

3. *History*

The program for vocational rehabilitation of the disabled, now 45 years old, is one of the oldest grants-in-aid programs for providing services to individuals. The program had its start in 1920 when President Wilson signed the Smith-Fess Act. This first act provided for services limited to counseling, job training, artificial limbs and other prosthetic appliances, and job placement. The initial appropriation of \$750,000 for payments to States cooperating in vocational rehabilitation of persons disabled in industry was raised to \$1 million for the fiscal years 1922-24. The Federal Board of Vocational Education was responsible for this program.

Authorization for the program was temporary, requiring renewal in succeeding years. The first permanent authorization for this program came with the Social Security Act in 1935, which recognized the importance of rehabilitation in a program for economic security. The Social Security Act also included authorization for appropriations to extend and strengthen the Federal-State program of vocational rehabilitation by providing for both increased grants to States and increased support for Federal administration.

World War II forced reexamination of this essentially small-scale program, and in 1943 major amendments to broaden the program were passed. Vocational rehabilitation then for the first time could provide (1) medical, surgical, and other physical restoration services to eliminate or reduce disabilities; and (2) services for persons whose disability was mental illness or mental retardation. This law also brought into the vocational rehabilitation program for the first time the separate State agencies serving the blind. The concept of rehabilitation was significantly broadened by this law's definition of vocational rehabilitation services as "any services necessary to render a disabled individual fit to engage in a remunerative occupation."

The cost of rehabilitation services under the 1943 act was shared under an arrangement whereby the Federal Government paid (1) the full cost of rehabilitating the war disabled, (2) half the cost of rehabilitating other disabled persons and (3) the full cost of administering the program, including guidance and placement services. This system replaced the 50-50 sharing arrangement previously in effect.

By the early 1950's it had become apparent that the program was being held back, partly by the financing system and partly by lack of authority for supporting research, training of professional staff, and development of rehabilitation facilities. In 1954 the legislative authority was overhauled to remedy these deficiencies. New financing provisions with variable matching were designed to give greater financial support to States with relatively large population and relatively small per capita income. The Federal share varied from 50 percent to 70 percent, and the national average was about three Federal dollars to two State dollars.

The 1954 amendment authorized grants to encourage support of research into better rehabilitation and demonstration projects through which new knowledge could be applied in communities across the country. These grants go to public and private nonprofit organizations such as State rehabilitation agencies, voluntary organizations, universities and rehabilitation facilities.

Training grants to increase the supply of trained manpower in the professional fields involved in rehabilitation were also authorized by the 1954 amendments.