

## COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

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November 28, 2017

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The Honorable Mitch McConnell, Senate Majority Leader Russell Senate Office Building, 317 Delaware Ave NE Washington, DC 20510

The Honorable Charles "Chuck" Schumer, Senate Minority Leader 322 Hart Senate Office Building Washington, D.C. 20510

The Honorable Paul Ryan, Speaker of the United States House of Representatives 1233 Longworth HOB Washington, D.C. 20515

The Honorable Nancy Pelosi, House Minority Leader 235 Cannon HOB Washington, DC 20515

Re: Senate Tax Bill Would Eliminate Public Vocational Rehabilitation Program

Dear Senators McConnell and Schumer and Representatives Ryan and Pelosi:

I am writing on behalf of the Council of State Administrators of Vocational Rehabilitation (CSAVR) to express our serious concern over the potential elimination of the public VR Program as a result of Senate and House proposed tax reform plans. CSAVR is composed of the Directors who administer the public VR program in all the states, territories and the District of Columbia. Over a million individuals with disabilities are served by the program each year with the goal of assisting them to enter competitive integrated employment or remain so employed. These services and those provided to business to assist them to hire talented individuals and ensure their services and structures are fully accessible for employees and customers alike will be gone if you do not act.

While neither the House nor the Senate tax plans expressly eliminate the VR program, the potential high costs projected by the Congressional Budget Office (CBO), at least in the initial years, would, under current law, trigger the Pay As You Go (PAYGO) rules. Under PAYGO, a new proposal must either be "budget neutral" or offset with savings derived from existing funds. According to the CBO, the House and Senate tax bills would result in an estimated \$1.5 trillion deficit in tax revenue which in turn would trigger PAYGO.

As we understand it, when spending is greater than the established discretionary caps and net costs for a year are negative (thereby increasing the debt)— the Office for Management and Budget (OMB) is required to implement the sequestration of mandatory programs, required by the Budget Control Act of 2011, to make up for that cost. Given the size of the proposed tax cuts (\$1.5 trillion), proposed tax reform would trigger a sequestration level so high that it would entirely eliminate funding for mandatory programs subject to sequestration, including the public VR program.

The public VR program provides federal support to assist states in operating VR programs for people with disabilities to help them prepare for, secure, regain, or retain competitive integrated employment leading to economic self-sufficiency. Thus, the public VR program generates federal revenue through the federal income taxes being paid by those individuals that it assists to obtain work or stay at work. Further, the program reduces the costs of other government support programs because it assists individuals with disabilities dependent on those programs to become independent and support themselves. Chief among the program's customers are students and youth with disabilities, veterans with disabilities, and Social Security beneficiaries all seeking VR services to go to work.

A primary stated purpose of the recently enacted Workforce Innovation and Opportunity Act (WIOA) is "to empower individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society". The public VR Program is the primary national program devoted to assisting individuals with disabilities to achieve the aforementioned purpose. Eliminating the primary program that provides employment training and supports will only further disenfranchise an already significantly disenfranchised segment of the population, one with little help from other sources. More importantly, it will increase a demand for services to assist individuals with disabilities just to live, eliminate a needed and proven work source to meet the needs of business, and reduce federal tax revenues at a time that costs are climbing.

We urge you to consider the critical role the VR program plays in assisting people with disabilities to attain competitive integrated employment and to free themselves from the need for public support. Any proposal that would trigger cuts to VR funding will have a direct and proportionate reduction in the availability of essential

employment related training and services for people with disabilities as well as to business. It also increases the demand for government support services while again reducing government revenue and the ability to pay said costs.

We appreciate your serious attention to our concerns. We do not think this is the intent of your efforts. We realize the complexities of the matter and feel it is important that our organization and others note the potential negative impacts. If we can provide additional information about the VR program and its impact on the lives of individuals with disabilities and business, please do not hesitate to contact me.

Sincerely,

Stephen A. Wooderson

CEO CSAVR