

THE 2007 DISABILITY POLICY SEMINAR

NEW CONGRESS, NEW OPPORTUNITIES
THE ARC, AAIDD, AUCD,
UCP AND NACDD

FACT SHEET

EMPLOYMENT

Background

Working age people with disabilities are among the most unemployed and underemployed segments of our society. The vast majority of these individuals can work and want to work. The state vocational rehabilitation (VR) program is significantly under funded to meet the employment needs of hundreds of thousands of individuals with severe disabilities who need such services to obtain employment. Many individuals with disabilities could also greatly benefit from the employment and training services delivered through the Workforce Investment Act (WIA) One-Stop system. Physical and programmatic access to WIA services is woefully lacking for individuals with disabilities, despite Federal requirements that such services be accessible. Bills to reauthorize WIA and VR have been considered in the 108th and 109th Congresses, but not enacted. These bills have included language strengthening transition services and improving physical and programmatic access to one-stops, two important priorities of the disability community.

The Work Opportunity Tax Credit (WOTC), authorized by the Small Business Job Protection Act of 1996, is another strategy used to promote the employment of people with disabilities. WOTC is a federal tax credit that encourages employers to hire nine targeted groups of job seekers, including people with disabilities, by reducing employers' federal income tax liability by as much as \$2,400 per qualified new worker. The authorization for the tax credit will expire December 31, 2007.

The last increase to the minimum wage (\$5.15) went into effect almost 10 years ago. Increasing the minimum wage to \$7.25 over two years is a high priority.

Action Taken by Congress and the Administration

Legislation to reauthorize WIA and Vocational Rehabilitation has yet to be introduced in the 110th Congress. The President has once again included recommendations for block granting several Department of Labor programs (adult employment, youth employment, employment services and dislocated worker program) in his budget request for FY 2008. The FY 2008 request again proposed major cuts in critical employment programs. The proposed cuts included a \$9.1 million cut to the Office of Disability Employment Policy, elimination of the \$19.5 million for the DOL Work Incentive Grant program, elimination of the Supported Employment State Grant Program (\$29.7 million in FY 2006) and Projects with Industry (\$20 million in FY 2006).

A major priority for the new Congress has been the passage of a bill to raise the minimum wage to \$7.25 over 2 years. The bill passed overwhelmingly in the House on Jan. 10th and in the Senate on February 1st. In the Senate, the minimum wage increase was paired with an \$8.3 billion dollar package of small business tax breaks that included a five year extension of the Work Opportunity Tax Credit. The House of Representatives passed a much smaller tax package (\$1.3 billion) which only includes a one year extension of WOTC to be considered with the Senate small business tax and minimum wage proposal.

Recommendations

The Congress should:

- Place a high priority on reauthorizing WIA and VR;
- Oppose the Administration's proposal to block grant employment programs at the Department of Labor;
- Increase funding for the VR system, including restoring and increasing funding for Supported Employment State Grant program, Projects with Industry, the Office of Disability Employment Policy and the Work Incentive Grant program;
- Assure that people with disabilities have physical and programmatic access to the WIA system;
- Improve transition services by strengthening the VR role in the transition from school to adult life for students with disabilities, particularly requiring VR counselors to actively participate in the IEP process; and
- Pass legislation to increase the minimum wage and extend for the longest period possible the Work Opportunity Tax Credit.

Relevant Committees

House Appropriations Committee

House Education and Labor (WIA and VR)

House Ways and Means (for WOTC extensions)

Senate Appropriations Committee

Senate Finance (for WOTC extensions)

Senate Health, Education, Labor and Pensions (WIA and VR)

For more information, please contact The Arc and United Cerebral Palsy Disability Policy Collaboration (202) 783-2229, Association of University Centers on Disability (301) 588-8252, American Association on Intellectual and Developmental Disabilities (202) 387-1968 or the National Association of Councils on Developmental Disabilities (703) 739-4400.

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