

UC Berkeley

IURD Working Paper Series

Title

An Overview of the "Rehabilitation System": An Attempt to Outline Federal and Private Program Activity and Resource Flows Directed Toward the Disabled

Permalink

<https://escholarship.org/uc/item/7j00d7k5>

Author

MacRostie, Thomas

Publication Date

1972-06-01

AN OVERVIEW OF THE "REHABILITATION SYSTEM":
AN ATTEMPT TO OUTLINE FEDERAL AND PRIVATE PROGRAM ACTIVITY
AND RESOURCE FLOWS DIRECTED TOWARD THE DISABLED

by

Thomas MacRostie

June, 1972
Working Paper No. 180/RS008

Frederick C. Collignon, Project Director - Michael B. Teitz, Principal Investigator

Project for Cost Benefit Analysis and Evaluation of Rehabilitation Services

The research reported here is being supported by a grant from the
Rehabilitation Services Administration of the Social and Rehabilitation
Service, U.S. Department of Health, Education and Welfare.

PREFACE

The mosaic of federal and private programs directed toward the needs of the disabled population has bewildered many program planners and citizens concerned with this population. Mr. MacRostie, a Masters candidate in the Department of City and Regional Planning at the University of California, Berkeley, has performed a very difficult and important service in describing this mosaic and in pulling together an estimate of the total number of disabled people being served and the amount of governmental resources expended on the disabled. His estimate of the extent of unmet need for rehabilitation services which builds both upon his own research and upon the research of Ms. Susan Shea Ridge (reported in Working Paper No. 182/RS009, "Estimating Need for Rehabilitation Services") should be useful to those policymakers concerned with social services and to those seeking to attract more public attention to the problems of the handicapped.

Gathering the data reported in this paper was difficult. Many federal programs do not publish or even collect data on the extent to which the disabled are served by their programs. Mr. MacRostie often found it necessary to solicit estimates by telephone from agency planners and administrators. In many cases, these estimates by their nature are not "official" agency estimates. We welcome any information or assistance by agencies desiring to revise or improve the estimates which are presented in this paper. We believe that there is an urgent need to develop more "official" estimates of the extent to which services are being

provided to the disabled, so that future planning efforts can be based on a clearer understanding of unmet needs. We have issued this paper, in part at the suggestion of the evaluation staff of the Rehabilitation Services Administration, D/HEW, to attract the attention of federal agencies to the problems of estimating unmet need and to stimulate the provision of more "official" estimates. We are prepared to revise this paper to respond to the comments and new estimates of the concerned federal agencies.

Frederick C. Collignon and
Michael B. Teitz

TABLE OF CONTENTS

	Page
PREFACE	ii
Chapter	
I. INTRODUCTION -- DATA COLLECTION PROCEDURES AND DIFFICULTIES	1
II. AN OVERVIEW OF THE REHABILITATION SYSTEM	4
Rehabilitation Services Administration	7
Other Federal Programs Providing Vocational Services	13
Federal Programs Providing Nonvocational Services	17
Federal Programs Serving Children and Teenagers	23
Private Organizations and Programs	24
A Summary of Program Activity in Serving the Disabled	28
Table I. Charting the Flow of Resources in the Federal Rehabilitation System, Fiscal Year 1970	29
Table II. Expenditures in the Federal Rehabili- tation System by Functional Category, Fiscal Year 1970	30
III. A PRELIMINARY ESTIMATE OF UNMET NEED FOR VOCATIONAL REHABILITATION SERVICES	31
Table III. Agency Estimates of Numbers of Disabled Persons Receiving Vocational Services, Fiscal Year 1970	32

I. INTRODUCTION

DATA COLLECTION PROCEDURES AND DIFFICULTIES

A study of this type which attempts to collect data from a wide variety of sources must necessarily encounter a number of restraining factors in the researching effort. The first of these problems is finding data which can be readily interpreted in terms relevant to the Rehabilitation System. In most cases, the data exists but is not disaggregated in a way such that services to the disabled can be extracted. Public assistance is a prominent example of this problem; while it is certain that disabled persons receive public assistance from sources other than Aid to the Permanently and Totally Disabled and Aid to the Blind, there is no data at the federal, state or local level which gives any clue to the magnitude of income maintenance from non-APTD/AB sources. Another facet of this problem is the meaning of definitions presented in agency data; "disabled," "handicapped" and other terms are not of enough precision to guarantee a valid interpretation in every case.

A second and related problem is the multiplicity of agencies and sub-agencies. This is especially true in the private sector where the list of agencies is endless. Even if the national headquarters of a major organization is contacted, there is frequently no aggregate data from numerous state and local chapters. Within the federal government, the agency administering a series of programs may not have aggregate data and will, therefore, refer the researcher to any number of sub-agencies. In the case of some federal agencies, the headquarters office

will insist that regional offices are to be the only source for information.

Finally, there is the difficulty of keeping abreast of current changes and finding programs that are longer in operation. The federal government periodically undergoes reorganizations which alter its bureaucratic structure; in most cases, the agencies in question merely acquire new names with little impact on their function. A more serious obstacle is program changes. It seems that there is a constant proliferation of new programs and the consolidation or phasing out of existing programs. And while there are many programs which remain substantially stable in terms of function, changes in funding, funding procedures, matching requirements, eligibility requirements and the like mean that a program by the same name may be difficult to recognize in a few years time. We can therefore expect that the picture of the Rehabilitation System which has been put forth in this study is already out of date in terms of new programs initiated and pending before Congress.

The basic source guide which was used for this study is the 1971 Catalog of Federal Domestic Assistance (Executive Office of President, Office of Management and Budget, Washington, D.C., 1971). It is complete in the sense that it gives an overview of most every program imaginable; the data it contains is submitted to the O.M.B. by the agencies administering each program. The weakness of the Catalog is that the dollar figures cited are often obligations -- funding authorized by Congress -- rather than the actual expenditure figures.

In order to verify the data presented in the Catalog, phone calls were made to the agencies concerned. This procedure was followed for two reasons. First, there was the necessity of confirming the numbers reported both in terms of numbers served and dollars spent and filling

in gaps in the data. Secondly, the Catalog and other general publications (such as the Handbook of Federal Government Organization) are so arranged and written as to give the reader an incomplete and sometimes misleading impression of individual programs, the total scope and range of activities and services provided, and how the programs which are included in the Rehabilitation System fit into the overall picture. Generally, the telephone call(s) resulted either in information over the phone or the mailing of the appropriate agency data. With few exceptions, the data provided in the Catalog proved to be fairly reliable.

In a few instances, the problem of insufficient or non-disaggregated data could not be overcome. In such cases, the aggregate data was divided into its component populations served and services rendered using what seemed to the author to be reasonable assumptions. Those cases where such estimates were made are footnoted to detail the assumptions made and the procedures used.

In researching the private sector, a survey of the relevant literature and the initial federal agencies contacted yielded a consensus on the most prominent private organizations in the Rehabilitation System. Telephone calls to these agencies provided either verbal or published information which was used in the writing of this paper.

The procedure which has been outlined here was generally the one followed. There were aspects of the research which were considerably more random. Discussions with the personnel of various agencies and with Rehabilitation Research Project supervisors and fellow researchers yielded leads and valuable suggestions which lent a sort of spontaneous air to this effort.

II. AN OVERVIEW OF THE REHABILITATION SYSTEM

To serve the needs of the handicapped population in the United States, there is a group of public and private agencies which collectively will be called the "Rehabilitation System." This system is defined as those agencies which either offer direct services to the handicapped or engage in activities which constitute indirect services to the disabled. Such indirect services include (1) research concerning improved service delivery or means of preventing or ameliorating the physical or mental conditions which produce disability, (2) training personnel to deal with the specialized needs of the handicapped, and (3) engaging in "lobbying" or public education activities designed to expand public and governmental awareness of the needs of the handicapped and to increase the support given to programs serving these needs.

Although the Rehabilitation System is not a coordinated organization of agencies in pursuit of common objectives, there is considerable interaction between the components of the system. Within the federal government, agencies maintain liaison contacts and work in tandem on particular programs. There are close ties between federal, state and local governments and private agencies in the funding and administration of categorical grant programs covering a range of services. Research bodies and private service and special interest organizations affect the course of governmental policy through their research findings, experience in serving the disabled, and "lobbying" activities.

That the Rehabilitation System is a seemingly uncoordinated group of agencies in pursuit of diverse goals is merely a reflection of the population to which their efforts are directed. There are numerous conditions producing disability. The traditional concept of disability was roughly divided between physical and mental conditions, such that orthopedic impairments, disease-related disabilities, blindness and deafness could be labeled physical and the mental appellation could be applied to mental illness and mental retardation. This concept has broadened over time to include other disabilities which do not precisely fit under one or another label. For instance, there are developmental disabilities -- those attributable to mental retardation, cerebral palsy, epilepsy or another neurological condition originating prior to adulthood -- which have either physical or mental manifestations or both. Other examples include alcoholism and drug addiction, both of which imply physical as well as mental or emotional dependence. And there is a growing tendency to regard "cultural deprivation" as a vocational disability, thus opening the way for a greatly expanded clientele for disability-related services. For the purposes of this paper, however, cultural deprivation will not be included among the disabilities requiring special services which will be included in this discussion of the Rehabilitation System.

The handicapped population to which the services of the System are directed is by and large vocationally disabled. An individual is vocationally disabled when his handicap is such that it interferes with his ability to acquire the vocational skills necessary for employment and results in a total or partial inability to carry on gainful employment. Vocational rehabilitation is the range of services used to restore to the handicapped individual some or all of the ability necessary to

engage in vocational activity. The term "rehabilitation" implies a previous capability -- for employment or any other activity -- though in the context of this discussion it also includes the process of habilitation, in which the ability is acquired for the first time.

However, not every individual who is disabled is capable of vocational rehabilitation. It may be that the disabled condition is so severe that there is little that can be done through physical or mental restoration or amelioration to enable the individual to undertake vocational activity. Or it may be that regardless of the severity of the individual's disability, the individual's emotional development precludes the positive attitude necessary for a change in life style.

Moreover, even for some of those who are vocationally rehabilitated, competitive employment in the labor market is not a realistic alternative. Again, this may be due to the functional limitations imposed by the disabling condition (even when ameliorated), to family situation, or to an inability to adjust to work conditions in the competitive labor market. In such cases, there may still be potential for productive but nonremunerative work such as housekeeping or for sheltered employment where there are concessions made to the employee because of his or her disability.

For all of the disabled, both those capable of vocational rehabilitation and those who may never enter the labor market, there are many other needs requiring attention. For those handicapped persons who are not capable of rehabilitation into vocational activity, the absence of income is usually critical. Indeed, even for many of the disabled who are employed full-time, earnings may often prove too low to lift the family above the poverty line. Thus, there is much need for income support. Even with income maintenance provided by the state, the higher

levels of health care required by the disabled impose an expensive burden upon their families. For all of the disabled, health care, special education, and individual and family counseling are necessities. Also, the quality of life to be enjoyed by the disabled is often contingent upon public sector efforts to remove architectural barriers in housing, work, and recreational spaces, to provide transportation services which permit the disabled greater mobility, and to attack prejudices and practices which stigmatize the disabled, unnecessarily reduce the opportunities available to them, and create a life style of dependency. Finally, no matter what other services may be required, given the complexity of the Rehabilitation System, information, referral, and advocacy services are often necessary if the disabled are to locate the agencies which provide these other services.

It is these needs of the handicapped -- vocational, income, health, educational, quality of life -- to which the services of the Rehabilitation System are directed. The discussion of the public sector of the System here is organized along these functional lines and is limited to the federal government's programs. In many cases, the categorical grants distributed by federal agencies, while not the sole revenue source for state and local government programs, are a substantial enough contribution to impose a certain degree of standardization of services across state lines. The few private sector organizations which are discussed are meant to be examples of the types of services which are offered in this sector.

Rehabilitation Services Administration

The principal federal agency concerned with the provision of vocational rehabilitation services is the Rehabilitation Services

Administration (R.S.A.), an agency within the Social and Rehabilitation Service (S.R.S.) of the Department of Health, Education, and Welfare. Though R.S.A. does not provide direct services to the disabled, it does assist in the provision of such services through its subsidization of state vocational rehabilitation programs and a variety of research, training and construction programs. The most important of the R.S.A. Programs is its support of state rehabilitation agencies, known as the Basic Support or Section 2 Program. These agencies are usually independent agencies of vocational rehabilitation; sometimes the agency is administered as part of a larger state department, usually the department responsible for vocational education. Through formula allotments based on the State's population and fiscal capacity (measured by per capita income), R.S.A. augments state appropriations for direct rehabilitation services. The 1968 Amendments of the Vocational Rehabilitation Act increased the federal matching ratio from 3 to 1 to 4 to 1; R.S.A. is now authorized to pay 80% of the cost of the states' vocational rehabilitation programs.

In order for the disabled individual to meet the eligibility criteria of the federal-state rehabilitation program, he must suffer from a physical or mental condition which is stable or progressive and produces a loss of function or a limitation on activities. Because of this disability, the individual is substantially handicapped in his ability to find employment or is forced to remain on jobs which are in some way unsuitable -- part-time, unsafe, underproductive. In addition, there must be a reasonable expectation that the rehabilitation services will enable the individual to engage in gainful vocational activity -- remunerative employment, sheltered employment, unpaid family employment.

It is important to note that on the basis of these criteria, there are limitations on the clientele to whom rehabilitation services will be extended. The eligibility determination could be expected to disqualify those whose medical condition does not impede vocational activities, those who are either too young or too old, those whose medical condition is deemed so severe that vocational rehabilitation is a remote possibility, and those for whom vocational activity is not the desired goal or for whom the vocational goal is unrealistic.

The determination of eligibility is made by the vocational rehabilitation counselor on the basis of medical, psychological, economic, social and vocational data which is gathered from interviews with the prospective client, medical examinations, vocational interest tests and other diagnostic instruments.

After the individual is admitted to the program, he and his counselor must map out a rehabilitation plan based on the information brought out in the initial interviews and testing as well as the client's vocational aspirations. The plan consists of a detailed outline of the steps required to reach the vocational goal, including services provided directly by the rehabilitation agency and state-operated rehabilitation centers as well as those which must be obtained from other public agencies and facilities or purchased from private vendors. The counselor monitors the provision of services, counsels the client, and acts as the client's advocate in obtaining services. As the plan is completed, the client usually is provided assistance in job placement when the goal is competitive employment. Once the client is on the job, the counselor continues to consult with both the client and the employer. Only when the client has maintained employment for at least ninety days can a case be closed as successfully rehabilitated.

Special note must be made here of the client's prominent role in designing his rehabilitation plan. The primary emphasis in the direction and goals of a rehabilitation plan is geared to the individual's needs and aspirations and not the labor market. In this type of client-centered approach, the counselor's role is twofold: he acts both as an advisor on the general and specific aspects of the rehabilitation plan and as a broker in obtaining the services necessary in the implementation of the plan.

The range of services which is incorporated into a rehabilitation plan depends on the individual case. Basic services which are available, when appropriate, include:

- (1) restoration or amelioration of the disabling condition through medical, surgical and hospital care, related therapy, and the provision of prosthetic appliances,
- (2) income maintenance and transportation during rehabilitation;
- (3) counseling, guidance and training services;
- (4) tools, equipment and licenses necessary for employment or the establishment of a small business, as well as initial stocks, supplies and management guidance in setting up a small business;
- (5) reader and interpreter services for the blind and deaf, respectively;
- (6) services to the family of the handicapped individual when they will make a substantial contribution to the client's rehabilitation; and
- (7) placement services and follow-up services to help the rehabilitant maintain his employment status.

The Basic Support program, in addition to furnishing counselors and these direct services to clients, includes provisions for the establishment, construction or improvement of rehabilitation facilities. In fiscal year (FY) 1970, 875,911 disabled individuals received services under the Basic Support program, of whom 266,975 were rehabilitated at an average cost of \$2,089.¹

R.S.A. also administers the Trust Fund Beneficiaries Rehabilitation program. The 1965 Amendments to the Social Security Act provided that a part of the funds from the Disability Insurance Trust Fund may be made available to state vocational rehabilitation agencies to cover the cost of rehabilitation services provided to selected disability beneficiaries; a maximum of one percent of the disability benefits paid during the previous fiscal year may be made available for these services. The program is to be administered in such a way as to result in a net savings to the Social Security Trust Funds. That is, the cost of rehabilitating the disability beneficiary must be offset by the savings realized by the termination of disability benefits as well as additional revenues to the Trust Fund to be accrued through social security taxes on restored earnings. Therefore, eligibility criteria stipulate that those individuals who receive rehabilitation services under the Trust Fund program must be expected to engage in competitive work for several years after rehabilitation; those Trust Fund beneficiaries whose age precludes many years of active work or whose rehabilitation would result in self-care or sheltered or non-remunerative employment are excluded from the program. It is estimated that 80-90% of the applicants for this program are

¹U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, Rehabilitation Services Administration, State Vocational Rehabilitation Agency Program Data, Fiscal Year 1970 (Washington, 1971), p. 4.

declared ineligible for services; those who are screened out are still able to apply for benefits under the Basic Support program where the eligibility criteria are less stringent. The same range of services provided by the Section 2 program are available under this program. In FY 1970, at a total expenditure of \$21 million from the Trust Fund,² the state agencies reported 20,300 beneficiaries in active caseload in addition to 9,300 rehabilitations.³

R.S.A. administers about a dozen other programs of technical assistance and categorical grants which complement the Basic Support program. Depending on the particular program, the grants are made not only to the state agency primarily concerned with vocational rehabilitation but also to other state and public agencies, private organizations and institutions of higher education. Some are directed to improved, expanded or innovative services for specific disability groups, such as the developmentally disabled or those with particularly severe or catastrophic disabilities. Others are more general in terms of the target population: grants for maintenance allowances for the individual undergoing rehabilitation; grants for the construction or expansion of rehabilitation centers' physical plants; grants to offset the expense of additional staffing after new construction or the expansion of the service program; grants to assist in the training of professionals for rehabilitation-related careers; grants to aid rehabilitation facilities expand the range of general services offered or disability groups served; grants to assist state rehabilitation agencies coordinate their activities with industries in the private sector. Finally, R.S.A. administers a program of technical

²Ibid., p. 98.

³Executive Office of the President, Office of Management and Budget, 1971 Catalog of Federal Domestic Assistance (Washington, 1971), p. 358.

assistance to public and private rehabilitation centers on management considerations involved in the improvement of expansion of services.

The Office of Planning, Research and Training of the Social and Rehabilitation Service sponsors two research programs. The first is available to state rehabilitation agencies and other public and private organizations for innovative research and demonstration projects to find new principles and concepts which can be applied as improved devices, techniques or procedures in the rehabilitation process (\$21.3 million in FY 1970).⁴ The second program supports research and training centers for rehabilitation medicine and other rehabilitation activities (\$10.3 million).⁵

Other Federal Programs Providing Vocational Services

There are, in addition to R.S.A., five other federal agencies providing direct and indirect vocational services to the disabled population. The first of these is the vocational rehabilitation program of the Veterans Administration. The program is much like the standard GI Bill educational benefits in that the primary emphasis is on further education or on-the-job training. It differs from the GI Bill in that the benefits are available for four years instead of three, the monthly allowances are somewhat lower but can be extended for two months after the completion of the rehabilitation program, and is available only to wartime veterans. Like the Basic Support program, vocational rehabilitation for veterans places a great deal of emphasis on the individual's needs, aspirations, limitations and abilities and on the importance of counseling; whenever possible, counseling begins in military hospitals in an effort to alleviate

⁴Ibid., p. 346.

⁵Ibid., p. 347.

the disabled serviceman's anxieties concerning future employment. The VA rehabilitation program does not include the restoration benefits that are included under Section 2 rehabilitation, though such services are available to eligible veterans under VA health care programs. Eligibility for rehabilitation is based on the VA disability rating with a general cut-off line at a 30 percent rating for a service-connected disability. In most cases, eligibility expires nine years after discharge from the armed service though special exceptions are made for veterans of specific wars of those whose disability precluded participation in the rehabilitation program prior to the expiration date. In fiscal year 1970, 24,457 were enrolled in vocational rehabilitation training at a cost of \$41.6 million.⁶

The Manpower Administration of the Department of Labor administers a number of programs which have grown out of the Manpower Development and Training Act of 1962. Manpower programs include institutional training, on-the-job training, in public educational institutions, in private industry. These programs, unlike the vocational rehabilitation programs discussed thus far, are geared more to filling gaps in the labor market and much less to building vocational programs around the individual's goals and abilities. These programs are primarily directed to solving the unemployment and underemployment problems facing minorities and the poor, and the general eligibility requirements include a means test, unemployment or employed less than full-time, working below skill capacities, or employment in an occupation where skills are or will become obsolete. In some programs there are allowances for income maintenance during training as well as other training-related expenses. The Manpower Administration reports that about seven percent of all participants in training programs

⁶Administrator of Veterans Affairs, 1970 Annual Report (Washington, 1971), p. 148.

in FY 1970 were handicapped; this represents approximately 60,000 handicapped persons in training at a cost of about \$94 million.⁷

The Manpower Administration also administers the Employment Services-Grants to States program. These grants aid over 2300 state employment offices. The objectives of the program are to provide clearing-houses in the employment market to benefit individuals in need of preparation for and placement in jobs and to assist employers seeking qualified individuals for job openings. There are special provisions in the funding procedure requiring that the employment offices be equipped to handle the specialized vocational needs of the disabled. Of the \$348 million allocated for these grants in FY 1970, it is estimated that about \$24 million was spent for meeting the handicapped requirement in the funding provisions.⁸

The Office of Education administers two grant programs for the support of vocational education. The Basic Grants to States program includes provisions for most aspects of vocational education, including construction, staffing, curriculum development and innovation. OE reports that the 6 million people served by this program in FY 1970 included 106,000 persons with physical or mental impairments; in terms of

⁷Discussions with the Manpower Administration, Department of Labor, Washington, D.C. The Manpower Administration reports the seven percent figure and assumes that the cost involved in training the disabled individual is comparable to the average training cost for all persons in these programs. The figures for cost and numbers served are derived by applying seven percent to all Manpower training programs; presumably there would be varying percentages of disabled in the individual training programs if such data were available.

⁸Executive Office of the President, Office of Management and Budget, op.cit., pp. 519-520. This source reports the \$348 million figure. There being no available data on the number of disabled receiving employment services under this program, the seven percent figure from the Manpower training programs (see footnote 7) was applied to arrive at the \$24 million figure.

budgeting, this represented about \$6.1 million or two percent of the total allocation.⁹ Additionally, OE supports offices at institutions of higher education for the purposes of counseling, curriculum modification, tutoring, community liaison and placement for low-income and physically disabled students. There is no report of how the \$15 million expenditure for FY 1970 was divided between these two target groups, but figures indicate that while the average expenditure for all students was \$375, it averaged about \$500-600 for disabled students. It is assumed that \$10 million of this total was spent on projects for the disabled.¹⁰

Finally, there are two agencies whose budgets include only the administrative expenses of their programs. The President's Committee on the Employment of the Handicapped (with a budget of \$575,000 for FY 1970)¹¹ is responsible for promotion campaigns to encourage employment opportunities for physically and mentally handicapped and has also been involved in the movement to remove architectural and transportation barriers to the physically disabled. A program called Federal Employment for the Handicapped, administered by the U.S. Civil Service Commission, provides special assistance to physically handicapped, mentally retarded and mentally restored persons seeking employment. With a budget of \$70,000, this program placed 8046 individuals in positions of Federal employment in 1969.¹²

These federal programs which are serving the vocational needs of the disabled are by no means mutually exclusive. For instance, a person who is receiving vocational rehabilitation benefits could be enrolled in

⁹ Ibid., p. 295. It is assumed that the average per student expenditure approximates the expenditure for a disabled student.

¹⁰ Discussion with Regional Office, Office of Education, Department of Health, Education and Welfare, Seattle, Washington. The \$10 million estimate of expenditures for the disabled is based on the higher per student costs.

¹¹ Executive Office of the President, Office of Management and Budget, op. cit., p. 697.

¹² Ibid., pp. 609-610.

a training program supported by the Manpower Administration or the Office of Education and be placed in a job by a Manpower-assisted state employment service office or the U.S. Civil Service Commission. Thus it is difficult to estimate the number of disabled persons receiving vocational benefits because of the danger of double- or even triple-counting.

Federal Programs Providing Nonvocational Services

For those individuals of the disabled population for whom there is little or no hope for vocational rehabilitation or employment, a source of income is of primary concern. In this regard, the income maintenance programs in public assistance are an evident starting point. The federal agency particularly concerned with public assistance is the Assistance Payments Administration. Of the four federally-assisted categories the APA administers, two are of particular relevance to the handicapped population -- Aid to the Totally and Permanently Disabled (ATPD) and Aid to the Blind (AB). Both programs allocate funds to the states for welfare aid to the needy disabled and blind -- "needy" being defined by each state -- for the food, clothing and shelter expenses of the individual as well as payments to intermediate care facilities for the care of eligible patients. In FY 1970, state welfare agencies disbursed \$517.2 million ATPD funds to 787,339 recipients and \$56.3 million to 79,024 individuals in the AB program; the average monthly payments in each instance were \$88.35 and \$97.45 respectively.¹³ These figures are for two federally-assisted categories only and do not include those disabled individuals who do not qualify for ATPD or AB but are receiving welfare assistance under other federal categories (Aid to Families with Dependent

¹³ Ibid., pp. 331-332.

Children and Old-Age Assistance) or the states' general public assistance programs; there is no readily available data on the number of disabled receiving benefits under these programs.

A program frequently associated with public assistance is the Department of Agriculture's Food Stamps. This program, administered locally by state welfare agencies, supplants the food purchasing power of low-income families. The low-income family purchases food stamps from the welfare agency which are worth more in terms of food-purchasing value than the price paid for them. The amount of the dividend or added value which the family receives is based on a progressive scale by which the per dollar dividend is greater for those with lower incomes. It is estimated that in fiscal year 1970, about 550,000 disabled individuals or persons in households whose head is disabled received \$48 million worth of Food Stamp dividends.¹⁴

Another source of income maintenance is the Disability Insurance administered by the Social Security Administration. The program replaces the income of workers and their families lost because of a mental or physical impairment severe enough to prevent a person from engaging in gainful employment. When the disabled worker reaches the age of 65, his coverage is converted to Social Security retirement benefits. The program

¹⁴Ibid., p. 47. This source gives data on the total number of Food Stamp recipients as 6.5 million at a cost of \$551 million. Discussions with the Food and Nutrition Service, Department of Agriculture, San Francisco Regional Office, failed to reveal any data on the number of disabled receiving Food Stamp dividends. Therefore, the estimate of 550,000 disabled receiving Food Stamps at a cost of \$48 million was produced by applying the ratio of AB and ATPD recipients to the total number of recipients of federally assisted public assistance categories (886,000/10,172,000, or 8.7%) to the total cost of and numbers served by the Food Stamp program. It is felt that this represents a fairly accurate estimate of the ratio of low-income disabled to the total low-income population.

is financed by the Disability Insurance Trust Fund; the revenues for the trust fund come from the social security taxes on personal income. The program was enacted in 1956 and has been broadened since then through liberalizations of eligibility requirements. Those requirements include provisions that the applicant be insured -- that is, paid social security taxes on income -- and have a disability which prevents gainful employment for an expected continuous duration of at least 12 months. In FY 1970, about \$2.8 billion in case benefits were paid to 2.5 million workers and their families.¹⁵ In addition to income maintenance, the Disability Trust Fund pays for the vocational rehabilitation of selected disability beneficiaries, a program administered by the Rehabilitation Services Administration.

The final federal source of income maintenance funds for the disabled come from two Veterans Administration programs. The first of these is Disability Compensation, which makes monthly payments to wartime and peacetime veterans with service-connected disabilities; the amount of payment is determined by the VA disability rating system. The second program is the Disability Pension which consists of income supplements to wartime veterans who are permanently and totally disabled from reasons not traceable to service in the armed forces; the amount of the supplement is based on income and the upper limit on eligible income is \$2,300 for single veterans and \$3,500 for veterans with dependents. In FY 1970, beneficiaries numbered about 2 million for Disability Compensation and almost 1.2 million for Disability Pensions for a total expenditure of \$3.75 billion.¹⁶

¹⁵ Ibid., p. 366.

¹⁶ Administrator of Veterans Affairs, op. cit., p. 112.

The Veterans Administration also provides medical care for those veterans falling under the Disability Compensation or Pension programs. Such care is provided at VA hospitals as well as other public and private institutions. In FY 1970, it is estimated that over 700,000 disabled veterans received short-term hospital care at a cost of about \$1.2 billion.¹⁷

Other federal agencies which provide health-care services are the Medical Services Administration and the Health Services and Mental Health Administration (HSMHA). The Medical Services Administration provides funds to state welfare agencies for the health needs of welfare recipients. It is estimated that about \$260 million of the total appropriation for this program was allocated to the health-care needs of disabled welfare recipients.¹⁸

A primary program of HSMHA is the Health Care Facilities Construction Grants -- also known as the Hill-Burton program -- providing matching funds to public and private, non-profit agencies for the construction, replacement, expansion or remodeling of most types of hospitals and other health care facilities. Eligible institutions include rehabilitation facilities and chronic disease centers as well as hospitals, public health centers, out-patient facilities and so forth. It is estimated that \$10 million was disbursed in FY 1970 under Hill-Burton for facilities intended for the care and rehabilitation of the disabled.¹⁹

¹⁷Ibid., pp. 59 and 87.

¹⁸Executive Office of the President, Office of Management and Budget, op. cit., p. 339. This source gives a total figure of \$2.6 billion for this program. The estimate for the amount which went to the disabled is based on increasing the 8.7 percent ratio of low-income disabled to the total low-income population (see footnote 14) to 10 percent to account for the greater health-care needs of the disabled.

¹⁹Ibid., p. 155.

A related program which was not in effect in 1970 is the Hill-Burton Loan and Loan Guarantee program which is made available to states for capital investments in the same types of health care facilities as in the Hill-Burton grant program. A third program bearing the Hill-Burton label is an advisory one under which HSMHA provides technical assistance and information to applicants for Hill-Burton grants, loans and loan guarantees.

HSMHA also administers a series of grant programs directed to the care and rehabilitation of the mentally ill. These grants are available to state mental hospitals for improvements in the quality of care, treatment and rehabilitation of patients and staff improvements at the profession and sub-professional levels (\$11.6 million in FY 1970), to individuals and institutions for mental research (\$88.1 million), and to public and private institutions of higher education for the provision of stipends to students training in fields related to mental health (\$107.5 million).²⁰

There are, finally, federal programs directed to the problems of drug addiction and alcoholism. HSMHA provides grants to community mental health centers for the prevention and control of drug abuse and the treatment and rehabilitation of narcotic addicts (\$20.2 million).²¹ The Office of Economic Opportunity is also involved in this field; in FY 1970, OEO supported drug rehabilitation services to 7,000 addicts (\$4.5 million) and 119 local programs in low-income neighborhoods for alcoholism treatment and recovery (\$8.5 million).²²

²⁰Ibid., pp. 166-171, 172.

²¹Ibid., pp. 165 and 168.

²²Ibid., pp. 683 and 686.

In addition to the programs discussed above in terms of vocational rehabilitation,, income maintenance, health care and children's services, there are a variety of miscellaneous federal programs which do not conform to this functional categorization. The Community Services Administration provides funds to state welfare agencies for social services to welfare recipients, including legal services, family planning, home and money management, child care, and information and referral services. It is estimated that \$24 million of the \$522 million appropriation in FY 1970 was spent on services for ATPD and AB recipients and their families.²³ The Veterans Administration has two programs to provide disabled veterans with specially equipped automobiles and homes designed for or modified to accommodate wheelchairs.²⁴ The Internal Revenue Services allows extra exemptions on federal income tax returns for blind individuals, thereby reducing their taxable income. Programs for low-income housing administered by the Department of Housing and Urban Development makes special provision for the handicapped and families headed by handicapped persons. And the President's Committee on Mental Retardation advises the President on the special needs of the mentally retarded, and works to help coordinate and facilitate communications between federal, state and local agencies, and promotes public understanding of mental retardation.²⁵

²³Ibid., pp. 362-363. From program data in this source for fiscal year 1969, it is estimated that APTD and AB recipients account for 4.5% of total expenditures.

²⁴Administrator of Veterans Affairs, op. cit., p. 149.

²⁵Executive Office of the President, Office of Management and Budget, op. cit., p. 698.

Federal Programs Serving Children and Teenagers

The various federal programs discussed thus far are directed to the adult disabled population. The programs outlined here are for the benefit of minors to whom services in vocational rehabilitation and income maintenance are not immediately relevant. The two agencies responsible for programs for minors are HSMHA and the Office of Education.

HSMHA covers two areas of concern: crippled children and maternity-infant care. The Crippled Children's Services program provides matching grants (\$57.9 million in FY 1970)²⁶ to states to extend and improve medical and health-related services to handicapped children and those suffering from conditions that lead to crippling, especially in rural areas and areas with severe economic problems. In 1970, the program served over 450,000 children, of whom 82,000 suffered from multiple handicaps. In the field of maternity-infant care, HSMHA provides grants to states and other agencies for the following purposes: providing necessary health care to infants in low-income families which could not otherwise afford such care (\$450,000); research into the prevalence of handicapping conditions and the effectiveness of services to mentally retarded children (\$5.9 million); clinics for mentally retarded children where diagnostic, treatment and follow-up services are provided (\$49.9 million) and support of projects involved in work to reduce the incidence of mental retardation and other handicapping conditions in children (\$36.6 million).²⁷

The Office of Education's programs for handicapped children can be divided into direct service and training-research categories. Included under direct services are grant programs that support state-operated or

²⁶ Ibid., p. 149.

²⁷ Ibid., pp. 161-164.

state-supported schools for handicapped children and special programs in local schools for services at the pre-school, elementary and secondary levels (\$76.7 million), special educational media services for the deaf in local schools (\$4.6 million), and ten regional centers providing diagnostic, evaluative, adjustment and orientation services for deaf and blind children (\$2 million)²⁸ and guidance, counseling and testing in special programs (\$17.5 million).²⁹ Programs which are of indirect benefit to the target population include support for experimental pre-school and early childhood programs for handicapped children (\$3 million), centers for the dissemination of advice and technical information to educators of handicapped children (\$1.8 million), training prospective teachers how to deal effectively with handicapped children in classroom and training teachers for careers in handicapped education (\$35.6 million), general research on improving education for the handicapped (\$13.6 million) and research and training dealing with physical education and recreation for handicapped children (\$600,000).³⁰

Private Organizations and Programs

Private organizations which are components of the Rehabilitation System are too numerous to be adequately chronicled here. One of the primary difficulties in researching the private sector is the organizational structure of many of these agencies: national parent organizations frequently do not have data on the total scope of the activities of their

²⁸ Secretary's Committee on Mental Retardation, U.S. Department of Health, Education and Welfare, "Programs for the Handicapped," No. 70-4, September 4, 1970, pp. 2-3.

²⁹ Executive Office of the President, Office of Management and Budget, op. cit., p. 317. This source gives as a total figure for this program \$116 million. In accordance with the program guidelines, it is assumed that 15 percent of this total is spent on programs for handicapped children.

³⁰ Secretary's Committee on Mental Retardation, U.S. Department of Health, Education and Welfare, op. cit., pp. 2-3.

state and local chapters and facilities. A second problem is identifying local facilities with no ties to national organizations except through groups such as the International Association of Rehabilitation Facilities or the United Way of America (United Crusade). Private agencies differ widely in the size and scope of their programs; many are specialized to serve specific disability groups or offer a limited range of services. Those agencies which are outlined here are among the largest and best known and are included only as examples of the private sector of the Rehabilitation System.

Goodwill Industries of America, Inc., maintains 192 centers throughout the country which are primarily sheltered employment facilities. Operating on a total budget of \$113 million in 1970, Goodwill employed about 25,000 disabled individuals daily in workshops and paying \$66 million in wages. Goodwill determines eligibility on the basis of a battery of tests which are designed to show whether the individual demonstrates a potential for sheltered employment; if no such potential is found, the individual is referred to other agencies for assistance. In addition to sheltered employment, Goodwill provided counseling and training services to over 100,000 persons; of these, 7,500 were placed in private employment. Goodwill estimates that there are 112,000 persons employed nationally in sheltered workshops.³¹

The National Easter Seal Society for Crippled Children and Adults operates 355 local facilities nation-wide, including rehabilitation and treatment centers, sheltered workshops and residential camps. Through these facilities, the Easter Seal Society served 381,351 persons in 1970

³¹Discussion with Goodwill Industries of America, Inc., National Headquarters, Washington, D.C.

on a budget of \$45 million, of which 70% was expended on direct services, 5% on research and education, and 25% on administration and fund raising. The total number of individual services provided was 538,784 and included medical and paramedical (restoration), information and referral, social/psychological, vocational and educational, special events, equipment loan, recreation, transportation, and services purchased from other vendor agencies.³²

The National Association for Retarded Children consists of 1,500 state and local chapters with a total membership of 250,000. Half of the membership consists of parents of retarded children and the remainder of professionals, para-professionals and concerned citizens. A few of the local chapters operate classes and sheltered workshops for the mentally retarded, though for the most part the services provided are counseling for parents and referral to other agencies offering direct services for the children; the objective is to obtain services rather than to provide them directly. In addition, the national, state and local organizations endeavor to stimulate greater quantities and varieties of services through public information and education. The national office operates on a budget of \$1.5 million; there is no data on the expenditures made by state and local chapters.³³

In addition to these agencies which provide some degree of direct services to the handicapped, there are two organizations which are concerned with services to the personnel and agencies in the Rehabilitation

³²National Easter Seal Society, 1971 Annual Report (Chicago, 1972), pp. 5 and 14, and discussion with National Easter Seal Society, Chicago, Illinois.

³³Discussion with the National Association for Retarded Children, Arlington, Texas.

System. The International Association of Rehabilitation Facilities (IARF) -- formed in 1969 by the merger of the Association of Rehabilitation Centers and the National Association of Sheltered Workshops and Homebound Programs -- has a membership composed of over 600 public and private rehabilitation centers. To achieve its goal of making rehabilitation facilities available to all handicapped people, IARF promotes training seminars on facility service and management, publications dealing with research, training and management, and direct consultations to member organizations on problems and project proposals. The National Rehabilitation Association (NRA) is a professional organization with a membership of 30,000 individuals, most of whom are professionals in rehabilitation or related disciplines. NRA stresses the interdisciplinary nature of rehabilitation in its attempt to more effectively identify the needs of the handicapped and mobilize its membership to meet these needs. Both NRA and IARF are, because of their non-profit tax status, ineligible to engage in "lobbying," though both organizations press -- through public education and Congressional testimony-- for expanded federal appropriations in rehabilitation and new legislation designed to broaden services.

Finally, in the consideration of the private sector of the Rehabilitation System, mention must be made of the efforts of United Crusade and similar organizations. These agencies mount annual drives for contributions which are then disbursed to local, private organizations serving the community. Among the Rehabilitation System agencies which United Crusade supports are sheltered workshops and rehabilitation and treatment centers for adults and children. While the United Crusade organization has a national headquarters, the local chapters in the many cities and metropolitan areas through out the country are largely autonomous; it

is for this reason that there are no national figures available either for the numbers served by or money disbursed to Rehabilitation System agencies.³⁴

A Summary of Program Activity in Serving the Disabled

The following tables summarize the program activity described above. Table I traces the flow of resources from the various federal agencies to state agencies and the disabled populations. According to the information provided by the federal agencies, about \$9 billion was expended in programs directed at the disabled in FY 1970. Table II provides a more detailed breakdown of resource flows by functional category. Of the \$9 billion, only \$700 million were directly expended upon training and vocational services aimed at facilitating the participation of the disabled in the labor market. In contrast, ten times this amount was transferred from taxpayers to the disabled in income maintenance support.

³⁴Discussion with United Way of America, Alexandria, Virginia.

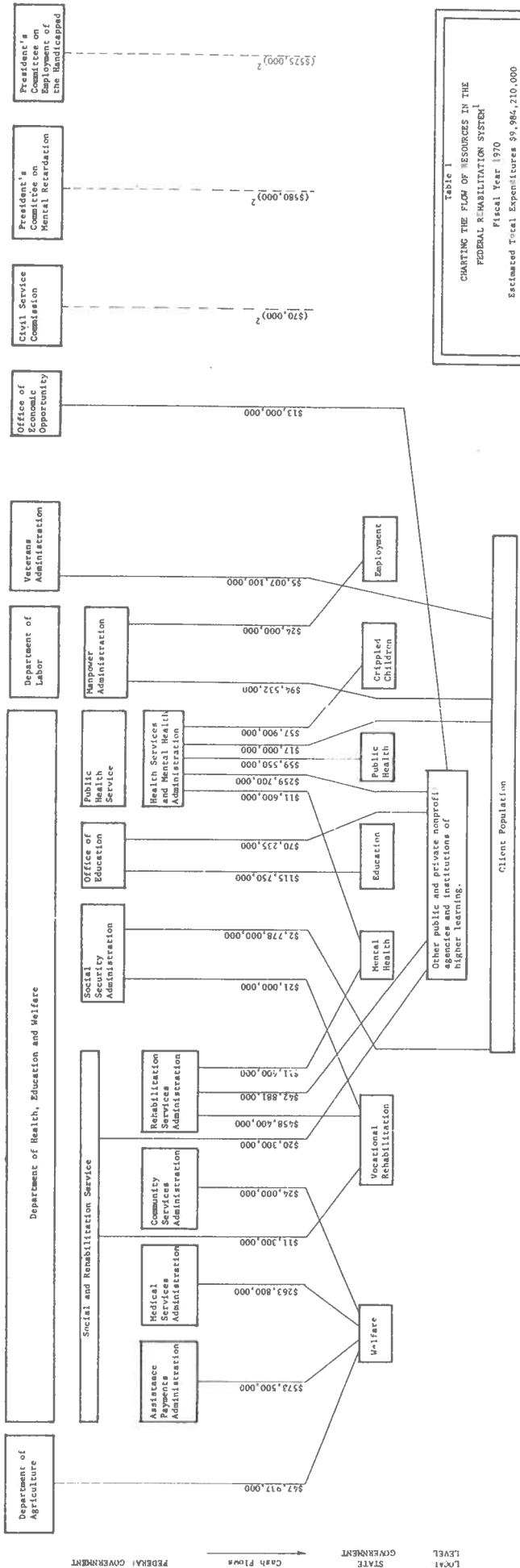


Table 1
CHARTING THE FLOW OF RESOURCES IN THE
FEDERAL REHABILITATION SYSTEM¹
 Fiscal Year 1970
 Estimated Total Expenditures \$9,984,210,000

¹ Does not include HUD or Internal Revenue Service because of the difficulty of assigning dollar values to their programs.
² Figures for these agencies represent only administrative expenses.
 Sources: See Text

III. A PRELIMINARY ESTIMATE OF UNMET NEED FOR VOCATIONAL REHABILITATION SERVICES

Thus far we have enumerated the programs of the federal government and some private agencies which are designed to meet the needs of the disabled. It remains to return to the provision of vocational services in order to arrive at an estimate of the need for these services which is not being fulfilled by the Rehabilitation System. To do so, a determination of the size of the disabled population receiving vocational services must be made. Table III summarizes the information reported by the federal agencies providing training and vocational services, concerning the number of individuals served in FY 1970.

Table III

AGENCY ESTIMATES OF NUMBERS OF DISABLED PERSONS
RECEIVING VOCATIONAL SERVICES,
FISCAL YEAR 1970

Federal Vocational Rehabilitation Programs	
RSA -- Basic Support to States	875,911
RSA -- Social Security and other programs	81,681
Veterans Administration	24,457
	<hr/>
SUBTOTAL	982,049
Other Federal Vocational Programs	
Manpower Administration	60,000
Office of Education	106,000
Private Sheltered Employment ³⁵	112,000
	<hr/>
TOTAL	1,260,049

³⁵ Estimates of the number of disabled employed in sheltered workshops because of the problem of defining who should be counted as being "employed." Goodwill Industries (see footnote 31) defines their employment as average daily employment. Their estimate, using this definition, is that 112,000 are employed nationally. Joel Markowitz ("The Sheltered Workshop in Vocational Rehabilitation: A Background Paper," Working Paper No. 166/RS002, Institute of Urban and Regional Development, University of California, Berkeley, December 1971) cites estimates of 80-100,000 in sheltered employment using the average daily attendance definition. We have used the Goodwill figure since it contributes to lower minimum estimate of unmet need.

In considering these figures, we must pay special attention to those for the RSA Basic Support program. The total of 875,911 includes not only the disabled who received physical and mental restoration, training, maintenance and other rehabilitation services but also those who received diagnostic and evaluation services (586,716 in FY 1970). We must therefore expect that a certain number of those receiving diagnostic and evaluation services were determined to be ineligible for vocational rehabilitation services under the program at that time. Nonetheless, taking into account both the statutory and budgetary restraints on the Section 2 program, all those persons evaluated for rehabilitation potential can be viewed as reached and served by agencies dispensing vocational rehabilitation services. It should be remembered, however, that only 266,975 of the persons evaluated had their cases closed as "rehabilitated." A sizable portion of the 875,911 persons evaluated thus may still be in need of additional services if their vocational potential is to be achieved.

It has been estimated elsewhere^{*} in research supported by this project that the number of disabled who were eligible for vocational rehabilitation services in 1970 was 5,864,000. It was noted that this represents a conservative estimate of the eligible population. It should also be noted here that this estimate includes persons who had received vocational rehabilitation services in the past who either were not rehabilitated or successfully completed the program but were once again unemployed or underemployed for one reason or another; they are therefore included because they are eligible and do require vocational rehabilitation services.

^{*} Susan Shea Ridge, "Geographic Resource Allocation in Social Planning: Measuring Need and Allocating Resources for Rehabilitation Services," an unpublished Master's Thesis submitted to the Department of City and Regional Planning, University of California, Berkeley, May, 1972. Two working papers summarizing this research will be available shortly from this Institute.

When the estimated eligible population is compared to the number receiving services, we arrive at a minimum figure of 4,604,000 for the unmet need in 1970. This estimate represents a minimum for two reasons. On one hand, the number of disabled eligible for vocational rehabilitation services would be much higher if it included public offenders, drug addicts and alcoholics. On the other hand, the estimate of disabled receiving services is high because it involves the assumption that an individual receives services funded or provided by only one agency. Clearly this assumption is fallacious since, for example, we can safely assume that an unknown number of persons enrolled in a vocational rehabilitation program will receive vocational education, job training or other vocational services funded by the Office of Education, the Manpower Administration and other public and private agencies. Thus, there is a certain degree of double-counting involved in the 1,260,000 figure. A compensating factor would be the number of disabled receiving vocational services from agencies not included in Table II, though it is estimated that this number would not be of sufficient magnitude to offset the overlap in the 1,260,000 total.

In addition, the distinction between vocational rehabilitation and other types of vocational services must be re-emphasized. The range of services made available under vocational rehabilitation is tailored to fit the individual's needs, capabilities and desires; it includes not only vocational education and/or on-the-job training but also extensive testing, restoration, services to the family and other supportive services such that the individual has the greatest chance of achieving a rewarding vocational goal. Vocational services which are offered without the client-centered, comprehensive framework of rehabilitation counseling face a handicap in reaching a vocational activity which is fully satisfying to the individual. On the basis of this distinction, we can assign a minimum

figure of 4,882,000 to the unmet need for vocational rehabilitation services in 1970 -- the difference between the eligible population of 5,864,000 and the number receiving rehabilitation services, 982,000. Thus, at best, only one of six disabled persons in need of vocational rehabilitation service is currently being served.

The Rehabilitation Services Administration, the principal federal agency concerned with vocational rehabilitation, has made significant strides in recent years in terms of the number of disabled the Basic Support to States program serves. From FY 1967 to 1970, the number served increased from 570,000 to 876,000, a 53% jump. During the same period, the Veterans Administration vocational rehabilitation program registered a 105% increase, from 12,500 to 25,500. As impressive as these statistics are, they tend to obscure the fact that there was in 1970 an unmet need for vocational rehabilitation services of at least 4.8 million. This number of disabled did not receive the services which could have brought a sense of purpose and dignity to their lives through meaningful vocational activity.