

Testimony
before the
Committee on Education and Labor
Subcommittee on Higher Education, Lifelong Learning and Competitiveness
by
Steve Wooderson, Administrator
Iowa Vocational Rehabilitation Services

Mr. Chairman, Ranking Member Guthrie, and Members of the Subcommittee, thank you for inviting me here today to discuss the Public Vocational Rehabilitation program history, success, and challenges. My name is Steve Wooderson and I am the Administrator of the Iowa Office of Vocational Rehabilitation Services. I am here today as President-elect of the Council of State Administrators of Vocational Rehabilitation (CSAVR), the national organization that represents the State Directors of Vocational Rehabilitation.

People with disabilities have a history of low employment; estimates are that as high as 70% of people with disabilities are not in the workforce and that a majority of these unemployed people want to be working. Many of those who are employed, are working in part-time positions or struggle to find ways to survive on low paying positions without benefits. A high percentage of the population lives below the poverty line. Individuals with disabilities who receive government support through programs such as Social Security and Medicare/Medicaid want to work but are not able to acquire positions that pay enough or provide the medical care that they need. Though they want to leave the rolls of government programs, their survival depends upon the medical supports offered through those systems.

For the first time ever, last week the Bureau of Labor Statistics (BLS) reported that in December 2008 the unemployment rate for persons with a disability was 12.3 percent and rose to 13.2 percent in January 2009 (not seasonally adjusted) as compared to those without a disability at 6.9 percent (December) and 8.3 percent (January). The percentage of people with disabilities who are unemployed is nearly double that of individuals who do not have a disability. However, what is most disconcerting within the new statistics is that the unemployment rate for people with disabilities is based on only 23% of the population of individuals being in the labor force, as opposed to nearly 71% of individuals without disabilities.

The population of people with disabilities continues to increase as more individuals survive accident, illness and trauma. There is also a rise in prenatal conditions and without sufficient health care in poor communities childhood illness and disease such as diabetes are on the rise. Autism, learning disabilities and attention deficit disorder are

seen in increasingly high levels in the K-12 school system. Disability is also prevalent in veterans who are returning home from the conflicts in Iraq and Afghanistan as well as those at home who are living with disabilities which are service or non-service connected. With the aging population and the current economic conditions, many people are forced to work longer because they lack or have lost their retirement. The aging workforce is growing and predicted to continue to increase as people work well into their 70's and beyond. This workforce requires a unique approach to workplace accommodations as they and their employers work through issues related to physical limitations and sensory disabilities involving vision and hearing. All of these individuals are potential consumers of the Public Vocational Rehabilitation program.

The Public Vocational Rehabilitation program was established by Congress in 1920 as a state-federal partnership to assist eligible individuals with disabilities to achieve gainful employment and to live more productive lives in the community. Each year the VR program serves approximately one million customers with disabilities in multi-year career plans.

The Rehabilitation Act

The Rehabilitation Act of 1973, as amended, (The Act) authorizes and funds a comprehensive array of programs to assist individuals with physical and mental disabilities to maximize their employment and to achieve economic self-sufficiency, independence, inclusion and integration into society

There are seven titles in The Act. Each of these titles addresses an area of need and establishes programs that Congress designated to provide comprehensive services to support the employment and independence of people with disabilities.

Title I authorizes the Public VR program which includes a consumer run State Rehabilitation Council, the Client Assistance Program and funding under VR services grants which incorporates the American Indian Rehabilitation program.

Title II incorporates research and training.

Title III covers the inclusion of programs designed to focus on the professional development and training of qualified staff, and special projects such as the Migrant and Seasonal Farmworkers programs.

Title IV of the Act authorizes the National Council on Disability which is composed of fifteen Presidential appointees that represent various facets of the disability community to advise the President, Congress and key staff in the Department of Education, including the Commissioner of the Rehabilitation Services Administration on the development of programs under the Act.

Title V is a civil rights component in The Act that focuses on the access to services, facilities, programs and employment opportunities in the Federal government or in programs and/or contractors receiving Federal funds.

Title VI of the Act establishes programs that help create employment opportunities and work in conjunction with the VR program, including Supported Employment and Projects with Industry programs designed to meet the need for ongoing supports for those individuals who are significantly disabled.

Title VII of the Act authorizes independent living (IL) services through a State network of community based IL centers which are coordinated through a State Independent Living Council. This Title also funds IL services for older individuals who are blind and need supports to remain living independently.

Together these Titles address the various facets of individual need and the development of staff, programs and services that support the employment and independence of people with disabilities.

The Public Vocational Rehabilitation (VR) program funded under Title I of the Act is the primary Federal program assisting individuals with disabilities, including individuals with the most significant disabilities, in securing competitive employment. Congress designated the Public VR program as a mandatory partner in the One-Stop service delivery system created under the Workforce Investment Act of 1998 (WIA).

VR provides a broad array of individualized services and supports to assist eligible individuals with disabilities in overcoming barriers to employment. VR services may include, but are not limited to, evaluations and assessments; counseling and guidance, vocational and other training and employment services; orientation and mobility training; transportation services and vehicle modifications; personal assistance services, job coaching, supported employment services; transition services for youth from school to work; job placement services; and post employment services. VR also works with a number of community partners in a variety of ways to meet the employment needs of individuals with disabilities.

The Public VR program has many valuable features that distinguish it from other employment programs operating today. VR employs qualified rehabilitation professionals to identify the unique strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choices of eligible individuals so that individualized services plans can be developed to ensure effective job matching and ongoing job success, features that can positively influence the bottom line for businesses.

History and Development of The Rehabilitation Act

Since the inception of the Act, the public perception of disability has changed significantly. We have much greater expectations for people with disabilities, and understand that most of these individuals have the capacity to be, and want to be, important contributors to our workforce. In response to these changing perceptions, Congress has amended the Rehabilitation Act accordingly.

In 1943, amendments to the Act extended services to persons with intellectual disabilities (mental retardation), mental illness and blindness. It also required that each VR agency submit a written State Plan to be approved by the Federal Government.

A significant number of other Amendments to the Act took place between 1943 and 1973; however, in 1973 there was a major overhaul of the Act. A requirement for a client-centered rehabilitation plan was added to the Act and focused on employment outcomes. The Act also required that VR serve people with the most significant disabilities as a priority and added civil rights protections for individuals with disabilities who are served by any programs that receive federal funding.

In 1978 Independent Living and the Client Assistance Program became permanent within the Act, and programs were added to serve American Indians and Migrant and Seasonal Farm workers.

In 1986 Supported Employment was added to the Act to increase the employment of individuals with the most significant disabilities by providing them with job coaching and ongoing supports.

In 1992 Congress required state agencies to focus on competitive employment as the primary outcome of the VR program, and created a “presumptive eligibility” for individuals who received Social Security benefits due to a disability. Approximately one-third of VR’s customers are people on Social Security Disability Insurance or Supplemental Security Income. The 1992 Amendments also included a focus on serving students transitioning from school to work.

Finally, in 1998 the Rehabilitation Act was reauthorized through Title IV of the Workforce Investment Act to enhance partnerships between state VR agencies and their workforce partners to increase the employment of individuals with disabilities. Also in 1998 the Comprehensive System of Personnel Development (CSPD) was added to ensure that VR agencies employed qualified staff.

Focus on Comprehensive Individualized Planning

Over the past 89 years the program has been expanded to serve a variety of eligible individuals with disabilities and to provide a wide range of services that are required for that individual to achieve an employment outcome and become independent. The hallmark of the VR program is its ability to provide a wide range of services to eligible individuals with disabilities through a comprehensive individualized career plan called the Individualized Plan for Employment or the IPE.

The IPE incorporates the holistic needs of the individual which can include areas such as medical, psychological, accommodations and/or adaptive technologies, financial, housing, transportation, education, etc. and how services can reduce or eliminate barriers to support the individual’s vocational goal and success in the workplace. For individuals with disabilities, success in a career requires this type of comprehensive approach.

Where other programs are menu driven, VR customizes plans based on individual needs, vocational goals and the local labor market. It is a unique approach and works well for individuals with disabilities because of their varying needs and circumstances.

VR – Employer Partnerships

Over the years state VR agencies have also worked hard to develop stronger relationships with the business community. Recently the CSAVR has created a National Employment Team (NET) that is a network of the 80 state VR agencies and their employer partners to focus on increasing the employment of VR consumers. The NET has working partnerships with major corporations such as Walgreens, Safeway, Convergys, Microsoft, and also with federal agencies such as the Internal Revenue Service (IRS) and the Department of Transportation (DOT), to name a few.

Through the coordinated national team, VR's relationship with business effectively meets their employment needs while it incorporates "real time" information from employers into VR's career planning and IPE process with consumers. This upfront work with business opens the doors to national employment opportunities for VR consumers.

The national model with the corporate connections allows VR to develop productive working relationships with businesses in multiple states. The top level support and a company wide strategy have resulted in multiple employment outcomes. For example, in 2007 over 600 VR consumers were hired by Safeway which is headquartered in Pleasanton, CA. but does business in multiple states across the country.

Another one of VR's important business partners is Convergys. Convergys is an outsourcing company headquartered in Cincinnati, Ohio but doing business in 35 countries. Through the NET, VR has developed a corporate level relationship that resulted in employment opportunities in 29 states. VR consumers are being hired for positions in brick and mortar sites as well as in home agent positions which allows individuals with significant disabilities and those in rural areas to be employed in good paying positions with benefits.

In the area of IT, VR is working closely with Convergys to find a solution that will support access for people who are blind and use screen readers. Screen readers vocalize the printed information that sighted people access on the computer screen. Convergys has a corporate IT and HR team working with a VR team that includes staff experts from five agencies across the country. The company is thrilled because VR is providing the technical expertise to work with the company to resolve the access issue so that they can employ the talents of individuals who are blind. Again, this type of working relationship will open up employment opportunities for people with disabilities in 29 states through this one initiative. It also serves as a corporate model to other business customers.

Individual Results

VR Consumers – Convergys: Texas and Iowa

I want to share with you stories that are examples of the kind of work our agencies do every day. The first is about a man named Mario from Pharr, Texas. Mario is a 36 year old consumer who came to the State VR Agency in Texas seeking assistance after losing his job as a sanitation worker, due to his disability, post polio syndrome. When Mario applied for VR services, he was being supported by his girlfriend and Temporary Assistance for Needy Families (TANF). He requested VR's assistance to find employment and to acquire prosthetic and orthotic devices that would accommodate his disability at work.

His VR counselor provided him with the needed accommodations and helped him to secure more suitable employment. As a result of the counseling, guidance, job placement assistance, and other vocational rehabilitation services provided by DARS, Mario was able to go to work for Convergys as a customer service representative on May 19, 2008. Because of these services, Mario was able to maintain this position and is still employed today.

In Iowa our VR NET relationship with Convergys also helped David, age 44, from New London, Iowa, to become recently employed by Convergys. David is paralyzed from the waist down and uses a wheelchair for mobility. David came to IVRS after being laid off from a production position as a quality inspector.

Iowa VR (IVRS) supported David in his goal of achieving his Associate of Arts degree at the local community college, but finding work in an economically depressed area of the state following his graduation had been a challenge. In addition, David had been addressing the challenge of leg tremors when he is exposed to changes in temperature and knows that working in a factory setting was not compatible with his overall well being.

When David and his VR counselor began to investigate alternative career opportunities, they became aware of the NET's partnership with Convergys. After a review of the job description, it was determined that David had the skills and abilities to perform the essential functions of a home agent. They also considered the physical advantage of working from home and liked the fact that David would be earning an hourly salary plus benefits.

Since December IVRS has connected David with the Convergys recruiter, helped upgrade his home computer, assisted him with purchasing necessary equipment, and he is now anticipating the start of his two-week training on February 9. David is extremely motivated by the long-term opportunity with Convergys to enable him to incorporate his outgoing personality with the customers he will be assisting on a daily basis.

VR Transition Student – Hyatt: Florida

In June of 2002, Tara was an 18-year-old exceptional education student graduating with a special diploma. Tara lived in Hudson, FL - a small town about an hour north of Tampa. She participated in classes for students with specific learning disabilities due to severe processing deficits that limited her reading and writing to 4th grade levels. Although she was an outgoing young lady, she knew that she would not qualify for traditional post-secondary programs - such as a vocational/technical school or community college.

During her senior year in high school, Tara met her Vocational Rehabilitation Counselor who specialized in Transition and School to Work students. Her VR Counselor quickly identified Tara's interest in foodservice and referred her to a short-term alternative culinary training program for persons with disabilities, located at the Grand Hyatt Tampa Bay. The program was developed in collaboration with Florida's Vocational Rehabilitation Program in an effort to accommodate for persons with special needs and prepare them for entry-level employment in the foodservice industry.

The VR Counselor included the training in Tara's Individual Plan for Employment and agreed to pay the tuition for the program. The Executive Chef saw Tara's potential and offered her a part-time job because there were no full-time positions available. Tara accepted the position and was upgraded to full-time within 6 months.

Over the past 6 1/2 years Tara has been promoted twice and she enjoys all of the benefits of working for a major employer. This includes medical insurance, free meals, free uniform cleaning and free rooms. She also enjoys training and inspiring the new students as they enter the training program. Tara married in 2005 and is the proud mother of a two-year-old daughter. She and her husband recently purchased their first home and Tara continues her employment at the Grand Hyatt Tampa Bay.

Tara has written her own "success story" that began with a meeting with her Transition VR Counselor who simply asked "What do you want to do when you leave high school?" Tara appreciates the assistance from VR and recently stated that she "would not be where she is today without Vocational Rehabilitation helping her and giving her a sense of hope," and when asked about the benefits of Vocational Rehabilitation, Tara recently replied "VR changed my life forever."

VR and Veterans: Washington State

Matt is a disabled veteran from Washington State. He is a quadriplegic who also has a traumatic brain injury (TBI). Matt spent seven months in a trauma hospital and now receives outpatient support from the VA Hospital in Seattle. Matt was not expected to live after his injury and he was certainly not expected to return to work, be an active father or contributing member of his community. Despite the medical predictions, Matt is a single parent raising his 12 year old daughter, he has returned to school, owns a home and lives independently in his community. Two months ago Matt re-entered the workforce on a part-time basis and plans to return full time when his daughter is older. He volunteers at his daughter's school and at the VA Hospital where he supports other veterans with disabilities who struggle to regain their independence and their place in American society.

What was the difference for Matt and his family? It was the combination of a great team of caregivers, actively involved family members and a coordinated team approach between the VA system and Public VR that supported Matt's vision of employment and independence. Family members were actively involved and advocated to pull in experts

across systems that supported Matt's success. Matt has received support from a variety of programs funded under The Rehabilitation Act, including Public VR, independent living supports, advocacy services and the support of qualified staff trained in programs under the Act such as the specialists in neuropsychological evaluation and TBI. This was coupled with the involvement of staff from the VA hospital who continues to support Matt's ongoing medical and psychological needs. The systems were coordinated, the family was involved, and Matt attained his goals and is working toward a future career. Matt is contributing through his payment of taxes, his role as a father and family member, involvement in his church and supporting the success of other veterans and their families through volunteer work. A coordinated system approach is a proven model of success, for the individual and for America.

VR and Veterans: Alabama

Corey had been in Iraq for two weeks when he was injured after his unit came under enemy fire. The Springville man sustained a broken collarbone and a leg injury that would later require amputation. When he returned home, Corey tackled his recovery with the "can do" attitude that he had learned as a Marine. He was a bit lost, though, when it came to returning to the workplace. Prior to his deployment, the young man was preparing to begin work as a lineman for Alabama Power Co., but after his injury it was clear he wouldn't be able to perform the duties of that job.

Despite that, he was determined to work with the company. Alabama Power, a longtime customer of the department's Employer Services, referred Corey to Alabama VR for assistance in finding a place with the company. Peggy Anderson, the statewide coordinator for employer development, and Kristie Grammer, a rehabilitation counselor and the department's V.A. liaison in the Birmingham area, worked diligently with Alabama Power to find a position for the young man. He eventually was hired as a dispatcher in the company's appliance sales division. Within a few months, he departed for the Anniston Army Depot, where he is a property management specialist.

Today, with VRS' support, the 25-year-old is pursuing a bachelor's degree at Jacksonville State University. He's grateful for the assistance he has received through VRS, which he praises for being a "single point of contact." "It's so much simpler," he said. "If I need anything, I know I can call VRS." The Springville native said VR services are especially valuable to "career military," who might not be familiar with the intricacies of searching for employment. "A lot of these guys who've never done anything but serve in the military don't know how to find a job," he said. "They don't know how to create a resume, set up interviews, or anything related to finding work. VRS gives them the tools they need to get back to work."

VR: Challenges and Opportunities

Health care and higher education are just two factors driving the cost of providing VR services. As you may know, the Act has a mandatory Cost of Living Adjustment

(COLA) that requires the federal government to increase funding for the program annually, but even with that, the COLA has not kept pace with the increased demand for VR services, as well as the faster growing costs of health care and education. The COLA, which is based on the generic Consumer Price Index-Urban (CPIU), was intended to be a floor below which annual appropriations for the VR program could not fall. It was not the intent of Congress at the time the COLA was included that it become a ceiling for appropriations, but in fact that is what has happened.

Further, the employment expectations of people with disabilities have grown tremendously, especially since the passage of the Americans' with Disabilities Act. Despite the successes of the VR program, it faces an increased demand for services during the daunting challenges of the current economic downturn. Funding shortfalls have resulted in states having to implement an Order of Selection.

The Public Vocational Rehabilitation (VR) program authorized under Title I of the Rehabilitation Act of 1973, as amended, requires a State VR agency to implement an "Order of Selection" (OOS) policy when it anticipates that it will not have sufficient fiscal and/or personnel resources to fully serve all individuals eligible for vocational rehabilitation services. Under an Order of Selection, individuals with the most significant disabilities must be selected first for the provision of VR services.

At the end of FY 2008, 36 State VR Agencies were on an OOS with 35,213 individuals on waiting lists for services. With the already high unemployment rate for people with disabilities expected to grow even faster in today's difficult economy, we expect that the demand for VR services will grow proportionately.

Congress has acted in other ways to assist people with disabilities become employed. As mentioned earlier, in 1998 Congress passed the Workforce Investment Act that envisioned greater access to generic employment services for people with disabilities. Unfortunately, that promising vision from 10 years ago remains largely unfulfilled today. When WIA was first authorized, it consolidated a number of employment and training programs in an effort to create a seamless service delivery system. The consolidation was accompanied by a significant cut in funding, with additional cuts in funding in subsequent years. As a result, WIA has resulted in a substantial decline in funding available for actual training when compared to its predecessor program. As a result, mandatory partners in WIA, including VR are continually asked to contribute more funding to pay for infrastructure and other costs associated with the operation of the one-stop centers. Partner programs, particularly the Public Vocational Rehabilitation program, are already under-funded to meet the needs of their target populations.

Vocational Rehabilitation customers often require longer-term and more supportive services than the typical WIA customer. Because of the significant disabilities of VR consumers and the complexity and length of services required, CSAVR believes that VR's participation in one-stops and the evaluation of VR's outcomes must be different; taking into account the characteristics of the population VR serves.

Although physical access to one-stop centers has improved since the authorization of the WIA, programmatic access continues to be a significant problem for many VR consumers. The significant majority of centers lack the adaptive technology necessary for consumers with significant disabilities such as blindness and cerebral palsy to access the resources of the one-stops self service centers. Disability navigators were employed by some centers in an effort to assist consumers with disabilities to have better access; however, many of these individuals lacked the level of skills and knowledge necessary to be of any significant benefit. In addition, there were insignificant numbers of navigators to meet the needs.

The federal government spends approximately \$200 billion a year on various types of assistance for individuals with disabilities. Of that, less than \$3 billion is appropriated to address the employment and training needs of individuals with significant disabilities. The Nation's public policy must be directed toward the realization that a significant investment of resources must be in the WIA if people with disabilities are to have real access to the one-stop centers and to the individualized services and supports necessary to increase their independence and their economic self-sufficiency

Another significant effort by Congress to increase employment among people with disabilities was the Ticket to Work and Work Incentives Improvement Act. The legislation, passed in 1999, created the Ticket to Work program in the Social Security Administration, increased access to healthcare coverage, and provided benefits planning and assistance to social security beneficiaries who want to return to work.

The healthcare and benefits planning provisions have largely been successful at meeting the needs of people with disabilities on SSDI and SSI who want to work. States responded positively to the new Medicaid provisions in the Ticket to Work and many have aggressively implemented those provisions. In addition, we know that the benefits planning provisions have helped thousands of beneficiaries every year navigate the complex array of rules affecting beneficiaries trying to become more independent. However, the Ticket to Work implementation was less than successful in its initial rollout. Despite the promise of new options for employment services for beneficiaries, 90% of tickets were deposited with VR agencies. Further, the initial regulations provided too little financial incentive for employment programs, known in the law as Employment Networks, to participate, and worse, made it impossible for VR agencies and those Employment Networks to function cooperatively. In fact, the first regulations literally put VR agencies and Employment Networks in opposition to each other.

SSA has significantly addressed these issues in new regulations published this year and VR agencies and Employment Networks are hopeful the new regulations will bring success to the Ticket program, but it is still too early to tell.

Also, CSAVR is very excited about the prospects for renewed focus on the issue of employment and people with disabilities that the new administration has promised. The President has stated that his Administration will create a Commission to look at ways to improve employment services, work incentives in SSDI and SSI, and improve further

access to healthcare for people with disabilities. We are pleased that the Administration will aggressively pursue the goal of making the federal government a model employer for people with disabilities. We are already seeing success in this area in our work with Federal partners such as the Internal Revenue Service (IRS) and the U.S. Department of Transportation (DOT). CSAVR looks forward to working with the Administration and Congress on these critical efforts for people with disabilities.

We deeply appreciate the bipartisan efforts of both the House and Senate to include \$500 million for Vocational Rehabilitation Services in H.R. 1, the American Recovery and Reinvestment Act. Too many times, programs for people with disabilities are first in line for cuts when the budget is tight and last at the table when the nation's treasury is flush. This funding will allow state VR agencies to clear their waiting lists and meet the inevitable increase in demand for VR services from veterans, youth, and all people with disabilities that will result from these difficult economic times.

VR: Return on Investment

In conclusion, the Public VR program has demonstrated over the years its effectiveness in serving people with disabilities. You have heard the stories in the testimony, but the numbers behind these stories reveal the impact that the Public VR program has in helping people with disabilities find and retain work, reduce dependency on benefits, and help grow the economy.

In 2007 the Public VR program and its partners helped over 200,000 people with disabilities find, return to, or retain employment and VR customers earned over \$3.0 billion in wages, paid \$966 million in federal, state, & local taxes, and generated 36,000 new jobs. In fact, on average every person we help find or retain employment will "pay back" the cost of their rehabilitation services, through taxes, in just two to four years.

In addition, data from the Social Security Administration reveals that for every dollar SSA reimburses VR, means SSA has saved seven dollars in benefits that it would have paid out, a net savings of \$754 million to the Social Security (SSDI) and Supplemental Security Income (SSI) programs.

Again, Mr. Chairman and Members of the Subcommittee, I thank you for the opportunity to speak to you today and I look forward to answering any questions that you may have.

THANK YOU!