

## *The Public Vocational Rehabilitation Program – Preparing and Employing Americans with Disabilities for Their Critical Role in Our Nation's Economy*

Since its creation in 1920, the Public Vocational Rehabilitation (VR) Program has been in the business of employing talented people with disabilities and partnering with business to help more than 17 million people with disabilities acquire and maintain gainful employment. Each year, nearly one million persons with disabilities are served. In FY 2006, 205,791 of those served were assisted in entering, maintaining, advancing or retaining work. This would not be possible without the commitment of hundreds of employers around the country who seek and rely on the highly qualified job candidates the Public VR Program provides.

Funded under Title I of the Rehabilitation Act of 1973, as amended, the VR Program is the primary Federal/State

program assisting individuals with disabilities, including individuals with the most significant disabilities, in securing competitive employment. In order to achieve quality employment outcomes for people with disabilities, VR works closely with business. The Program employs qualified rehabilitation professionals to identify the unique strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choices of eligible individuals so that individualized plans can be developed to ensure effective career advancement and ongoing job success, features that can positively influence the bottom line for businesses, and our nation's economy as a whole.

The Program's success is demonstrated in the numbers: Individuals who completed their VR service plans in FY 2006 and went to work earned approximately \$3.6 billion in wages during their first year of work. During that year, these new wage earners paid approximately \$331 million in Federal taxes; \$97 million in

State income taxes; and \$537 million in Social Security and Medicare taxes (self and employer). These individuals will be able to pay back the cost of their rehabilitation services, through taxes, in just two to four years. In addition, many of these individuals will generate savings to the Federal Treasury and the Social Security Trust Fund in an amount of \$7 for every VR dollar spent, totaling approximately \$754 million in future savings. These savings were generated by SSI/SSDI beneficiaries who exited the VR Program with jobs in 2004 and 2005, and who no longer are eligible for Social Security benefits.

Despite these facts, 70% of Americans with disabilities are not employed (compared with 30% of people who do not have a disability) according to the Center for Market Statistics at Northeastern University. With increased funding for the Public VR Program, more individuals with disabilities who want to and are able to work could be employed.



## News Brief

### *Business Champions Recognized for Commitment to Hiring People with Disabilities*

The inaugural CSAVR Business Awards were presented to two key business partners, Microsoft Corporation and Wachovia Corporation. The launch award recognized these two businesses for their support of the national VR – business network as well as their history of hiring, and ongoing pro-

motion and retention of employees with disabilities. Microsoft has provided the software and licenses to build the national communication network between the 80 VR agencies and the VR designated points of contact for business. Mylene Padolina, Sr. Diversity Consultant accepted the award on behalf of Microsoft. Wachovia was recognized for the hiring and inclusion of people with disabilities at all levels in their company. Their lead spokes-

person, Beth Butler, VP, Employment Compliance, was recognized for her national leadership and support of VR – business partnerships. Ms. Butler, a former VR consumer, has been promoted to a corporate level position as the leader on Wachovia's national disability initiative.



A publication of the Council of State Administrators of Vocational Rehabilitation

*“The facts show the VR Program not only benefits its participants. It also is a cost-effective way to assure America retains a talented and expanding labor pool that can contribute to all of society. Vocational rehabilitation represents a critical part of what we pride ourselves in as a great nation: opportunity for all.”*

– Robert Dole, ret. Senator (R) Kansas

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# INVESTING IN AMERICA

HOUSTON STREET VIADUCT, DALLAS, TEXAS

*“ True economic growth in this country can only be achieved by ensuring employment opportunities for all our citizens. The Public Vocational Rehabilitation Program has a proven track record preparing people with disabilities for competitive employment, benefiting both the individual and the economy of this nation. ”*

– Edward M. Kennedy, Senator,  
(D) Massachusetts

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**Reauthorization Recommendations of the Council of State Administrators of Vocational Rehabilitation for the Workforce Investment Act, including Title IV, the Rehabilitation Act of 1973**

Each year, the Public VR Program is faced with additional challenges related to a lack of adequate funding, and laws approved by Congress that restrict the program's ability to help as many people with disabilities as possible prepare for and find meaningful employment.

For the 2007 Fiscal Year, the Council of State Administrators of Vocational Rehabilitation offers the following recommendations to face these challenges and maintain the integrity of the program:

- **Federal law requires that when resources are limited, the state VR agencies invoke an Order of Selection (a system of prioritization whereby individuals with the most significant disabilities are served first). Forty-three VR agencies are currently in an OOS and, as a result, many people with disabilities who want to work cannot receive the services they need.**

Recommendation: Since the VR System should be designed to assist as many consumers as possible, CSAVR recommends that state agencies have the flexibility to craft an OOS policy permitting targeted services to select consumers without affecting the employment needs of people with the most significant disabilities. The overall positive impact of increasing the number of individuals with disabilities who would be employed would outweigh any negative impact anticipated by changing the current OSS requirements.

- **Order of Selection criteria also impacts transition youth, those with disabilities reaching age 22, and baby boomers who are working longer and developing disabilities that threaten their ability to work.**

Recommendation: Since all transition students who may be eligible for VR services may not meet a state's definition of an individual with a most significant disability, CSAVR recommends any priority to serve transition students would also require that they be exempt from the OOS criteria, in any state that is in an OOS.

- **The Public VR Program is further strained as states look for ways to shift money to help ease fiscal challenges. As with many programs, administration and operation costs are cutting into financial resources that are intended to aid the consumers they serve.**

Recommendation: CSAVR advocates for specific language to be added to the Act that assures VR Program administration and operation costs be the responsibility of the Designated State Unit to assure the integrity of VR resources remain intact to serve individuals with disabilities.

- **In recent years, the Public VR Program has only benefited from a mandatory Cost of Living Adjustment (COLA) to the State Grant allotment which is based on the Consumer Price Index. However, the current formula adversely affects states that do not experience a population increase.**

Recommendation: CSAVR urges Congress to appropriate COLA plus enough funding to assist states that do not currently receive a COLA increase under the present formula.

- **Since 1992, the Rehabilitation Act has required vocational rehabilitation counselors to meet a higher standard of qualification. Even though this may involve a Master's degree or national certification, there has been no increase in funding to support this requirement.**

Recommendation: CSAVR advocates for additional funding for the Comprehensive System of Personnel Development and will continue to enhance partnerships with the Rehabilitation Services Administration and other agencies and organizations to help develop and implement an effective training, recruitment and retention strategy for qualified rehabilitation personnel.

- **Congress may downgrade the position of Rehabilitation Services Administration Commissioner.**

Recommendation: CSAVR supports current law on the status of the RSA Commissioner's position which, at its present level, provides added visibility to the Public VR Program. The position traditionally has been held by an individual with a disability, which serves as a good role model to all people with disabilities.

- **The President's Fiscal Year 2008 Budget proposes that funding for Supported Employment, Migrant and Seasonal Farm Workers, Projects with Industry and Recreation programs, all complementary programs to Public VR, be eliminated.**

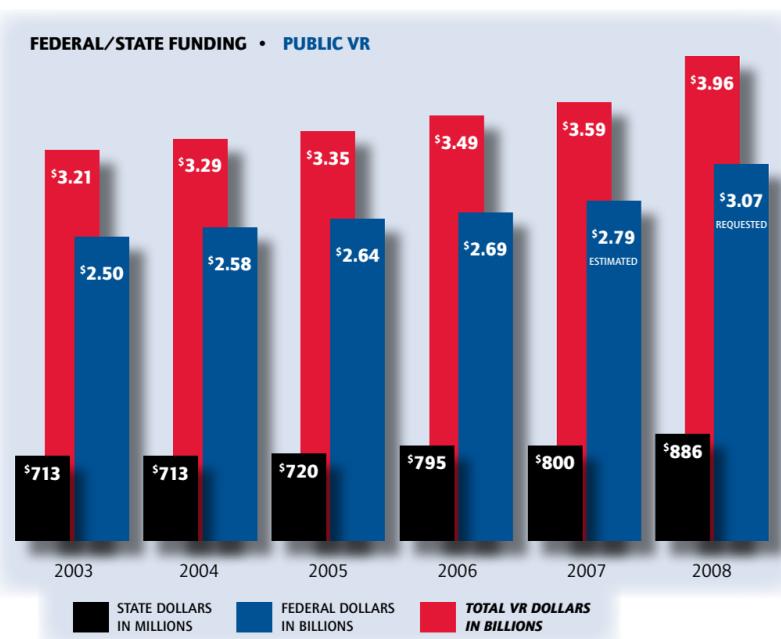
Recommendation: CSAVR opposes zeroing out line-item funding for complementary programs because it would only increase waiting lists for VR services and further increase the high unemployment rate of individuals with disabilities.

- **The Public VR Program currently partners with the One-Stop Career Center System and contributes the system for services provided to VR agencies.**

Recommendation: CSAVR believes that the costs attributed to a One-Stop Career Center's operations, should be funded by a separate and distinct line-item and not by its partners.

- **Currently, state directors of Vocational Rehabilitation serve on state and local Workforce Investment Boards responsible for the development and ongoing improvement of services related to employment. CSAVR opposes any effort to remove state VR directors from state and local Workforce Boards.**

Recommendation: CSAVR believes that, in order for VR services to have a significant impact on workforce investment activities that could potentially increase the employment, retention and earnings of persons with disabilities, both the State VR Director, and the Director of the State Agency for the Blind, in states that have a separate State Agency for the Blind, must be voting members of the State Workforce Boards.



**Appropriations Request for Programs Under the Rehabilitation Act**

For 87 years, the Public VR Program has contributed significantly to our nation's economy by preparing qualified individuals with disabilities for employment. These employees earn salaries, pay local, state and federal taxes, and are moving away from federal assistance. The Program has been proven successful by a 10-year federal Longitudinal Study and performance markers.

*One would think it makes good fiscal sense to invest in America by putting sufficient funds into a program that pays for itself by creating taxpaying citizens who also stimulate the economy through their new financial independence. Additional savings are realized when it is no longer necessary for the government to pay an average of \$16,000/year in public assistance to each person who has a disability who is not employed.*

growing jobs in the United States require some level of post-secondary education and training. Yet, the U.S. Census Bureau reports that in the U.S., just 28% of those 25 and older in 2004 had a bachelor's degree.

Integrating all available workers into the workforce, including workers with significant disabilities, will be required for employers to meet the demands of the 21<sup>st</sup> century economy. Significant numbers of large and small employers have acknowledged that hiring individuals with disabilities makes good business sense. It provides them with dependable workers and access to a market of individuals with spending power, which has historically been untapped. Last year alone, the \$3.6 billion earned by people with disabilities who entered the workforce generated 36,000 new jobs to the economy. Integrating all available workers into the workforce, including workers with disabilities, will require significant resources.

However, funding continues to be inadequate, allowing the Public VR Program to serve less than 5% of people with disabilities who want and are able to work.

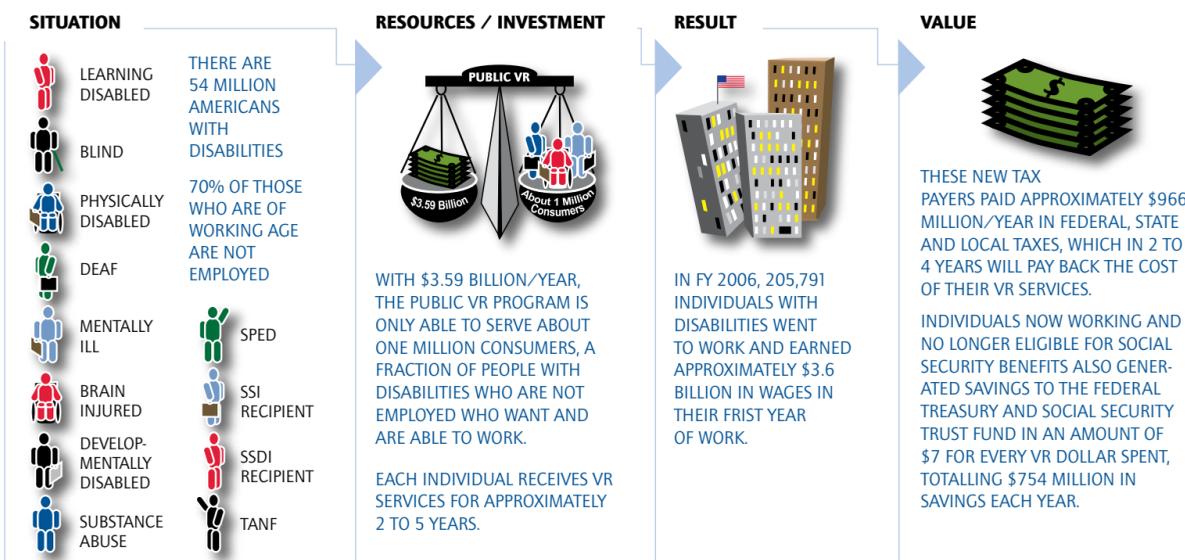
*It is critical that Congress look to people with disabilities as major players in improving our nation's economy. To make an impact, we urge Congress to increase funding by an additional \$237 million above the President's FY 2008 budget request for the Public VR Program for a total \$3.07 billion federal funding request and, with state matching funds, a \$3.96 billion national program.*

The President's FY 2008 budget proposes to eliminate the COLA increase for the Public VR Program and funding for four complementary programs (Supported Employment, Projects with Industry, Migrant and Seasonal Farm Workers Program and Recreation).

With the additional funding request, Public VR proposes to serve additional transition students and service men and women returning from the war in Iraq.

**Although Limited by Budget, the Public VR Program Is Proven to be Successful**

- A 10-year, multi-million dollar Longitudinal Study of the Public VR Program, commissioned by the Rehabilitation Services Administration (RSA) / Department of Education, provided evidenced based research that the VR Program is effective in employing people with disabilities to work in good jobs with opportunities for advancement.
- In the most recent Program Assessment Rating Tool (PART) Review, conducted by the Office of Management and Budget (OMB) to rate program performance, rated the VR Program favorably, and in general, successful in meeting its program goal.
- A report by the Social Security Administration, released annually, provides detailed information on the funds disbursed to State VR Agencies, based on their success serving beneficiaries on Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). In FY 2006 SSA projected a \$754 million savings to the Trust Fund by the VR Program, and established that every \$1 that SSA spends on VR results in a \$7 savings.



*"People with disabilities want to be employed, educated, and participating citizens living in the community. In today's global new economy, America must be able to draw on the talents and creativity of all its citizens."*

— President George W. Bush

