rehabilitation Services account (\$10,336,000) made up 66 percent of its total revenue, and

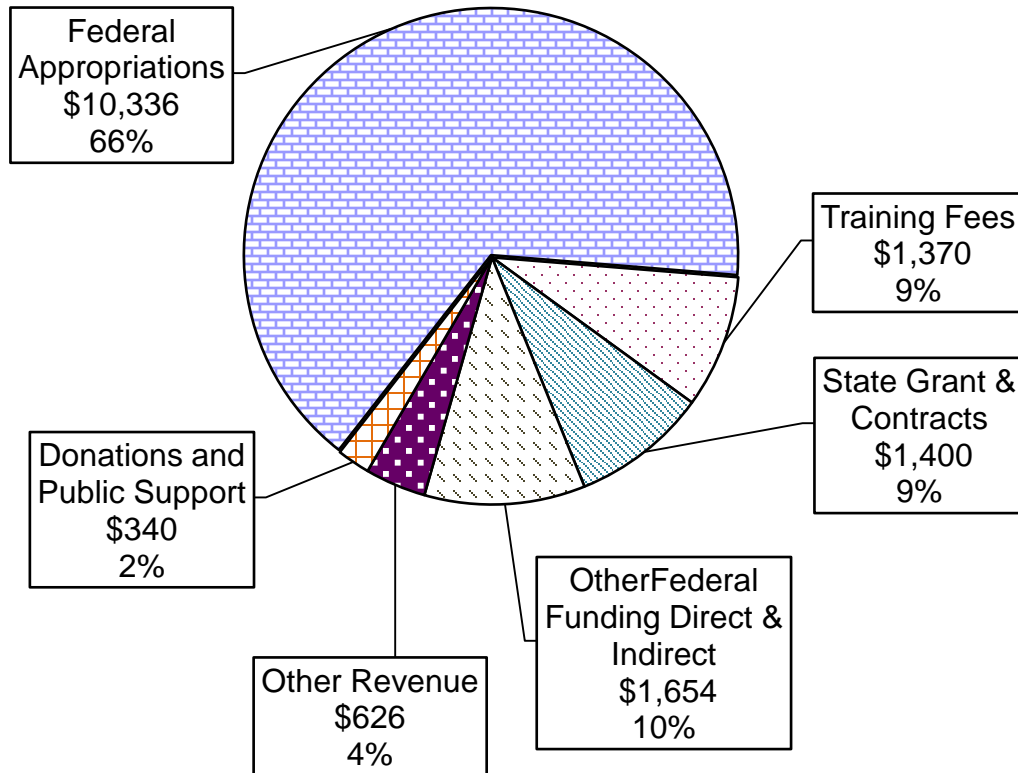
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direct and indirect funds from other Federal sources made up 10 percent of its total revenue. Funds from a variety of other sources compromised 24 percent of its total revenue, including State grants and contracts (9 percent), other public support and donations (2 percent), and other revenue generated by HKNC operations and investment income (4 percent). The figure below provides information on the sources of revenue and dollar amounts in thousands.

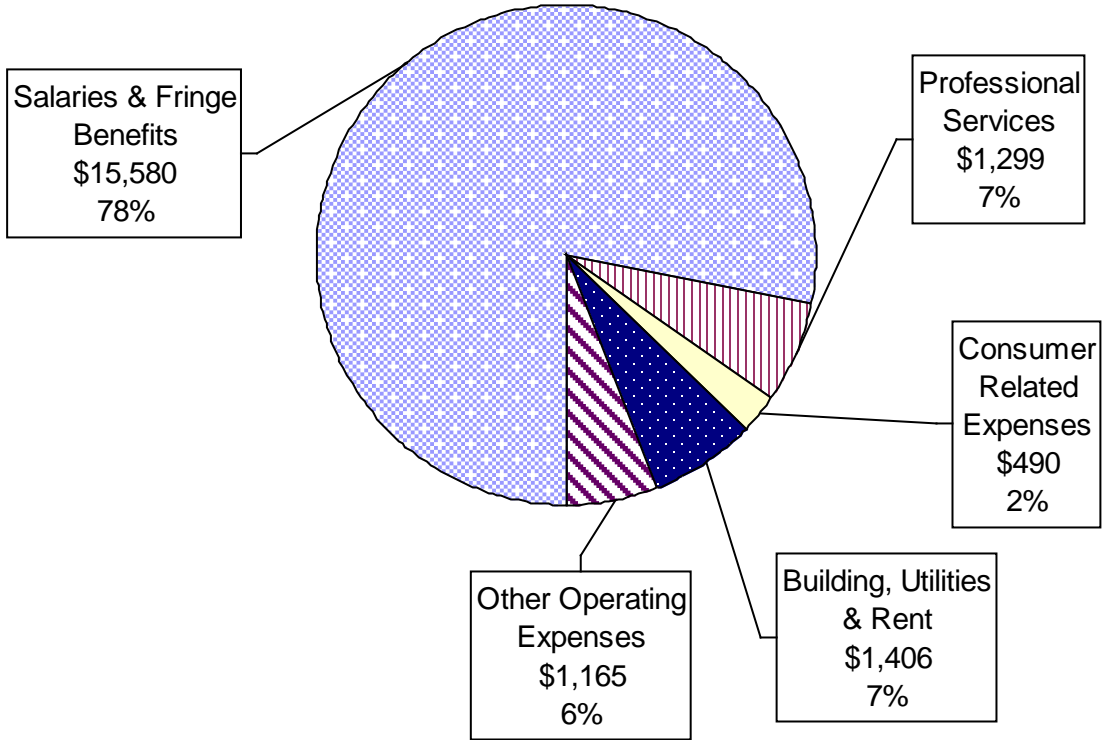
FY 2016 Sources of Funds - \$15,726 thousand

(All dollars in thousands)



For fiscal year 2016, HKNC reported total public support and revenues of \$15,726,000 and incurred total operating expenses of \$19,941,000, resulting in a net loss of \$4,215,000. While the Center has sought to increase other sources of funding, the Federal appropriation remains its primary source of support. Because most of the specialized services required by this population are provided by HKNC staff, salaries and fringe benefits account for most of their expenses (78 percent).

FY 2016 Expenses - \$19,941 thousand
(All dollars in thousands)



PROGRAM OUTPUT MEASURES

<u>Output measures</u>	<u>2016</u>	<u>2017 Annualized CR</u>	<u>2018</u>
Number of individuals served at headquarters:			
Adult training program clients	63	65	65
Specialized training services:			
Transition for high school students	19	20	20
Senior citizens	5	5	5
Targeted skills training	2	3	3
Community Services Program	29	30	30
Number of individuals served through regional representatives:			
Consumers	1,582	1,600	1,600
Families	447	475	475
Agencies/organizations	985	985	985
HKNC FTE staff	144	145	145

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 2018 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.*

Measure: The percentage of: (1) training goals set and achieved by adult consumers (both on and off campus); (2) adult consumers seeking employment who are placed in employment both on and off campus); and (3) adult consumers seeking to maintain their ability to live independently or move to less restrictive settings who achieve their goals.

Year	Target # of Adult Consumers	Actual # of Adult Consumers	Target % in Less Restrictive Settings	Actual % in Less Restrictive Settings	Target % of Training goals met	Actual % of Training goals met	Target % Placed in Employment	Actual % Placed in Employment
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	63/29	86	86	95	91	48	53/50
2017	75		86		95		48	
2018	75		86		95		48	

Additional information: In fiscal year 2016, HKNC served 63 consumers in the on-campus rehabilitation training programs and 29 additional off-campus consumers through its Community Services Program. 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 less restrictive settings measure refers to consumers 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 2016, 86 percent of consumers moved into, or remained in, less restrictive settings, and the target set for the fiscal year was met.

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 2016, 91 percent of adult consumers achieved their training goals; however, the target (95 percent) was not met.

In fiscal year 2016, 53 percent of consumers in on-campus programs and 50 percent of off-campus consumers with an employment goal were placed in employment, and the target was met.

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

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
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Year	Target	Actual
2013	245	898
2014	265	575
2015	265	551
2016	300	626
2017	500	
2018	600	

Additional information: In fiscal year 2016, HKNC's regional offices referred 626 individuals to State or local agencies or service providers, significant exceeding the target for 2016. Based on performance in 2015 and prior years, the performance target for fiscal year 2017 was significantly increased. The performance target has also been adjusted upward for 2018.

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

Year	Target	Actual
2013	66%	66%
2014	67	95
2015	68	66
2016	66	75
2017	66	
2018	75	

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 2016 performance exceeded that of the previous year and the target for the fiscal year. The year-to-year variation in performance on this measure in recent years makes it difficult to set an appropriate annual target. Based on the data trend, a target of 75 percent has been set for fiscal year 2018. However, this target may be adjusted based on 2017 performance.

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
2013	84	62

Year	Target	Actual
2014	88	65
2015	92	65
2016	65	41
2017	65	
2018	65	

Additional information: HKNC plays an important role in connecting individuals who are deaf-blind to vocational rehabilitation (VR) agencies. Many 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. The lower number of referrals in 2016 is attributed to the retirement of three regional representatives, which resulted in staff vacancies that extended from four to six months. In addition, the number of referrals to VR agencies can also fluctuate depending on whether the consumers served by HKNC field staff have vocational goals. The target of 65 referrals that was established for fiscal years 2016 and 2017 has been retained for fiscal year 2018.

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
2013	28%	32%
2014	30	55
2015	32	46
2016	40	45
2017	40	
2018	45	

Additional information: 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 2016, 45 percent of individuals achieved successful employment outcomes in which HKNC's regional offices played a collaborative role in providing training, advocacy and/or support to the consumer or job training agency. The target for fiscal year 2018 has been raised to 45 percent based on performance in fiscal years 2014 through 2016.