An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is a darker shade of blue. The hourglass is centered on the page.

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Report RL34017

*Vocational Rehabilitation Grants to States and Territories:  
Overview and Analysis of the Allotment Formula*

Scott Szymendera, Domestic Social Policy Division

January 29, 2008

**Abstract.** This report provides an overview of the vocational rehabilitation program, including discussions on the eligibility for vocational rehabilitation services, the types of services provided by state and territorial vocational rehabilitation agencies, and the requirements concerning state plans and funding matches that states and territories must meet in order to qualify for federal grants. This report also discusses the current authorization for vocational rehabilitation grants and recent legislative attempts to extend this authorization. In addition, this report describes the formula used to determine each state and territory's allotment of vocational rehabilitation funds. Several issues surrounding this formula, including problems stemming from the use of FY1978 allotments as a baseline are analyzed.

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# Vocational Rehabilitation Grants to States and Territories: Overview and Analysis of the Allotment Formula

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January 29, 2008

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## Summary

Title I of the Rehabilitation Act of 1973, as amended, authorizes the federal government to make grants to states and territories to provide vocational rehabilitation services to persons with disabilities who are interested in seeking employment. State and territorial vocational rehabilitation agencies work with clients to determine their optimal employment outcomes and put together packages of services to help them meet these employment goals.

The authorization for the vocational rehabilitation program expired at the end of FY2003; Congress has continued to make appropriations to the Department of Education to fund the program under the provisions of an extension clause in the Rehabilitation Act. Both chambers worked on bills in the 109<sup>th</sup> Congress that would formally extend this authorization through FY2011, but these bills did not result in the enactment of a law before the end of that Congress. Reauthorization bills may be taken up by both chambers in the 110<sup>th</sup> Congress.

Money for vocational rehabilitation is allotted to states and territories according to a complicated formula. This formula does not take into account the size of a state's vocational rehabilitation caseload or its success at finding employment for its clients. Rather, state vocational rehabilitation allotments are based on state allotments in FY1978, state population, and state per capita income.

The allotment formula has been criticized for not ensuring that each state or territory is given an increase in funding to match increases in the cost of living. In addition, the formula has been criticized for not including measures related to a state's or territory's overall performance and for negatively affecting states that have seen large population growth since the mid-1970s.

This report will be updated to reflect any major legislative activity.

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## Introduction

Title I of the Rehabilitation Act of 1973, as amended, authorizes the federal government to make grants available to states and territories for the purpose of providing vocational rehabilitation services to persons with disabilities who are seeking competitive employment.<sup>1</sup> Grants may not be used to provide services connected with non-competitive employment such as sheltered workshops or for jobs that pay below the minimum wage.<sup>2</sup> Vocational rehabilitation grants are administered by the Rehabilitation Services Administration (RSA), an agency of the Department of Education, and can be used by designated state or territorial agencies to provide customized supports and services to persons with disabilities with the goal of providing these persons increased opportunities to secure competitive employment and self-sufficiency. States and territories may establish a single vocational rehabilitation agency (referred to as a combined agency) or establish separate agencies to handle persons with general disabilities and persons with blindness. States and territories are required to match a portion of their federal grants and contribute 21.3% of the total cost of providing vocational rehabilitation services.

In FY2005, states and territories spent over \$1.7 billion on vocational rehabilitation services.<sup>3</sup> In 2005, state and territorial vocational rehabilitation agencies worked with nearly 1.4 million clients and helped over 206,000 persons with disabilities achieve employment.<sup>4</sup>

The authorization for vocational rehabilitation grants to states and territories expired at the end of FY2003 and Congress has continued to make capped appropriations to fund the program under the provisions of an extension clause in the law. The House of Representatives and Senate each passed bills to reauthorize the vocational rehabilitation program in both the 108<sup>th</sup> and 109<sup>th</sup> Congresses, however, these efforts did not become law. It is likely then that the reauthorization of the vocational rehabilitation program will be on the agenda of the 110<sup>th</sup> Congress.

This report provides an overview of the vocational rehabilitation program, including discussions on the eligibility for vocational rehabilitation services, the types of services provided by state and territorial vocational rehabilitation agencies, and the requirements concerning state plans and funding matches that states and territories must meet in order to qualify for federal grants.

This report also discusses the current authorization for vocational rehabilitation grants and recent legislative attempts to extend this authorization. In addition, this report describes the formula used to determine each state and territory's allotment of vocational rehabilitation funds. Several issues surrounding this formula, including problems stemming from the use of FY1978 allotments as a baseline are analyzed.

This is the first in a series of three reports on vocational rehabilitation under development by the Congressional Research Service during the first session of the 110<sup>th</sup> Congress. One future report is to examine the impact of regulations that require state and territorial vocational rehabilitation

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<sup>1</sup> The Rehabilitation Act of 1973 was amended in 1974 (P.L. 93-651), 1978 (P.L. 95-602), 1984 (P.L. 98-221), 1986 (P.L. 99-506), 1992 (P.L. 102-569) and 1998 (P.L. 105-220).

<sup>2</sup> Competitive employment is defined by regulation at 34 C.F.R. § 361.5(b)(11).

<sup>3</sup> This amount excludes administrative costs and is less than the total appropriation for FY2004.

<sup>4</sup> Data taken from the RSA website at <http://www.ed.gov/rschstat/eval/rehab/statistics.html>, Table 14. Client data includes all persons who had contact with a vocational rehabilitation agency, from initial application through employment.

agencies to give priority for services to persons with the most significant disabilities, even though, these people, by nature of the significance of their disabling conditions, may be the least likely people to become employed after receiving services. Another future report is to look at various measures of program success, including the overall caseload and number and type of employment outcomes to assess the overall impact of the federal commitment to vocational rehabilitation for persons with disabilities.

## Individual Eligibility for Vocational Rehabilitation Services

Section 102(a) of the Rehabilitation Act of 1973 establishes the requirements a person must meet in order to be eligible to receive vocational rehabilitation services from a state or territorial agency.<sup>5</sup> The requirements state that a person must be disabled and must also need vocational rehabilitation services to become employed, stay employed or return to previous employment.

### Definition of Disability

A person is considered disabled for the purposes of eligibility for vocational rehabilitation services if he or she

(i) has a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment, and (ii) can benefit in terms of an employment outcome from vocational rehabilitation services pursuant to Title I, III, or VI (of the Rehabilitation Act of 1973).<sup>6</sup>

The definition of disability used by the vocational rehabilitation program is different from that used by the Social Security disability programs. In order to receive vocational rehabilitation services a person does not need to be eligible for, or have applied for, Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI).<sup>7</sup> However, Section 102(a)(3) of the Rehabilitation Act of 1973 specifies that any person receiving SSDI or SSI benefits shall be presumed to be eligible for vocational rehabilitation services if he or she intends to pursue employment.<sup>8</sup> Each state or territorial agency has the responsibility for determining the eligibility of applicants for vocational rehabilitation services consistent with program rules specified in Section 102 of the act and in the Code of Federal Regulations (CFR).<sup>9</sup>

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<sup>5</sup> 29 U.S.C. § 722(a).

<sup>6</sup> 29 U.S.C. § 705(20). Title III of the Rehabilitation Act of 1973 authorizes demonstration projects, including projects for migrant farm workers. Title VI of the act authorizes projects with industry and supported employment programs.

<sup>7</sup> Supplemental Security Income (SSI) benefits are means tested and are available to adults and children with disabilities and persons aged 65 or older with or without disabilities. In this report, SSI benefits will only refer to benefits paid to adults and children with disabilities. For additional information on the SSI program see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Scott Szymendera.

<sup>8</sup> 29 U.S.C. § 722(a)(3).

<sup>9</sup> 34 C.F.R. §§ 361.41-361.44.

## Order of Selection to Receive Services

If a state or territorial vocational rehabilitation agency feels that it will not have enough resources during a given fiscal year to provide services to all eligible persons with disability, then it must notify the RSA that it will implement an “Order of Selection” plan to determine which persons will have the first priority to receive services. Regulations require that the order of selection plan must ensure that persons with the “most significant disabilities” will be able to receive services before other eligible persons.<sup>10</sup> Other persons not placed in the priority group may be placed on a waiting list but are not guaranteed services. A state or territorial agency is given a certain degree of latitude in determining how it will set up its order of selection system and neither the Rehabilitation Act of 1973 nor the CFR provide firm requirements on how agencies should determine which persons have the most significant disabilities.<sup>11</sup>

While SSDI and SSI beneficiaries are presumed to be eligible for vocational rehabilitation services, they may not be deemed to have the most significant disabilities by their state or territorial vocational rehabilitation agency. In such a case, it would be possible for a state to deny vocational rehabilitation benefits to persons receiving benefits from a Social Security disability program. If a SSDI or SSI recipient is a participant in the Ticket to Work program, but deemed not eligible for vocational rehabilitation services because of an order of selection rule, he or she would not be able to use a Ticket to Work voucher to pay for vocational rehabilitation services from a state or territorial agency and would be required to obtain services from a private sector employment network.<sup>12</sup>

States and territories may implement order of selection plans at the beginning of a fiscal year or during a fiscal year if it becomes likely that they will not be able to provide services to all eligible persons. For FY2007, 41 of the 80 state and territorial vocational rehabilitation agencies are operating under order of selection procedures.<sup>13</sup> The longest continuous order of selection is in Georgia, which first established its procedure in 1979. **Tables A-1 and A-2, in Appendix A,** provide the order of selection status for each of the 80 state and territorial vocational rehabilitation agencies for FY2007. Of the 32 states and territories with combined vocational rehabilitation agencies, 21, or 66%, are operating under an order of selection procedure. In addition, 15 of the 24 general vocational rehabilitation agencies (63%) and five of the 24 agencies serving the blind (21%) have orders of selection in place.<sup>14</sup>

At the end of FY2005, 38,315 individuals were on waiting lists for vocational rehabilitation services because of state and territorial orders of selection.<sup>15</sup> There is wide variance in the size of

<sup>10</sup> 34 C.F.R. § 361.36(a)(3)(iv)(A).

<sup>11</sup> For additional information on the procedures used to establish an order of selection system see Ronald M. Hager, *Order of Selection for Vocational Rehabilitation Services: An Option for State VR Agencies Who Cannot Serve All Eligible Individuals*, Cornell University Work Incentives Support Center Policy and Practice Brief 23, November 2004; available on the Cornell University Employment and Disability Institute website at <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1058&context=edicollect>.

<sup>12</sup> For additional information on the Ticket to Work program see CRS Report RL31157, *The Ticket to Work and Work Incentives Improvement Act of 1999: Implementation Status*, by Jennifer Hess and Karen Tritz (out of print; available upon request from Scott Szymendera).

<sup>13</sup> Order of selection information is not yet available for FY2008.

<sup>14</sup> Data provided to the Congressional Research Service (CRS) by the Department of Education, Office of Special Education and Rehabilitation Services.

<sup>15</sup> Data is taken from annual state reports provided to the Rehabilitation Services Administration (RSA) as part of its (continued...)

state and territorial waiting lists. At the end of FY2005, 10 agencies operating under orders of selection had no waiting lists while the waiting list in Tennessee had over 9,000 persons on it and there were 11,729 persons on the waiting list for services from the Washington general vocational rehabilitation agency.

## Services Provided by Vocational Rehabilitation Agencies

Vocational rehabilitation agencies provide a wide range of customized services to their clients. Agency staff work with each client individually to design a package of services that are intended to help the client achieve his or her employment goal. There is no master list of services that can or cannot be provided by vocational rehabilitation agencies and no package of services that are provided to every client.

### Individualized Employment Plan (IEP)

The core of the vocational rehabilitation service model is the Individualized Employment Plan (IEP). Every client who receives services from a vocational rehabilitation agency prepares an IEP with the assistance of agency staff. The IEP states the employment goal of the client as well as the specific services that the agency will provide to help the client reach his or her goal.

Before an IEP can be created, staff of the vocational rehabilitation agency perform an assessment of the client. This assessment looks at the factors that may affect the client's prospects for employment, including factors related to the client's disability, work history, and educational background. The assessment also identifies the client's specific needs that can be met by the vocational rehabilitation agency.

While the staff of the vocational rehabilitation agency provides assistance to the client in the preparation of the IEP, it is the client that has the final say on his or her employment goal and the services that he or she would like to be provided with. The staff member has the responsibility of providing the client with enough information about available jobs and services to assist the client in making an informed choice about his or her employment goal and service package. Clients may develop their own IEPs with the assistance of persons outside of the vocational rehabilitation agency. However, the agency must approve all IEPs before services can be provided. The IEP is reviewed by the staff and the client at least once per year and changes are made if necessary.

Section 102(b)(3) of the Rehabilitation Act of 1973 specifies that an IEP must include the following items:

- the specific employment outcome chosen by the client;
- the specific vocational rehabilitation services that will be provided to the client;

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(...continued)

Management Information System (MIS). The RSA MIS is available on the Department of Education website at <http://wdcrobcolp01.ed.gov/CFAPPS/RSAMIS/choose.cfm>.

- the time line for starting services and achieving the employment outcome;
- the specific entity, selected by the client, from which services will be obtained;
- the criteria that will be used to evaluate the progress made by the client;
- the responsibilities of the client, the vocational rehabilitation agency, and other entities included in the IEP;
- the extended services that will be needed if the client is expected to need supported employment; and
- the projected need for post-employment services.<sup>16</sup>

## Employment Outcomes and Case Closure

Vocational rehabilitation agencies are to work with clients until their selected employment goals are met. Regulations specify that a vocational rehabilitation case can not be considered closed until all of the following conditions have been met:

- the client has achieved the employment outcome specified in his or her IEP;
- the client has maintained the employment outcome for a period of at least 90 days;
- the client and the vocational rehabilitation counselor meet after 90 days of employment and agree that the employment outcome is satisfactory; and
- the client is informed of the availability of post-employment services.<sup>17</sup>

For cases that resulted in employment outcomes in 2005, clients received vocational rehabilitation services for an average of 26.3 months.<sup>18</sup>

## State Vocational Rehabilitation Plans and Matching Requirements

### State Plans

In order to qualify for funding under the Rehabilitation Act of 1973, a state or territory must file a state plan with the Department of Education. This plan must designate the state or territorial agency that will provide vocational rehabilitation services and must specify if a separate state agency will provide services to blind clients. A state or territory's order of selection plan must also be included as part of the state plan. The state plan must demonstrate how the state or territory will meet the specific requirements of Section 101 of the act, including requirements concerning program goals and evaluation, cooperation with other agencies, the IEP process, and

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<sup>16</sup> 29 U.S.C. § 722(b)(3).

<sup>17</sup> 34 C.F.R. § 361.56.

<sup>18</sup> Data taken from the RSA website at <http://www.ed.gov/rschstat/eval/rehab/statistics.html>, Table 14.

the provision of vocational rehabilitation services to qualified individuals.<sup>19</sup> A state plan does not have to be submitted each year, but must be amended to reflect any changes in state vocational rehabilitation policy.

## Matching Requirement

Section 104 of the Rehabilitation Act of 1973 includes a requirement that states and territories that receive vocational rehabilitation grants match a portion of their federal allotment with state or territorial funds.<sup>20</sup> Section 7(14) of the act sets the federal share of vocational rehabilitation funding at 78.7% and requires that states and territories provide the remaining 21.3% of vocational rehabilitation funding.<sup>21</sup>

## Authorization for Federal Funding of Vocational Rehabilitation

Section 100(b)(1) of the Rehabilitation Act of 1973 authorizes Congress to make appropriations to the Department of Education for the purposes of providing vocational rehabilitation grants to states and territories.<sup>22</sup> For each year authorized, the appropriation for vocational rehabilitation must be no lower than the previous year's appropriation increased by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U).<sup>23</sup> This authorization expired at the end of FY2003.

The mandatory minimum increase in appropriations is based on the change in the CPI-U reported in October of each year. Because this CPI-U report comes out in November, after the beginning of the next federal fiscal year, the appropriation for a given fiscal year is based on the appropriation for the previous fiscal year increased by the change in the CPI-U reported in October of the second previous fiscal year. For example, the mandatory minimum appropriation for FY2003 was based on the appropriation for FY2002 increased by the change in the CPI-U between October 2000 and October 2001.

## Extension of Authorization

Although the authorization for vocational rehabilitation appropriations expired at the end of FY2003, Section 100(d) of the Rehabilitation Act of 1973 includes a provision to automatically extend this authorization for years after the final authorized fiscal year if Congress has not amended the act to extend the authorization.<sup>24</sup> Under the provisions of this extension, the appropriations for vocational rehabilitation are capped at the amount appropriated in the previous

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<sup>19</sup> 29 U.S.C. § 721.

<sup>20</sup> 29 U.S.C. § 724.

<sup>21</sup> 29 U.S.C. § 705(14).

<sup>22</sup> 29 U.S.C. § 720(b)(1).

<sup>23</sup> Section 100(c)(1) of the Rehabilitation Act of 1973 (29 U.S.C. § 720(c)(1)) requires the Department of Labor to publish, before November 15, the change in the Consumer Price Index for All Urban Consumers (CPI-U) from the previous fiscal year.

<sup>24</sup> 29 U.S.C. § 720(d).

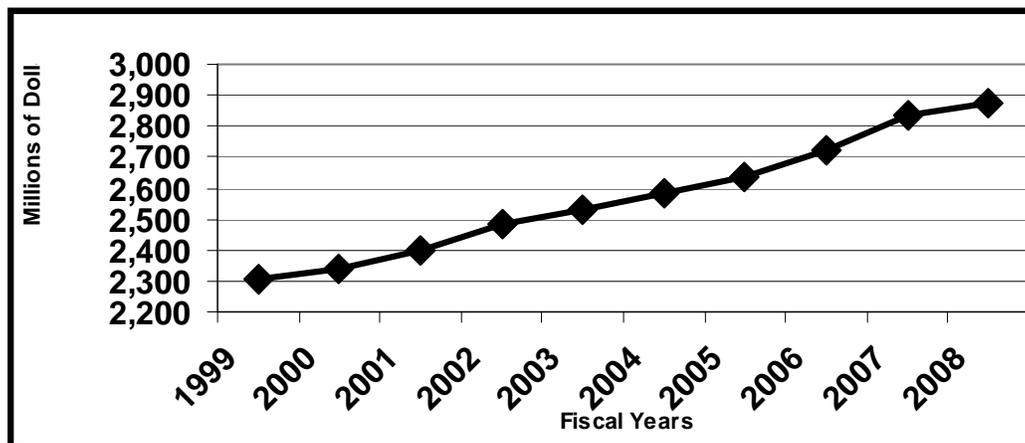
fiscal year increased by the percentage change in the CPI-U using the same formula outlined above. For example, the maximum appropriation for FY2008 is the appropriation for FY2007 increased by the change in the CPI-U from October 2005 to October 2006.

### Effect of the Extension of Authorization on Appropriations

The extension of authorization provision sets a cap on the amount Congress can appropriate to the Department of Education for vocational rehabilitation state grants until the act is reauthorized. Appropriations under this provision are capped at the previous year's level increased by the change in the CPI-U. This funding cap went into effect with the expiration of the vocational rehabilitation authorization at the end of FY2003 and was first part of the appropriations process for FY2004.

**Figures 1 and 2**, show the appropriations and change from the previous fiscal year for the period FY1999 through FY2007. Because the authorization is under extension beginning in FY2004, appropriations after FY2003 are capped at the rate of the increase in the CPI-U. However, even before FY2004, annual vocational rehabilitation appropriations exceeded the growth in the CPI-U only in FY1999. Because the funding in years prior to the extension of budget authority was at the minimum level of increase, the cap placed on appropriations by the expiration of the funding authority at the end of FY2003 has not had any practical impact on the overall funding level of the vocational rehabilitation program.

**Figure 1. Vocational Rehabilitation Appropriations, FY1999-FY2008**

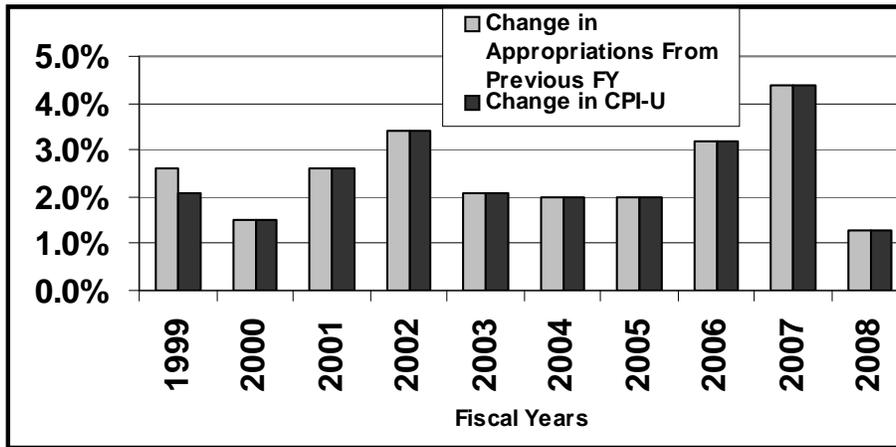


**Source:** Congressional Research Service (CRS) figure with data on appropriations taken from the conference reports accompanying each FY's appropriations bill.

**Notes:** Data to accompany this figure can be found in **Table B-1** in **Appendix B**. Appropriations data includes money appropriated to Native American Indian Tribes under the provisions of Section 121 of the Rehabilitation Act of 1973 (29 U.S.C. § 741).

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**Figure 2. Changes in Vocational Rehabilitation Appropriations and the Consumer Price Index (CPI-U), FY1999-FY2008**



**Source:** Congressional Research Service (CRS) figure with data on appropriations taken from the conference reports accompanying each FY's appropriations bill and data on the CPI-U taken from the website of the Department of Commerce, Bureau of Labor Statistics at [ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt](http://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt).

**Notes:** Data to accompany this figure can be found in **Table B-1** in **Appendix B**. Appropriations data includes money appropriated to Native American Indian Tribes under the provisions of Section 121 of the Rehabilitation Act of 1973 (29 U.S.C. § 741).

## Legislative Activity in the 108<sup>th</sup>, 109<sup>th</sup>, and 110<sup>th</sup> Congresses to Extend the Authorization for Vocational Rehabilitation Appropriations

Both the House of Representatives and the Senate passed bills in the 108<sup>th</sup> and 109<sup>th</sup> Congresses that would have, if enacted, extended the authorization for appropriations for vocational rehabilitation state grants.<sup>25</sup> These bills were part of larger packages of legislation that would have made technical changes to the vocational rehabilitation program and re-authorized the Workforce Investment Act of 1998.<sup>26</sup>

In the 108<sup>th</sup> Congress, H.R. 1261, the Workforce Investment Act Amendments of 2003 would have extended the authorization for vocational rehabilitation state and territorial grants until the end of FY2009. This bill was passed by the House on May 8, 2003 and by the Senate on November 14, 2003 with the bills differing in areas not related to vocational rehabilitation.<sup>27</sup> A conference committee was appointed to resolve the differences in the two versions of the bill but no conference report was issued and the bill was not considered for final passage into law.

<sup>25</sup> For additional information on legislation related to vocational rehabilitation in the 109<sup>th</sup> Congress, see CRS Report RL33249, *Rehabilitation Act of 1973: 109<sup>th</sup> Congress Legislation, FY2006 Budget Request, and FY2006 Appropriations*, by Scott Szymendera.

<sup>26</sup> For additional information on the Workforce Investment Act of 1998 and its re-authorization, see CRS Report RL32778, *The Workforce Investment Act of 1998 (WIA): Reauthorization of Job Training Programs in the 109<sup>th</sup> Congress*, by Blake Alan Naughton and Ann Lordeman.

<sup>27</sup> The Senate's version of this bill was S. 1627 and did not differ significantly on issues related to vocational rehabilitation from the House version. The Senate incorporated S. 1627 into H.R. 1261 as an amendment in the nature of a substitute and passed this amended version of H.R. 1261.

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In the 109<sup>th</sup> Congress, H.R. 27, the Job Training Act of 2005, would have extended the authorization for the vocational rehabilitation program until the end of FY2011 and was passed by the House on March 2, 2005. S. 1021, the Workforce Investment Act Amendments of 2005, was incorporated into H.R. 27 as an amendment in the nature of a substitute and the amended version of H.R. 27 was passed by the Senate on June 29, 2006 and would have extended the authorization for appropriations for vocational rehabilitation until the end of FY2011.

The Senate bills in the 108<sup>th</sup> and 109<sup>th</sup> Congresses included provisions requiring the Comptroller General to conduct a study on the current state allotment formula to determine the impact of this formula on the ability of states and territories to adequately provide vocational rehabilitation services in accordance with their state plans. In its report on S. 1021, the Senate Committee on Health, Education, Labor, and Pensions expressed its concerns with the current allotment formula, stating

The committee recognizes that in States where caseloads are constant or increasing, but where the State is losing general population, the State typically does not receive a percentage increase in funding that equals the percentage increase for the amount appropriated for the entire vocational rehabilitation system. Additionally, the committee recognizes that the factors used to determine per capita income provide significantly more funds, on a per capita basis, to States with lower per capita incomes.<sup>28</sup>

The House and Senate bills in the 109<sup>th</sup> Congress largely differed on matters unrelated to vocational rehabilitation and no conference committee was formed. A final version of these bills was not passed by the 109<sup>th</sup> Congress.

### Activity in the 110<sup>th</sup> Congress

To date no bills that would extend the authorization for vocational rehabilitation appropriations have been introduced in the 110<sup>th</sup> Congress. Both chambers may consider vocational rehabilitation reauthorization during this Congress as part of larger efforts to reauthorize the Workforce Investment Act of 1998.

## Vocational Rehabilitation Allotment Formula

Sections 8 and 110 of the Rehabilitation Act of 1973 provide a formula to be used by the RSA in determining each state and territory's allotment of appropriated vocational rehabilitation funds.<sup>29</sup> This allotment formula does not take into account a state or territory's vocational rehabilitation caseload, or the employment rate of a state or territory's vocational rehabilitation clients. Rather, the formula is based on the following three factors:

- the state or territory's vocational rehabilitation allotment in FY1978;<sup>30</sup>

<sup>28</sup> U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, *Workforce Investment Act Amendments of 2005*, report to accompany S. 1021, 109<sup>th</sup> Cong. 1<sup>st</sup> sess., S.Rept. 109-134, (Washington: GPO 2005), pp. 54-55.

<sup>29</sup> 29 U.S.C. §§ 706, 730.

<sup>30</sup> A state or territory's allotment in FY1978 was based on a state's population and its allotment percentage determined using the same formula currently used in Step 1.

- the state’s per capita income as a compared to the national per capita income;<sup>31</sup> and
- the state or territory’s population.<sup>32</sup>

A state or territory’s vocational rehabilitation allotment in FY1978 and its population both have a direct relationship to its current final allotment. States and territories that received larger allotments in FY1978 and states or territories with larger populations will receive larger allotments of vocational rehabilitation funding.

A state’s per capita income as compared to the national per capita income has an inverse relationship to the final allotment. The higher a state’s per capita income is as compared to the national per capita income, the lower its final allotment of vocational rehabilitation funds.

A two-step process is used to determine each state and territory’s vocational rehabilitation allotment. In the first step, the Allotment Percentage is determined using the formula specified in Section 8 of the act. In the second step, this allotment percentage is used in a formula specified in Section 110 of the act.

### Step 1. Determine A State’s Allotment Percentage

Each state is assigned an allotment percentage which is used in Step 2 of the allotment formula. In general, the larger a state’s allotment percentage, the larger its final allotment of vocational rehabilitation funds will be. A state with a larger per capita income relative to other states will have a smaller allotment percentage.

$$AllotmentPercentage = 100\% - \left[ \frac{StatePerCapitaIncome}{NationalPerCapitaIncome} \times 50\% \right]$$

This formula is not used for territories or the District of Columbia. The allotment percentage for these jurisdictions is set at 75%. No state may have an Allotment Percentage less than 33% or greater than 75%. If a state’s allotment percentage falls outside of these boundaries, it is automatically increased to 33% or decreased to 75% as necessary. Each state’s allotment percentage is calculated only in even numbered years and is current for that year and the following year.

<sup>31</sup> This factor does not apply to the District of Columbia or the territories. A state’s per capita and the national per capita income is determined by taking the average of the per capita income for the most recent three consecutive years as determined by the Department of Commerce.

<sup>32</sup> A state or territory’s population is determined by taking the most recent data published by the Department of Commerce before October 1 of the year preceding the fiscal year of the appropriation.

## Step 2. Determine the Final Allotment

$$\begin{aligned}
 \text{FinalAllotment} = & \text{State's FY1978 Allotment} + \\
 & \left[ \frac{(\text{StatePopulation} \times \text{AllotmentPercentage}^2)}{\sum_{\text{AllStates}} (\text{StatePopulation} \times \text{AllotmentPercentage}^2)} \times \frac{\text{ExcessAmount}}{2} \right] + \\
 & \left[ \frac{(\text{StatePopulation} \times \text{AllotmentPercentage})}{\sum_{\text{AllStates}} (\text{StatePopulation} \times \text{AllotmentPercentage})} \times \frac{\text{ExcessAmount}}{2} \right]
 \end{aligned}$$

This formula uses the *allotment percentage* calculated in Step 1. The *excess amount* is the difference between the total appropriation for a given FY and the total appropriation for FY1978.

No state's final allotment can be less than 1/3 of 1% of the total amount appropriated or \$3,000,000, whichever is greater.<sup>33</sup> If a state falls below this amount, its final allotment is increased to this level and the final allotments of all other states are decreased in proportion to their share of the total appropriation.

The vocational rehabilitation allotment formula does not contain a hold harmless provision and it is possible that a state or territory could receive less in a given fiscal year than it did in a previous fiscal year. This occurred in FY2000, when the District of Columbia, Louisiana, Massachusetts, New Hampshire, New York, saw their final allotments decrease from FY1999. That year, the reduction in funding for the District of Columbia was due to a drop in population while the other states saw their per capita incomes grow faster than the national average.

The vocational rehabilitation allotments for each state and territory for FY2007 can be found in **Table B-2 in Appendix B**.

## Reallotment

Section 110(b) of the Rehabilitation Act of 1973 requires that the RSA commissioner determine each year if any state or territory will not be able to fully spend its vocational rehabilitation allotment and then reallot this money to states that will be able to fully utilize these funds.<sup>34</sup> This determination must be made no later than 45 days before the end of the fiscal year with the reallotment taking place as soon as is practical but not after the end of the fiscal year.

There is no law or regulation governing how the RSA must reallot these funds. However, current RSA policy is to first make reallotments to those states and territories that did not see their original allotment increase by at least the increase in the CPI-U and then make any additional reallotments in accordance with the standard vocational rehabilitation allotment formula.<sup>35</sup> States

<sup>33</sup> This provision does not apply to the territories but does apply to the District of Columbia.

<sup>34</sup> 29 U.S.C. § 730(b).

<sup>35</sup> Department of Education, Rehabilitation Service Administration, *Information Memorandum RSA-IM-06-08: FY 2006 Reallotment Schedule for Formula Grants Under the Rehabilitation Act*, June 22, 2006, available on the website of the Department of Education at <http://www.ed.gov/policy/speced/guid/rsa/im-06-08.pdf>. The Workforce Investment Act of 1998 (S. 1627) in the 108<sup>th</sup> Congress and The Workforce Investment Act Amendments of 2005 (S. 1021) in the 109<sup>th</sup> Congress contained provisions that would have given states that did not receive an increase in appropriations equal to the increase in the CPI-U priority when applying for reallotment funds.

must request a reallocation and must provide matching state funds according to the standard vocational rehabilitation matching requirements that set the federal share at 78.7% and the state share at 21.3%. Money reallocated to states and territories or money not expended after the reallocation period can be carried over into the next fiscal year.

## Analysis of the Vocational Rehabilitation Allotment Formula

Rehabilitation advocates and Congress have raised several issues of concern with the current vocational rehabilitation allotment formula. Advocacy groups have consistently called for changes in the formula and the Senate has twice attempted to pass legislation that would require the Comptroller General to investigate the formula. The issues raised by advocacy groups and Congress fall into the following four general categories:

- First, the current formula does not take into account a state's ability to pay its share of the funding or spend its allotment and as a result states frequently return unspent funds to the RSA for reallocation.
- Second, the increase in the CPI-U that affects the total appropriation is not always passed on to each state or territory. As a result, some states and territories do not receive an increase in funding to keep pace with increased costs due to inflation.
- Third, the current funding formula does not account for the size of a state's caseload or its success at rehabilitating clients and assisting them in finding and keeping competitive employment.
- Fourth, the current formula's use of a state or territory's 1978 allotment as a baseline lessens the impact of a state's population on its allotment and tends to negatively affect states with large population growth since 1978.

### The Formula Does Not Take Into Account a State or Territory's Ability to Pay its Share of the Match

The current vocational rehabilitation allotment formula does not take into account a state or territory's ability or willingness to match the federal grant with state or territorial funds as required by law. As a result, states and territories that for political or economic reasons are not able to contribute the required 21.3% of total vocational rehabilitation funding must return some of their federal funding to the RSA for reallocation. The Senate Committee on Health, Education, Labor and Pensions has recognized this as a problem with the current formula stating in its report on S. 1021 in the 109<sup>th</sup> Congress:

Yearly, States return millions of Federally appropriated dollars to carry out vocational rehabilitation services program under Subtitle A to the Department of Education to redistribute, as they were unable to match the allotted funds with State dollars.<sup>36</sup>

<sup>36</sup> U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, *Workforce Investment Act Amendments of 2005*, report to accompany S. 1021, 109<sup>th</sup> Cong. 1<sup>st</sup> sess., S.Rept. 109-134, (Washington: GPO 2005), p. (continued...)

As shown in **Table C-1** of **Appendix C**, since 1991 states and territories have returned over \$321 million in federal vocational rehabilitation funds to the RSA for reallocation. This amount is less than 1% of the total federal funding for vocational rehabilitation state and territorial grants during this period.

## The Increase in the CPI-U is Not Always Passed Along to the States and Territories

As shown in **Table B-1** of **Appendix B**, total federal spending on vocational rehabilitation generally keeps pace with price inflation as reflected by the CPI-U. However, while the total appropriation for vocational rehabilitation increases each year to reflect higher prices, the individual amounts allotted to states and territories may not. There is no hold-harmless provision in the law that guarantees that a state or territory will see an increase in its vocational rehabilitation allotment at all, let alone a guarantee that it will see an increase that matches the increase in the CPI-U.

In FY2008, 26 states and the District of Columbia received lower allotments than they had received in FY2007.<sup>37</sup> Also in FY2008, 11 states and two territories received increases that were less than the growth in the CPI-U from the previous year.<sup>38</sup>

The Senate passed legislation in the 108<sup>th</sup> and 109<sup>th</sup> Congresses that would have partially dealt with this issue by requiring that states and territories that did not receive an increase in their vocational rehabilitation allotment that was at least equal to the increase in the CPI-U from the previous year would receive the first priority for any reallocated funds. The RSA currently reallofts funds using this method. Advocacy groups have taken this a step further, however, and both the National Rehabilitation Association and the Council of State Administrators of Vocational Rehabilitation (CSAVR) have publicly called for changes to the vocational rehabilitation funding process that would ensure that each state and territory receives an annual allotment that keeps pace with the increases in the cost of living.<sup>39</sup>

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(...continued)

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<sup>37</sup> The states of Alabama, Arkansas, California, Connecticut, Delaware, Florida, Hawaii, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, West Virginia and the District of Columbia received less funding in FY2008 than they did in FY2007.

<sup>38</sup> The states of Alaska, Idaho, Indiana, Kentucky, Michigan, New Jersey, New York, Oklahoma, Oregon, South Carolina, and Wisconsin and the territories of American Samoa and the U.S. Virgin Islands received increases in their allotments that were less than the 1.3% increase in the CPI-U.

<sup>39</sup> National Rehabilitation Association, *Recommendations for Reauthorization of the Rehabilitation Act*, January 29, 2003, available on the website of the National Rehabilitation Association at <http://www.nationalrehab.org/website/govt/200240.html>; and Council of State Administrators of Vocational Rehabilitation, *CSAVR Comments on HR 27*, February 14, 2005, available on the website of the Council of State Administrators of Vocational Rehabilitation at [http://www.rehabnetwork.org/wia\\_rehab\\_act/hrcomments.htm](http://www.rehabnetwork.org/wia_rehab_act/hrcomments.htm).

## The Formula Does Not Take Into Account a State's or Territory's Caseload or Success at Returning Clients to Work

A state or territory's vocational rehabilitation allotment is based on its allotment in 1978, its per capita income, and its population. The size of a state or territory's vocational rehabilitation caseload, or its success at returning portion of this caseload to the workforce are not part of the allotment formula and are not a factor in determining how much money a state or territory will have available for vocational rehabilitation services.

Because the size of a state or territory's caseload is not part of the allotment formula, state and territorial vocational rehabilitation agencies are often unable to provide services for persons that want them. Currently, more than half of all state vocational rehabilitation agencies are operating under orders of selection which require that they establish waiting lists for vocational services and provide services to persons determined to have the most significant disabilities. Nearly 40,000 persons with disabilities seeking vocational rehabilitation services are currently waiting on these lists.

In addition to disregarding the size of a state or territory's vocational rehabilitation caseload, the allotment formula does not take into account a state or territory's performance in returning clients to the workforce and helping them maintain competitive employment. As a result, the Department of Education is left without a possible tool to encourage compliance with established performance standards and has no way to reward state or territorial agencies that are successful at returning clients to the workforce.

Section 107(c) of the Rehabilitation Act of 1973 does give the Secretary of Education the ability to withhold vocational rehabilitation funding from any state or territory that is not in compliance with its published state plan or that is falling below the performance standards established by the Department of Education for the vocational rehabilitation program. However, despite the fact that the Government Accountability Office (GAO) identified two cases in FY2003 in which vocational rehabilitation agencies failed to meet these performance standards, the Department of Education has never withheld funding from a state or territorial vocational rehabilitation agency because of performance.<sup>40</sup>

The GAO cited the inability of the Department of Education to establish a means to reward successful vocational rehabilitation agencies with increased funding as part of the agency's overall inability to properly monitor and manage the performance of the state and territorial vocational rehabilitation agencies that it provides funding to.<sup>41</sup> In addition, the Senate recognized this shortcoming in the current law and Section 421 of S. 1021 in the 109<sup>th</sup> Congress provided authorization for the Department of Education to provide incentive grants to states that demonstrated success at returning persons with disabilities to the workforce.<sup>42</sup> In its report on S. 1021, the Senate Committee on Health, Education, Labor, and Pensions stated

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<sup>40</sup> Government Accountability Office, *Vocational Rehabilitation: Better Measures and Monitoring Could Improve the Performance of the VR Program*, GAO-05-865, (Washington: GPO 2005), p. 35. (Hereafter cited as GAO-05-865).

<sup>41</sup> GAO-05-865.

<sup>42</sup> This provision was also included as Section 419 of S. 1627, the Workforce Investment Act Amendments of 2003, in the 108<sup>th</sup> Congress.

Based on program data and other sources of information, it is apparent that there is a wide variation in the performance of individual State vocational rehabilitation agencies. In Section 421 of S. 1021 the Committee permanently authorizes the Administration's Vocational Rehabilitation Incentive Grants Program as a method to encourage State vocational rehabilitation agencies to improve their performance. The Committee intends that grant funds be used primarily to encourage State vocational rehabilitation agencies to adopt effective strategies to improve employment outcomes for individuals with disabilities receiving assistance under the vocational rehabilitation program.<sup>43</sup>

The Congressional Budget Office (CBO) estimated that these incentive grants would have cost \$13 million in 2006 and \$137 million over the period from 2006 through 2010.<sup>44</sup>

## The Formula's 1978 Baseline Negatively Affects States With Population Growth Since the Mid-1970s

A unique feature of the vocational rehabilitation allotment formula is its use of a state's 1978 allotment as a baseline for all current and future allotments. While the formula also considers a state's per capita income and population, these variables only affect a state's share of the *excess amount*—the difference between the total appropriations for the current FY and the total appropriations for FY1978. For FY2007 the excess amount makes up 73% of the total vocational rehabilitation appropriation meaning that 27% of the total appropriation is not affected by the allotment formula but rather is distributed to match each state and territory's FY1978 allotment.<sup>45</sup>

In order to analyze the impact of the 1978 baseline on the vocational rehabilitation allotment formula, each state and territory's FY2007 allotment is estimated using a modified formula that does not take into account a state or territory's allotment in FY1978.<sup>46</sup> **Table D-1, in Appendix D** shows each state and territory's estimated allotment for FY2007 under this modified formula and the difference between these amounts and the actual allotments. In this table, states with positive differences between their actual and modified allotments are benefitting from the current formula and its use of the FY1978 allotment as a baseline while states with negative differences are not benefitting from this formula.

An analysis of the modified allotment formula as compared to the actual FY2007 state allotments shows that states with the largest increases in population from 1976 until 2005 also had the largest reductions due to the use of the FY1978 baseline to actual allotments. Nevada, the state with the largest population growth also had the largest difference in allotments and of the five states with the largest differences in allotments, four were also among the top five states in population growth. Statistical analyses of the data show strong and significant negative correlations between a state's rate of population growth from 1976 and the difference between its

<sup>43</sup> U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, *Workforce Investment Act Amendments of 2005*, report to accompany S. 1021, 109<sup>th</sup> Cong. 1<sup>st</sup> sess., S.Rept. 109-134, (Washington: GPO 2005), p. 56.

<sup>44</sup> Congressional Budget Office, *S. 1021 Workforce Investment Act Amendments of 2005*, cost estimate, (Washington: GPO 2005), p. 6.

<sup>45</sup> The total allotment in FY1978 was \$759,317,831 while the total allotment for FY2007 was \$2,802,716,000.

<sup>46</sup> This modified allotment is calculated by multiplying a state's share of the excess amount by the total appropriation for FY2007.

FY2007 allotment and its modified allotments.<sup>47</sup> These negative correlations demonstrate that states with large increases in population since the mid-1970s have the largest differences between their actual and modified allotments under the current allotment formula. This analysis also demonstrates how the current vocational rehabilitation allotment formula does not properly account for population changes, such as migrations to the Southern and Western states during this period.

## Issues for the 110<sup>th</sup> Congress

It is likely that the 110<sup>th</sup> Congress will consider the reauthorization of the vocational rehabilitation program. Efforts to reauthorize the program without significant changes to the allotment formula or other aspects of the program were unsuccessful in the 108<sup>th</sup> and 109<sup>th</sup> Congresses. If Congress does consider reauthorization in 2007 or 2008, it may want to consider making changes to several parts of the vocational rehabilitation program. Possible areas for reform include the definition of disability used and the order of selection rules that give preference to persons with the most severe disabilities even those this group may be the least likely to return to work. This issue is expected to be addressed in a future Congressional Research Service report.

In addition, Congress may wish to consider some method for increasing the overall success rate of the vocational rehabilitation program. Currently, the RSA has very little ability to give states and territories incentives to improve the return to work rate of their vocational rehabilitation clients or to punish states that fail to meet established expectations for vocational rehabilitation agencies. The Senate's reauthorization bill in the 109<sup>th</sup> Congress did include a program of authorization grants that could be used to reward states that demonstrate success at returning clients to the workforce. The overall effectiveness of the vocational rehabilitation program is to be examined in a future Congressional Research Service report.

In its previous two attempts at vocational reauthorization, the Senate has recognized some of the shortcomings of the allotment formula discussed in this report. In both the 108<sup>th</sup> and 109<sup>th</sup> Congress the Senate reauthorization bills would have required the GAO to study the vocational allotment formula.

As demonstrated in this Congressional Research Service report, the current formula fails to account for a state or territory's ability to pay its share of the costs of vocational rehabilitation or its caseload. In addition, this report has shown that the current formula does not ensure that funding increases due to changes in the cost of living are passed along to individual states and territories. The formula also does not take into account a state or territory's success at returning vocational rehabilitation clients to work. Finally, this report has shown the impact of the allotment formula on the vocational rehabilitation funding levels of states that have seen significant population growth since the 1970s. Each of these concerns with the allotment formula are areas that the House and Senate may consider as they prepare to consider reauthorization of the vocational rehabilitation program in the 110<sup>th</sup> Congress.

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<sup>47</sup> The statistical analyses yielded a Pearson's Product Moment Correlation Coefficient of -0.7449 and a Spearman's Rank Order Correlation Coefficient of -0.6968. Both coefficients were significant at the level of  $p < 0.0001$ . These statistical tests measure the correlation between a state's population growth and the difference between its current and modified allotments, but they do not necessarily indicate a causal relationship between these variables. Additional information on the statistical analyses is available from the author of this report.

## Appendix A. Order of Selection Status for State and Territorial Vocational Rehabilitation Agencies

**Table A-1. Order of Selection Status for States and Territories with Combined Vocational Rehabilitation Agencies, FY2007**

State	Order of Selection?	State	Order of Selection?
Alabama	No	North Dakota	Yes
Alaska	No	Ohio	Yes
Arizona	Yes	Oklahoma	Yes
California	Yes	Pennsylvania	Yes
Colorado	Yes	Rhode Island	Yes
Georgia	Yes	Tennessee	Yes
Hawaii	Yes	Utah	No
Illinois	Yes	West Virginia	Yes
Indiana	Yes	Wisconsin	Yes
Kansas	Yes	Wyoming	Yes
Louisiana	Yes	District of Columbia	No
Maryland	Yes	American Samoa	No
Mississippi	Yes	Guam	No
Montana	No	N. Mariana Islands	No
Nevada	No	Puerto Rico	No
New Hampshire	No	U.S. Virgin Islands	Yes

**Source:** Congressional Research Service (CRS) table with data provided by the U.S. Department of Education Office of Special Education and Rehabilitation Services.

**Note:** FY2008 order of selection information is not yet available.

**Table A-2. Order of Selection Status for General and Blind Vocational Rehabilitation Agencies, by State, FY2007**

State	Order of Selection?	
	General Agency	Blind Agency
Arkansas	Yes	Yes
Connecticut	Yes	No
Delaware	No	Yes
Florida	No	No
Idaho	No	No
Iowa	Yes	No
Kentucky	Yes	Yes

State	Order of Selection?	
	General Agency	Blind Agency
Maine	Yes	Yes
Massachusetts	Yes	No
Michigan	No	No
Minnesota	Yes	No
Missouri	Yes	No
Nebraska	Yes	No
New Jersey	Yes	No
New Mexico	No	No
New York	No	No
North Carolina	Yes	No
Oregon	Yes	No
South Carolina	No	No
South Dakota	No	No
Texas	No	No
Vermont	Yes	No
Virginia	Yes	Yes
Washington	Yes	No

**Source:** Congressional Research Service (CRS) table with data provided by the U.S. Department of Education Office of Special Education and Rehabilitation Services.

**Note:** FY2008 order of selection information is not yet available.

<http://wikileaks.org/wiki/CRS-RL34017>

## Appendix B. Vocational Rehabilitation Appropriations and State Allotment Data

**Table B-1. Changes in Vocational Rehabilitation Appropriations and the Consumer Price Index (CPI-U), FY1999-FY2008**

FY	Appropriations Law	Appropriation (in thousands of \$)	Change from Previous FY (%)	Change in CPI-U (%)
1998	P.L. 105-78	2,246,888	<i>n/a</i>	<i>n/a</i>
1999	P.L. 105-277	2,304,411	2.6	2.1
2000	P.L. 106-113	2,338,977	1.5	1.5
2001	P.L. 106-554	2,399,790	2.6	2.6
2002	P.L. 107-116	2,481,383	3.4	3.4
2003	P.L. 108-7	2,533,492	2.1	2.1
2004	P.L. 108-199	2,584,162	2.0	2.0
2005	P.L. 108-447	2,635,845	2.0	2.0
2006	P.L. 109-149	2,720,192	3.2	3.2
2007	P.L. 110-5 <sup>a</sup>	2,837,160	4.4	4.4
2008	P.L. 110-161	2,874,043	1.3	1.3

**Source:** Congressional Research Service (CRS) figure with data on appropriations taken from the conference reports accompanying each FY's appropriations bill and data on the CPI-U taken from the website of the Department of Commerce, Bureau of Labor Statistics at <ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.txt>.

**Notes:** Appropriations data includes money appropriated to Native American Indian Tribes under the provisions of Section 121 of the Rehabilitation Act of 1973 (29 U.S.C. § 741).

a. P.L. 110-5 was the fourth in a series of continuing resolutions used to make appropriations for FY2007.

**Table B-2. Vocational Rehabilitation State and Territorial Final Allotments, FY2008**

State or Territory	Allotment (dollars)	State or Territory	Allotment (dollars)
Alabama	55,816,789	Nevada	17,931,565
Alaska	9,463,837	New Hampshire	10,736,013
Arizona	57,950,200	New Jersey	55,184,632
Arkansas	35,809,204	New Mexico	22,684,862
California	275,593,209	New York	147,351,564
Colorado	36,013,729	North Carolina	92,812,979
Connecticut	19,947,115	North Dakota	9,463,837
Delaware	9,463,837	Ohio	120,400,886
District of Columbia	12,618,252	Oklahoma	40,628,883
Florida	152,844,034	Oregon	35,175,174
Georgia	92,258,790	Pennsylvania	121,101,676
Hawaii	11,052,823	Rhode Island	10,051,281

State or Territory	Allotment (dollars)	State or Territory	Allotment (dollars)
Idaho	15,867,655	South Carolina	50,734,708
Illinois	105,254,070	South Dakota	9,463,837
Indiana	66,660,094	Tennessee	65,575,720
Iowa	31,155,664	Texas	217,749,584
Kansas	26,929,144	Utah	28,030,439
Kentucky	51,743,094	Vermont	9,463,837
Louisiana	56,383,213	Virginia	62,084,119
Maine	15,030,202	Washington	51,125,448
Maryland	38,114,000	West Virginia	25,312,666
Massachusetts	45,530,340	Wisconsin	55,246,877
Michigan	97,347,491	Wyoming	9,463,837
Minnesota	43,124,084	American Samoa	928,801
Mississippi	41,288,450	Guam	2,877,628
Missouri	62,037,506	Northern Mariana Islands	1,159,806
Montana	10,762,027	Puerto Rico	71,021,021
Nebraska	17,356,124	U.S. Virgin Islands	1,974,343

**Source:** Congressional Research Service (CRS) table with data taken from the Department of Education website at <http://www.ed.gov/about/overview/budget/statetables/08stbyprogram.pdf>.

**Note:** Does not include any reallocations that have occurred or may occur in FY2008.

<http://wikileaks.org/wiki/CRS-RL34017>

## Appendix C. Vocational Rehabilitation Funds Returned for Reallotment

**Table C-1. Vocational Rehabilitation Funds Returned for Reallotment, FY1991-FY2006**

FY	Amount Returned	Percent of Total Federal Allotment
1991	\$26,721,793	1.64
1992	43,686,698	2.45
1993	5,897,261	0.31
1994	46,924,222	2.38
1995	24,130,066	1.18
1996	19,266,781	0.92
1997	8,126,332	0.38
1998	10,219,861	0.46
1999	10,653,948	0.47
2000	10,660,283	0.46
2001	12,232,685	0.51
2002	25,269,055	1.03
2003	22,442,536	0.90
2004	35,830,933	1.40
2005 <sup>a</sup>	0	0.00
2006	19,525,481	0.73
<i>Total</i>	<i>321,587,935</i>	<i>0.90</i>

**Source:** Congressional Research Service (CRS) table with data taken from annual Information Memoranda released by the Rehabilitation Services Administration available on the website of the Department of Education at <http://www.ed.gov/policy/speced/guid/rsa/information-memoranda.html>.

**Note:** Returned funding data not available for FY2007.

- a. Does not include reallotments made under the provisions of the Assistance for Individuals with Disabilities Affected by Hurricanes Katrina or Rita Act of 2005, P.L. 109-82.

## Appendix D. State Vocational Rehabilitation Allotments, Modified Allotments, and Population Data

**Table D-1. Vocational Rehabilitation State FY2007 Allotments, FY2007 Modified Allotments, and 1976 to 2005 Population Growth**

State	Actual FY2007 Allotment (\$)	Estimated FY2007 Modified Allotment (\$)	Difference as Percentage of FY2007 Modified Allotment	Population Growth, 1976 to 2005 (%)
Alabama	56,445,098	52,589,725	6.83	21.77
Alaska	9,342,387	10,070,786	-7.80	65.41
Arizona	56,406,863	65,672,100	-16.43	153.73
Arkansas	35,708,220	34,612,741	3.07	27.90
California	271,452,202	294,093,386	-8.34	64.82
Colorado	34,105,069	35,400,446	-3.80	77.16
Connecticut	19,870,539	17,628,743	11.28	13.54
Delaware	9,342,387	10,070,786	-7.80	42.63
Dist. of Columbia	12,182,451	9,265,404	23.94	-15.92
Florida	154,108,575	171,408,514	-11.23	105.00
Georgia	86,685,255	89,910,288	-3.72	77.92
Hawaii	11,254,618	12,267,322	-9.00	40.82
Idaho	15,464,609	16,623,308	-7.49	66.79
Illinois	103,911,345	104,806,374	-0.86	12.54
Indiana	66,266,265	64,683,776	2.33	16.27
Iowa	31,580,868	30,921,090	2.09	2.15
Kansas	26,963,399	27,106,847	-0.53	19.43
Kentucky	50,876,929	47,948,045	5.76	18.23
Louisiana	56,314,853	52,450,420	6.86	14.09
Maine	14,885,193	13,603,428	8.61	21.11
Maryland	39,069,153	37,874,231	3.06	34.67
Massachusetts	45,164,390	36,966,756	18.15	12.01
Michigan	95,240,255	93,754,396	1.56	10.64
Minnesota	43,337,953	41,195,061	4.94	29.31
Mississippi	41,030,639	37,894,131	7.64	19.70
Missouri	61,038,559	58,758,754	3.74	19.81
Montana	10,907,036	11,000,935	-0.86	23.43
Nebraska	17,539,735	17,154,232	2.20	13.36

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State	Actual FY2007 Allotment (\$)	Estimated FY2007 Modified Allotment (\$)	Difference as Percentage of FY2007 Modified Allotment	Population Growth, 1976 to 2005 (%)
Nevada	17,843,899	21,731,423	-21.79	272.86
New Hampshire	10,573,786	10,000,357	5.42	54.61
New Jersey	54,171,747	49,100,807	9.37	18.58
New Mexico	22,359,551	22,921,649	-2.51	61.94
New York	146,134,022	134,992,118	7.62	7.67
North Carolina	90,329,177	90,339,296	-0.01	54.65
North Dakota	9,342,387	10,070,786	-7.80	-1.73
Ohio	118,396,849	112,168,766	5.26	6.68
Oklahoma	40,564,976	39,824,312	1.83	25.35
Oregon	34,855,466	36,684,233	-5.25	53.01
Pennsylvania	121,735,403	112,182,665	7.85	4.27
Rhode Island	10,276,323	9,617,066	6.42	13.48
South Carolina	49,594,695	48,951,402	1.30	44.27
South Dakota	9,342,387	8,973,568	3.95	12.89
Tennessee	64,866,447	62,549,745	3.57	37.01
Texas	212,142,313	226,842,989	-6.93	77.68
Utah	26,821,027	29,162,677	-8.73	95.33
Vermont	9,342,387	9,900,778	-5.98	28.35
Virginia	62,456,588	61,663,416	1.27	47.69
Washington	48,830,519	51,779,341	-6.04	70.35
West Virginia	24,796,159	22,299,260	10.07	-3.48
Wisconsin	54,831,961	52,183,800	4.83	20.27
Wyoming	9,342,387	10,070,786	-7.80	28.18

**Source:** Congressional Research Service (CRS) table with data on FY2007 Allotments taken from website of the Department of Education at <http://www.ed.gov/about/overview/budget/statetables/08stbyprogram.pdf>; population data taken from the Department of Commerce, U.S. Census Bureau.

**Notes:** FY2007 Modified Allotments are calculated by multiplying a state's share of the excess amount by the total appropriation for FY2007.

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