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002. letter	Celane McWhorter to Shirley Chater; RE: Personal (2 pages)	03/06/1996	b(6)
003. letter	To: Dr. Shirley Chater; RE: Personal [partial] (1 page)	03/06/1996	b(6)

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P1 National Security Classified Information [(a)(1) of the PRA]
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P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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Appendix

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APPENDIX

SPECIAL EDUCATION
Total FY 1994 BA: $3,109 million

DESCRIPTION

- The Individuals with Disabilities Education Act (IDEA) authorizes "special education" programs for children with disabilities from birth through age 21: three State formula grants and 14 discretionary grant activities.

- More important are the civil rights-type protections IDEA affords to children with disabilities, by requiring that States provide all children with disabilities a "free appropriate public education" (FAPE) designed to meet their unique needs.

- Largest program: Grants to States, 1994 BA: $2,150 million, provides partial support of additional costs of providing FAPE -- 1993 Federal contribution: 7 percent of excess cost; 5 million children were served.

- Preschool Grants, 1994 BA: $339 million, help States expand and improve preschool services for children with disabilities. 1993: 400,000 children.

- Grants for Infants and Families, 1994 BA: $253 million, support statewide programs to provide early intervention services to all children with disabilities from birth through 2 years and their families. After building the coordination system, funds may be used for direct medical and social services that are not otherwise provided from other public or private sources. The program is to be the payor of last resort. Unlike all similar programs in HHS, there is no means test for services; States may impose fee scales at their discretion. The law requires the States to serve all eligible infants and toddlers by the fifth year of participation in the program (for most States, 1991) unless they have requested and received waivers from ED; 36 States requested waivers for the most recent year of participation.

- Other programs, 1994 BA: $367 million, support projects for discrete populations (e.g. deaf-blind); research and development; and personnel training.

TRENDS AND CHANGES

- The number of children identified with disabilities has increased every year since 1976, from 3.7 million in 1976 to 5 million in 1993, with the largest increase occurring in the categories least susceptible to objective measures of impairment: currently students with learning disabilities, 50 percent of the population served. Other high incidence disabilities include speech or language impairments (22 percent), mental retardation (12.3 percent), and seriously emotionally disabled (8.9 percent). Other (visual, orthopedic, autism, deaf-blind, traumatic brain injury) accounted for only 7 percent of children served.

- A look at secondary students with disabilities shows us a population that is disproportionately male, poor, African-american, from single parent households, living in urban areas, and subject to the negative influences in outcomes associated with each of those factors.

- The majority of students are served in regular school buildings but only 33 percent in regular classrooms, 33 percent are served in resource rooms, and 25 percent in separate classes. Placement patterns vary considerable across states.

- In 1990-1991, one fourth of students with disabilities dropped out of school, a much higher drop-out rate than that reported for their non-disabled peers. The drop-out statistics are particularly high for students with serious emotional disturbance, learning disabilities, and mental retardation. Almost 16 percent exited the system with status unknown. 46 percent received diplomas, and 13 percent received certificates. 2 percent leave because they have reached the maximum age for services.

- Of those students dropping out, only 13 percent return within two years, and only 27 percent return at any time after leaving. Dropouts in the general population are twice as likely to complete highschool after dropping out than their disabled peers.

- Only one quarter of the disabled students leaving highschool enroll in some post secondary vocational or 2- or 4-year college, compared with 68 percent in the general population. The percentage is low even among highschool graduates -- with 31 percent of students with disabilities enrolling, compared to 75 percent of the general population graduating highschool.

- The rate of competitive employment for youth with disabilities two years out of highschool was 46 percent (21 percent part time, 25 percent full time), compared to 60 percent for the general population. Employment rates varied widely across disability types -- 56 percent for learning disabled youths, 8 percent for those with multiple disabilities.

  Employment rates improved as the years out of school increased -- to 57 percent employment for youths with disabilities out of highschool 3 to 5 years, compared to 70 percent for the general population.

  The worst employment statistics were for women with disabilities (69 percent unemployed), blacks (75 percent unemployed) and those who aged out of special education (74 percent unemployed).

- Most employed youths with disabilities worked as laborers (27 percent), operatives (15 percent), clerical (13 percent) or craft (13 percent) workers, in food service (13 percent) or as janitors or maids (6 percent).

- After 3 to 5 years after leaving school, 37 percent of youths with disabilities lived independently, compared to 60 percent of youths in the general population.

- 41 percent of female youths with disabilities became parents 3 to 5 years after leaving school, compared to 27 percent of female youths in the general population. (17 percent of male youths with disabilities became parents in the same timeframe, compared with 14 percent of male youths in the general population.)

- 51 percent of youths with disabilities registered to vote.

- 30 percent of youths with disabilities were arrested within 3 to 5 years of leaving school. The rates were highest for youths with learning disabilities (31 percent) and serious emotional disturbance (58 percent).

- The number of teachers and special education personnel employed to serve students with disabilities has continued to increase, yet States continue to experience difficulty in meeting all of their staffing needs.

UPCOMING ISSUES

Programs under the Individuals with Disabilities Act are scheduled to expire in FY 1995. Among the issues which ED must address are:

- Should the primary Federal roles of procedural rule enforcement and partial funding continue?

- Should emphasis shift to quality of education received by disabled students? Should States and school districts be held accountable for the effectiveness of services provided?

- Should the current requirement that children be educated in the least restrictive environment be retained? If so, how can collaboration between regular and special education teachers and administrators be encouraged so that inclusion can be realized?

- Should the authority for medical and social services for pre-school children stay in ED or be integrated into the HHS programs for the same population?

TABLE 1.1

Students Served Under IDEA, Part B and Chapter 1 of ESEA (SOP)[1]: Number and Percentage Change, School Years 1976-77 to 1991-92

School Years	Change in Total Number Served from Previous Year (%)	Total Served	IDEA, Part B	Chapter 1 (SOP)
1991-92	3.9	4,994,169	4,722,461	271,708
1990-91	2.8	4,808,942	4,548,869	260,073
1989-90	2.2	4,687,620	4,421,236	266,384
1988-89	2.1	4,587,370	4,324,220	263,150
1987-88	1.6	4,494,280	4,235,263	259,017
1986-87	1.2	4,421,601	4,166,692	254,909
1985-86	0.2	4,370,244	4,121,104	249,140
1984-85[2]	0.5	4,363,031	4,113,312	249,719
1983-84	1.0	4,341,399	4,094,108	247,291
1982-83	1.5	4,298,327	4,052,595	245,732
1981-82	1.3	4,233,282	3,990,346	242,936
1980-81	3.5	4,177,689	3,933,981	243,708
1979-80	3.0	4,036,219	3,802,475	233,744
1978-79	3.8	3,919,073	3,693,593	225,480
1977-78	1.8	3,777,286	3,554,554	222,732
1976-77	--	3,708,913	3,485,088	223,825

[1]From 1988-89 to the present, these numbers include children 3-21 years old counted under Part B and children from birth through age 21 counted under Chapter 1 (SOP); prior to 1988-89, children from birth through age 20 were served under Chapter 1 (SOP). The totals do not include infants and toddlers from birth through age 2 served under Part H of IDEA who were not served under the Chapter 1 (SOP) program.

[2]Beginning in 1984-85, the number of children with disabilities reported for the most recent year reflects revisions to State data received by the Office of Special Education Programs following the July 1 grant award date, and includes revisions received by October 1. Updates received from States for previous years are included so totals may not match those reported in previous annual reports to Congress. Prior to 1984-85, reports provided data as of the grant award date.

Source: U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS).

Source: Department of Education Fifteenth Annual Report to Congress on the Implmentation of The Individuals with Disabilities Education Act, 1993

TABLE 1.2

Disability of Students Age 6-21 Served Under IDEA, Part B and Chapter 1 of ESEA (SOP): Number and Percentage, School Year 1991-92

Disability	IDEA, Part B		Chapter 1 (SOP)		Total	
	Number	Percent[a]	Number	Percent[a]	Number	Percent[a]
Specific learning disabilities	2,218,948	51.3	30,047	16.6	2,248,995	49.9
Speech or language impairments	990,016	22.9	10,655	5.9	1,000,671	22.2
Mental retardation	500,986	11.6	53,261	29.3	554,247	12.3
Serious emotional disturbance	363,877	8.4	36,793	20.2	400,670	8.9
Multiple disabilities	80,655	1.9	17,747	9.8	98,402	2.2
Hearing impairments	43,690	1.0	17,073	9.4	60,763	1.3
Orthopedic impairments	46,222	1.1	5,468	3.0	51,690	1.1
Other health impairments	56,401	1.3	2,479	1.4	58,880	1.3
Visual impairments	18,296	0.4	5,873	3.2	24,169	0.5
Deaf-blindness	773	0.0	650	0.4	1,423	0.0
Autism	3,555	0.0	1,653	0.9	5,208	0.1
Traumatic brain injury	285	0.0	45	0.0	330	0.0
All disabilities	4,323,704	100.0	181,744	100.0	4,505,448	100.0

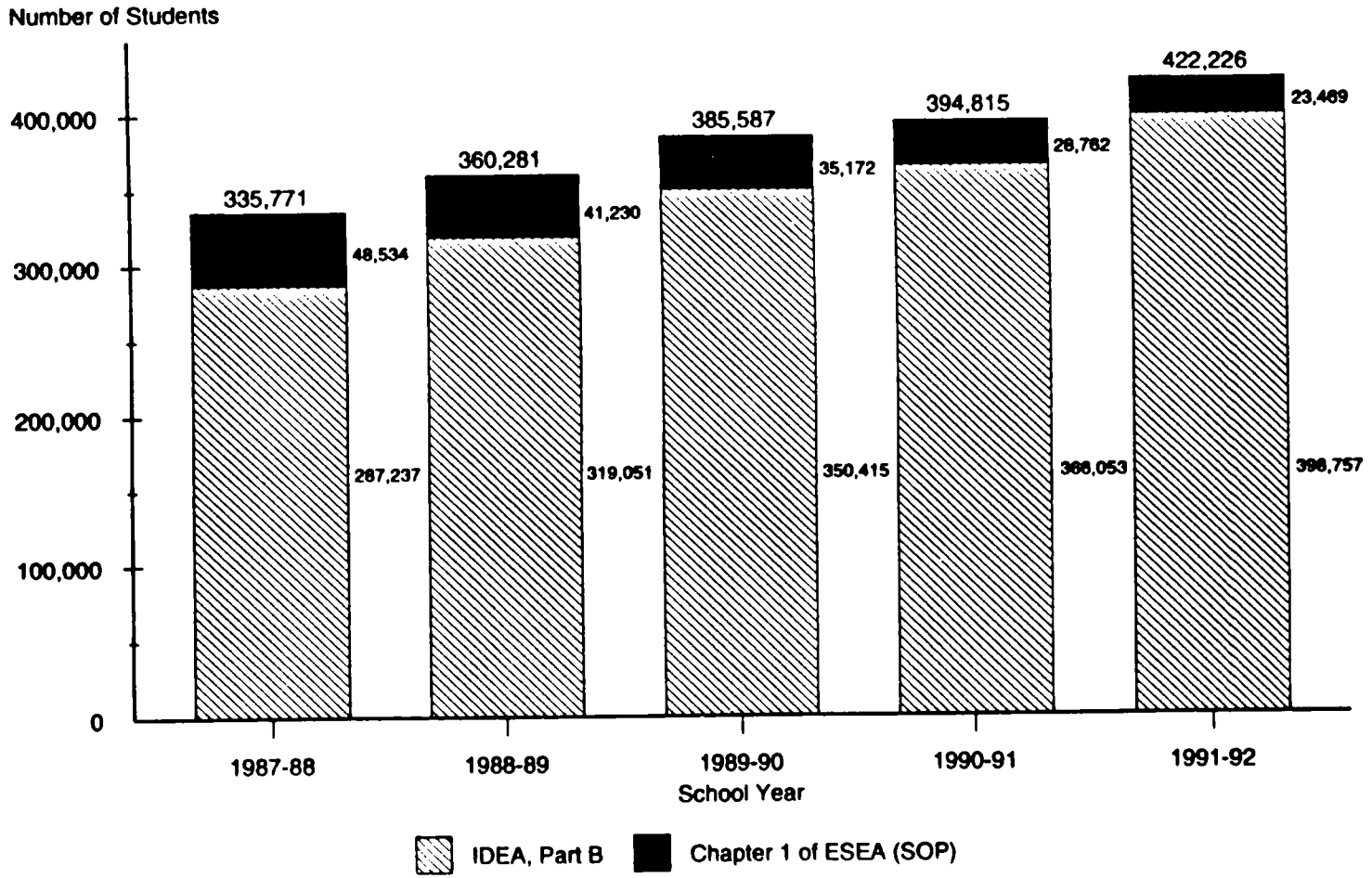
[a]Percentages sum within columns.

Source: U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS).

Source: Department of Education Fifteenth Annual Report to Congress on the Implmentation of The Individuals with Disabilities Education Act, 1993

FIGURE 2.1

Number of 3- Through 5-Year-Olds Served Under IDEA, Part B and Chapter 1 of ESEA (SOP): School Years 1987-88 to 1991-92

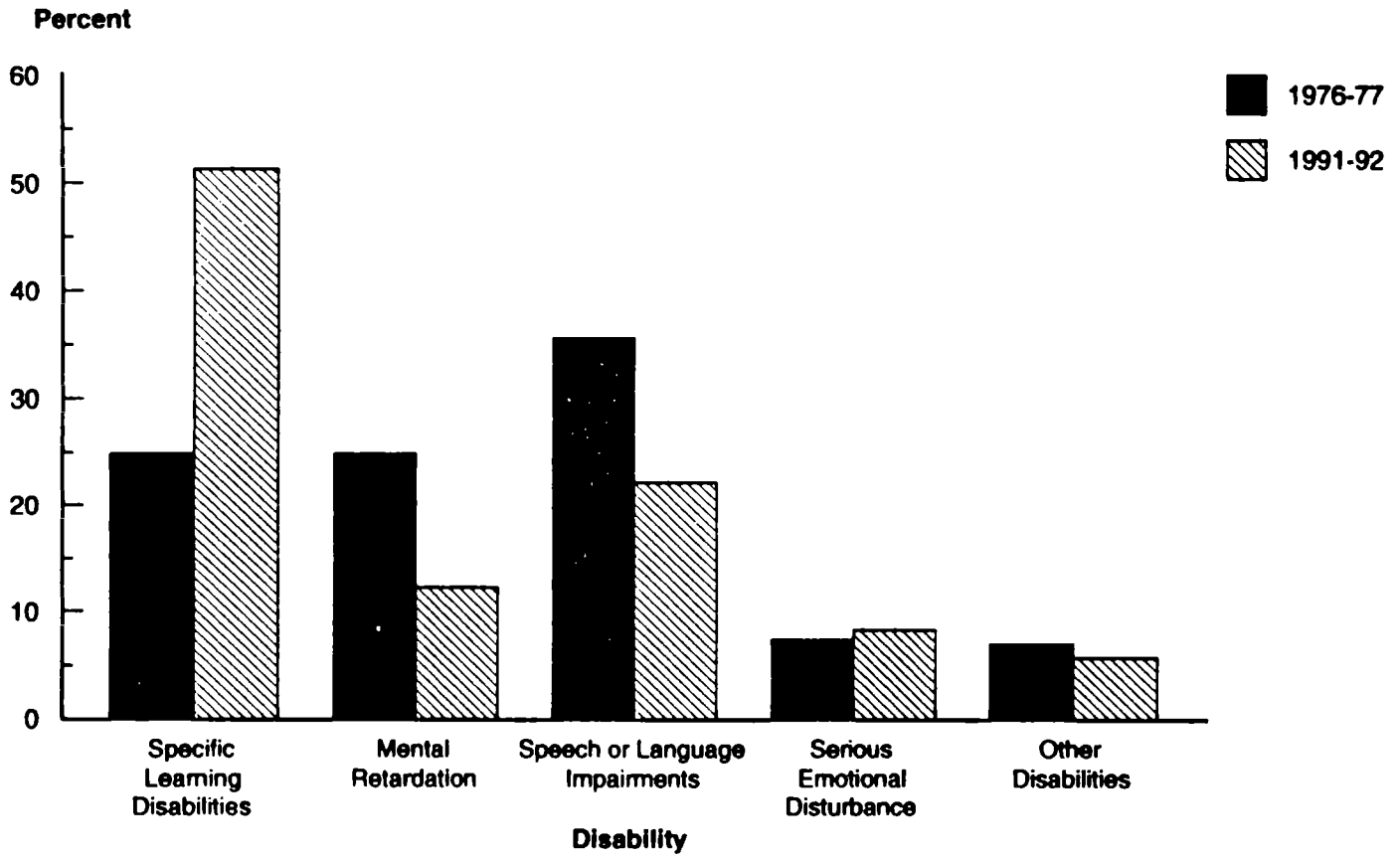


Source: U S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS).

Source: Department of Education Fifteenth Annual Report to Congress on the Implmentation of The Individuals with Disabilities Education Act, 1993

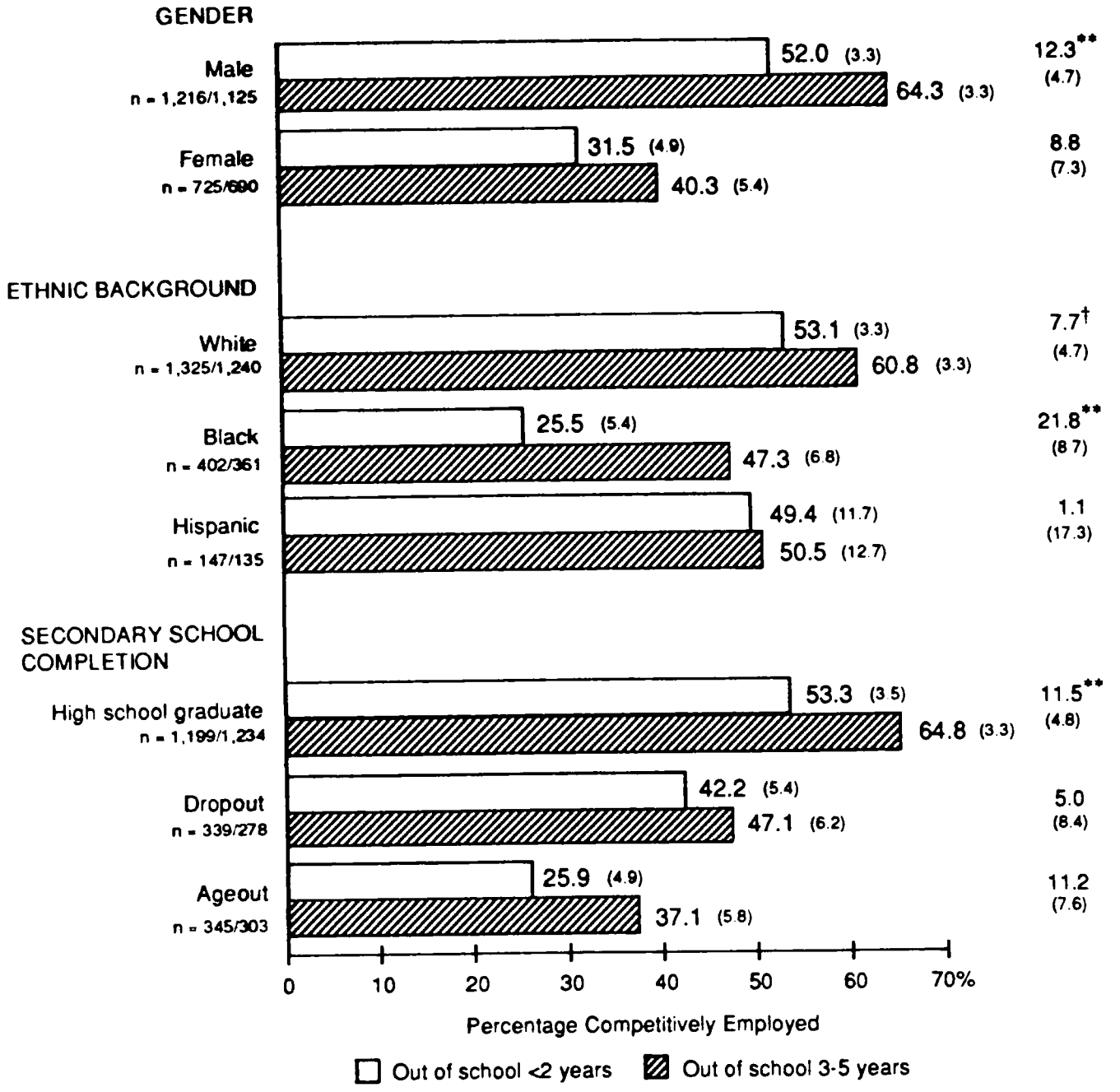
FIGURE 1.1

Changes in the Distribution of Specific Disabilities for Children Age 6-21 Served Under IDEA, Part B: School Years 1976-77 and 1991-92



Source: U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS).

Source: Department of Education Fifteenth Annual Report to Congress on the Implmentation of The Individuals with Disabilities Education Act, 1993



Standard errors are in parentheses.

† $p<.10$, ** $p<.01$

FIGURE 4-4 TRENDS IN COMPETITIVE PAID EMPLOYMENT, BY YOUTH CHARACTERISTICS

Source: The Second Comprehensive Report from the National Longitudinal Transition Study of Special Education Students: What Happens Next? Trends in Postschool Outcomes of YOuth With Disabilities. Prepared for the Department of Education, SRI International, December 1992

Table 4-4

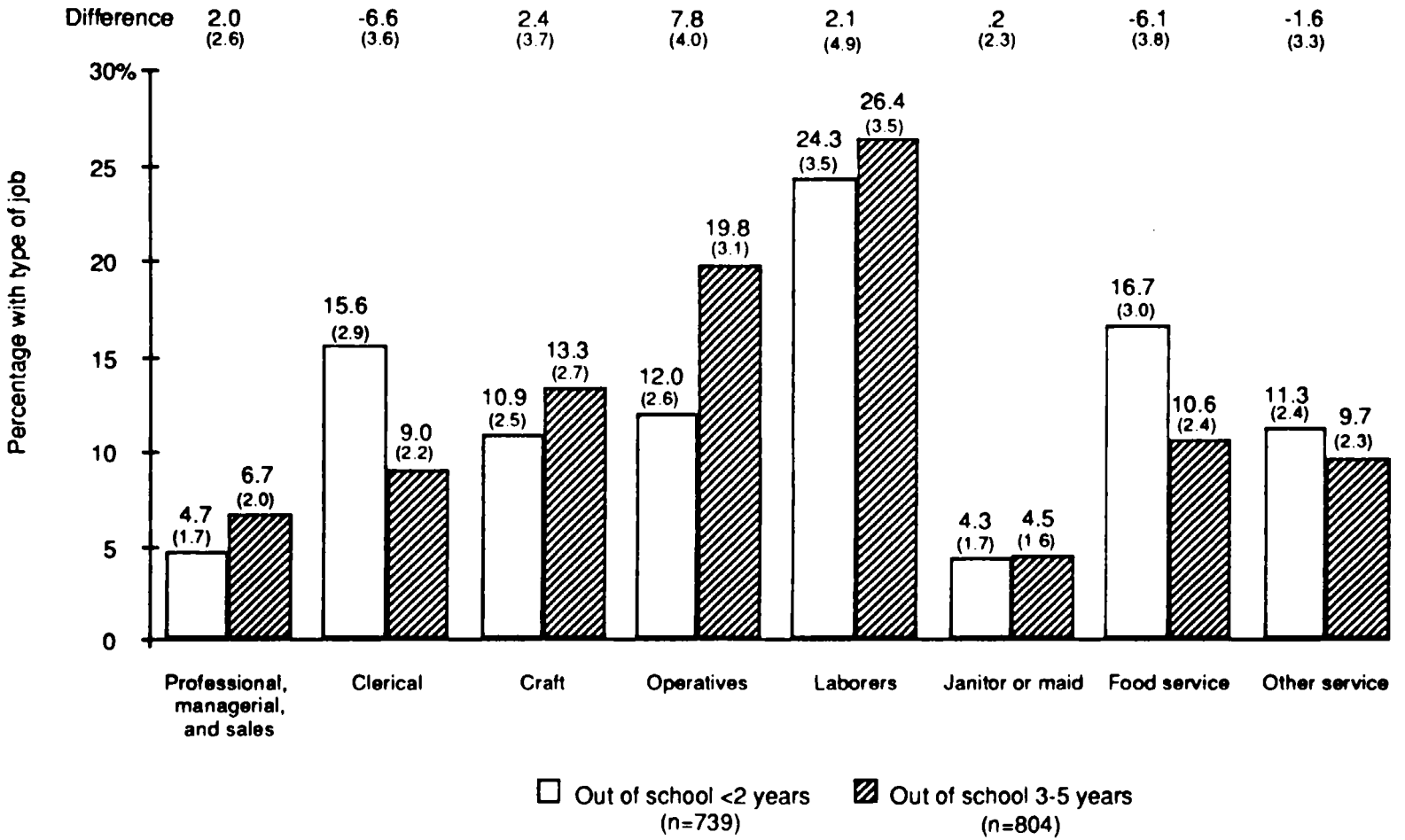
PART-TIME AND FULL-TIME COMPETITIVE PAID EMPLOYMENT OF OUT-OF-SCHOOL YOUTH, BY DISABILITY CATEGORY

Primary Disability Category	Percentage of Youth, by Competitive Employment Status						Difference in Employment Rates Between <2 and 3-5 Years after High School			n at 2 Time Points
	Out of School < 2 Years:			Out of School 3-5 Years						
	Not Employed	Part-Time	Full-Time	Not Employed	Part-Time	Full-Time	Not Employed	Part-Time	Full-Time	
All conditions	54.3 (2.8)	21.0 (2.3)	24.7 (2.4)	43.2 (2.9)	13.9 (2.0)	42.9 (2.9)	-11.1** (4.0)	-7.1* (3.0)	18.2*** (3.8)	1,941/1,815
Learning disabled	40.8 (4.4)	23.5 (3.8)	35.7 (4.3)	29.2 (4.2)	14.1 (3.2)	56.7 (4.6)	-11.6† (6.1)	-9.4† (5.0)	21.0*** (6.3)	337/322
Emotionally disturbed	59.3 (5.4)	26.2 (4.8)	14.5 (3.9)	52.6 (5.9)	12.4 (3.9)	35.0 (5.6)	-6.7 (8.0)	-13.8* (6.2)	20.5** (6.8)	220/185
Speech impaired	49.9 (7.1)	35.9 (6.8)	14.2 (4.9)	34.6 (6.9)	27.9 (6.5)	37.5 (7.0)	-15.3 (9.9)	14.8* (7.3)	25.2** (7.7)	133/126
Mentally retarded	74.6 (4.4)	13.1 (3.4)	12.3 (3.3)	63.0 (5.0)	13.6 (3.6)	23.4 (4.4)	-11.6† (6.7)	.5 (5.0)	11.1* (5.5)	273/257
Visually impaired	76.6 (5.2)	12.9 (4.1)	10.4 (3.7)	70.6 (5.7)	12.4 (4.1)	17.0 (4.7)	-6.0 (7.7)	-.5 (5.8)	6.6 (6.0)	177/172
Hard of hearing	51.2 (7.4)	26.1 (6.5)	22.7 (6.2)	57.7 (7.5)	8.3 (4.2)	34.0 (7.2)	6.5 (10.5)	-17.8* (7.7)	11.3 (9.5)	149/142
Deaf	62.8 (4.9)	16.5 (3.8)	20.8 (4.1)	56.5 (5.1)	13.6 (3.5)	29.9 (4.7)	-6.3 (7.1)	-2.9 (5.2)	9.1 (6.2)	251/245
Orthopedically impaired	79.8 (5.7)	15.2 (5.1)	5.0 (3.1)	78.3 (6.1)	10.8 (4.6)	10.9 (4.6)	-1.5 (8.3)	-4.4 (6.9)	5.9 (5.5)	169/157
Other health impaired	66.9 (8.7)	18.3 (7.1)	14.8 (6.6)	60.2 (9.2)	13.3 (6.4)	26.5 (8.3)	-6.7 (12.7)	-5.0 (9.6)	11.7 (10.6)	87/83
Multiply handicapped	85.2 (6.0)	10.3 (5.2)	4.5 (3.5)	83.3 (6.9)	2.9 (3.1)	13.8 (6.4)	-1.9 (9.1)	-7.4 (6.1)	9.3 (7.3)	111/95
Deaf/blind	80.8 (9.1)	19.2 (9.1)	.0 --	83.9 (8.9)	9.9 (7.2)	6.1 (5.8)	3.1 (12.7)	-9.3 (11.6)	6.1 (5.8)	34/31

Standard errors are in parentheses.

† p<.10, * p<.05, ** p<.01, *** p<.001

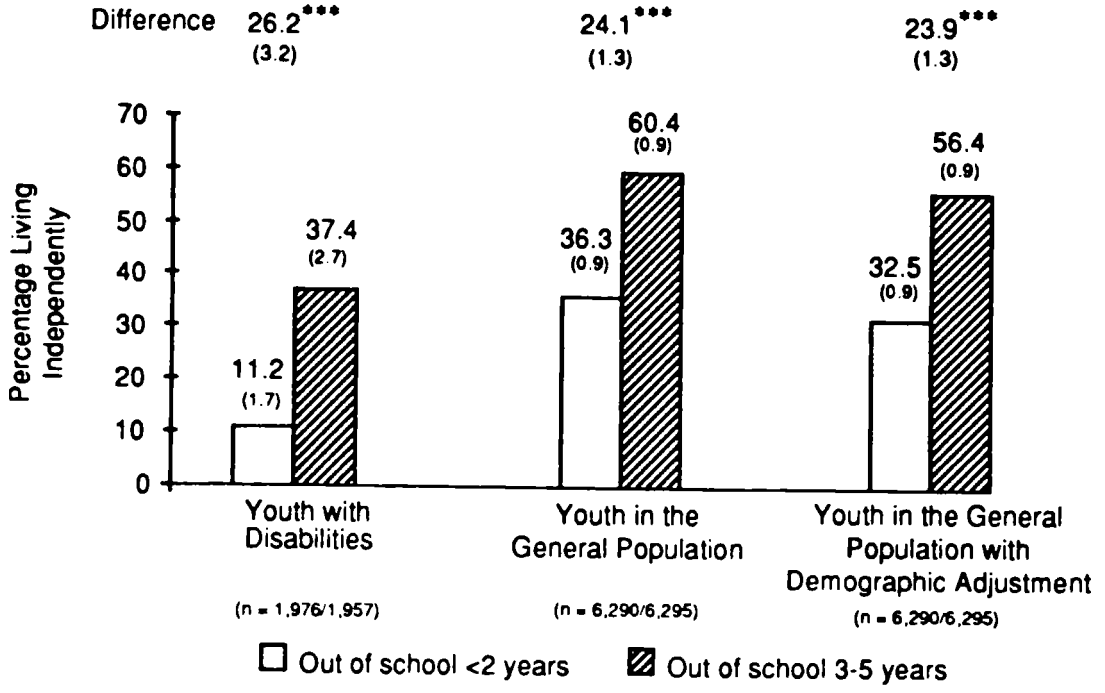
Source: The Second Comprehensive Report from the National Longitudinal Transition Study of Special Education Students: What Happens Next? Trends in Postschool Outcomes of YOuth With Disabilities. Prepared for the Department of Education, SRI International, December 1992



Standard errors are in parentheses.

FIGURE 4-6 OCCUPATIONS OF COMPETITIVELY EMPLOYED OUT-OF-SCHOOL YOUTH WITH DISABILITIES

Source: The Second Comprehensive Report from the National Longitudinal Transition Study of Special Education Students: What Happens Next? Trends in Postschool Outcomes of YOuth With Disabilities. Prepared for the Department of Education, SRI International, December 1992



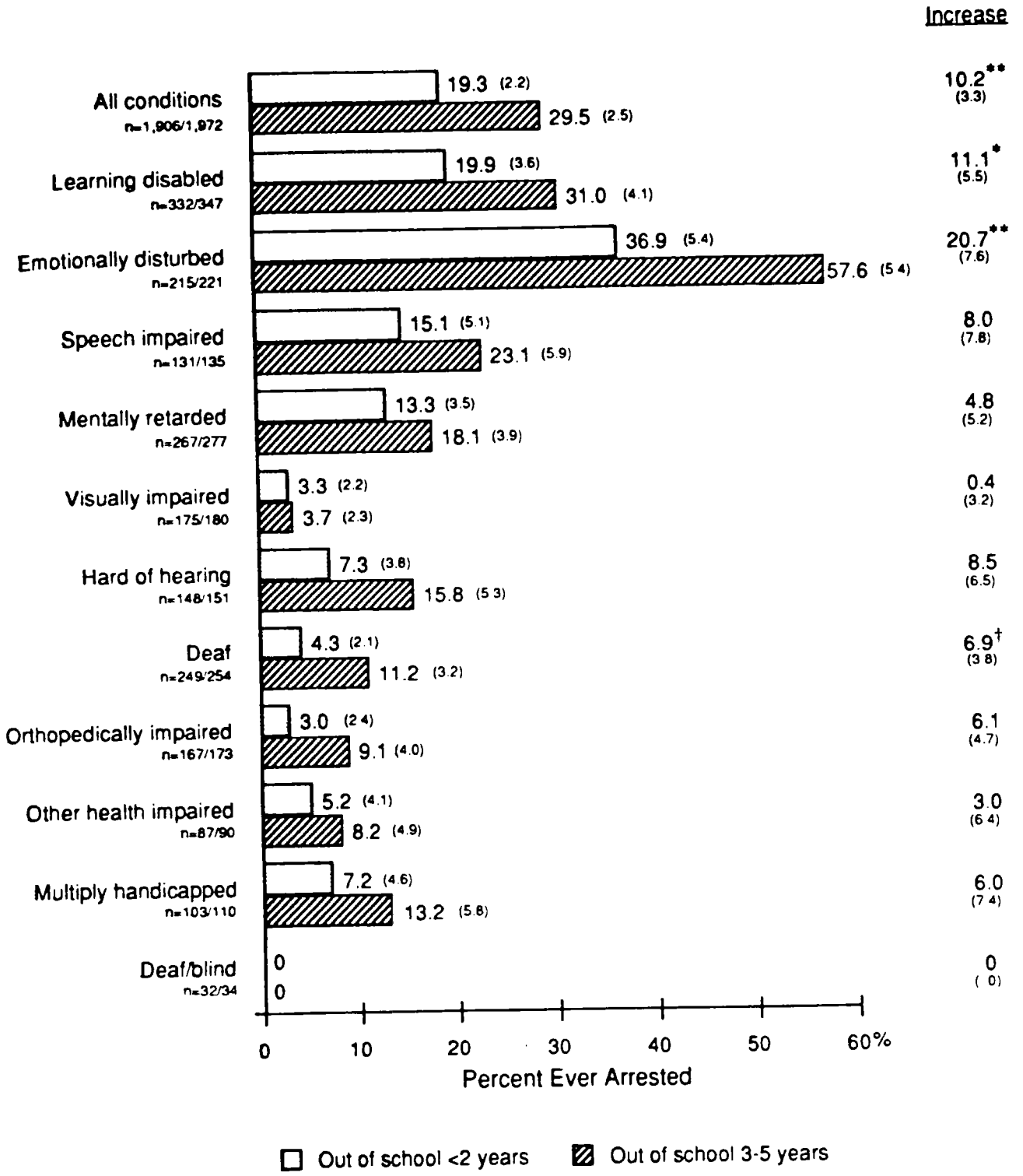
Note: Data for the general population come from the 1979-1986 National Longitudinal Survey of Youth. General population is adjusted to match youth with disabilities for gender, ethnic background, and head of household's educational level.

Standard errors are in parentheses.

*** $p < .001$

FIGURE 5-2 RESIDENTIAL INDEPENDENCE OF OUT-OF-SCHOOL YOUTH WITH DISABILITIES AND YOUTH IN THE GENERAL POPULATION

Source: The Second Comprehensive Report from the National Longitudinal Transition Study of Special Education Students: What Happens Next? Trends in Postschool Outcomes of YOuth With Disabilities. Prepared for the Department of Education, SRI International, December 1992



Standard errors are in parentheses.

† $p < .10$; * $p < .05$; ** $p < .01$

FIGURE 6-7 ARREST RATES OF OUT-OF-SCHOOL YOUTH, BY DISABILITY CATEGORY

Source: The Second Comprehensive Report from the National Longitudinal Transition Study of Special Education Students: What Happens Next? Trends in Postschool Outcomes of YOuth With Disabilities. Prepared for the Department of Education, SRI International, December 1992

VOCATIONAL REHABILITATION; SPECIAL INSTITUTIONS FOR THE DISABLED
Total FY 1994 BA: $2,424 million

DESCRIPTION

The Rehabilitation Services account funds three broad categories of programs: State formula grants; special purpose funds for a variety of activities including demonstration, training, and evaluation projects, administered by the Rehabilitation Services Administration; and rehabilitation research supported through the National Institute on Disability and Rehabilitation Research. The entire current-funded account is classified as mandatory under the Budget Enforcement Act, although only the Basic State Grant program (86 percent of the account) is, up to baseline, an entitlement to States.

- Largest Program: Vocational Rehabilitation Basic State Grant, since 1920, provides funds to States to help prepare mentally and physically disabled individuals for gainful employment, to the extent of their capabilities. Individuals with a physical or mental impairment that results in a substantial impediment to employment and who can benefit in terms of an employment outcome are eligible for assistance. FY 1994 BA: $1,974 million. In 1992, 946,500 clients were served -- funds are distributed to States as an entitlement by a formula based on population and per capita income. Congress routinely appropriates a discretionary spending increment over a mandated increase indexed to the CPIU. 10.5% of funds are spent on administration; 86% is spent on serves, wither provided by in-house counselors (38%) or purchased services (48%).

- Other State formula grant programs, 1994 BA: $108 million, fund training and time-limited supported employment and independent living services for persons thought to be too severely disabled to benefit from regular VR services; and support activities to advise and assist individuals with disabilities of benefits available to them under the Rehabilitation Act and elsewhere.

- Special Purpose funds, 1991 BA: $122 million: recreation, Projects with Industry, training for VR personnel, programs for migrant workers, and technology-related assistance.

- The National Institute on Disability and Rehabilitation Research, 1994 BA: $68 million: grants for rehabilitation research and training centers, engineering centers, and research and demonstration projects.

Special Institutions: Three semi-autonomous entities which receive about 3/4 of their annual funding through ED -- the American Printing House for the Blind, 1994 BA: $6 million; National Technical Institute for the Deaf, 1994 BA: $42 million; Gallaudet University, 1994 BA: $78 million.

TRENDS AND CHANGES

- Notwithstanding a 1992 reauthorization, the VR Basic State Grant program has remained basically unchanged since 1973, when the law was amended to give priority to serving the most severely disabled, who are the costliest, take the longest to place in competitive employment, and yield the lowest rate of successful rehabilitations of all clients served. States are unable to serve less severely disabled individuals.

- To assess the effectiveness of the VR program, overcoming years of bureaucratic and interest group resistance, ED has recently embarked on a longitudinal evaluation.

- Total number served has increased each year over the last five years, following a 12 year decline.

- In 1992, the number of successful rehabilitations declined for the program overall to under 200,000, the lowest level since Fy 1967, and the lowest rehabilitation rate in 45 years. It is at the lowest level ever for severely disabled, while the number of severely disabled served increased for the sixth consecutive year.

- The overall acceptance rate into the program also declined to 57%, a ten-year low.

- Severely disabled comprise about 70% of total caseload for States.

- In 1991, 17% of the clients were under 20 years of age, 79% were 20 - 64, and 4% were 65 and over. 55% were male. 80% were white, 18% black. Of the 84% who received regular education, 8% had some elementary/secondary education, 38% completed high school only, 19% had some form of postsecondary education. 16% came from special education. 50% were never married.

- Types of disabilities: 9% had visual impairment. 8% had hearing impairments. 23% had orthopedic impairment. 16% were mentally ill, 13.4% mentally retarded, 11.7% were substance abusers.

- 21% of all clients were on some kind of public assistance during VR. 10% of all clients were on SSDI. 12% of all clients were on SSI.

- The average time in VR was 22 months from application to closure. The average cost for all clients was $2,600.

UPCOMING ISSUES

- Relationship of the Federal/State VR system to other Federal disability programs and issues, to worker's compensation, and other private sector sources of aid were not addressed in the recent reauthorization. Until they are, it cannot be clear whether the $2 billion annual investment is appropriately focused.

Table 1 - Number of persons served and rehabilitated by State VR agencies, FY 1921 - 1992

Fiscal Year	Persons served	Persons rehabilitated	Fiscal Year	Persons served	Persons rehabilitated
1992	949,557	191,854	1956	221,128	65,640
1991	941,771	202,831	1955	209,039	57,981
1990	937,971	216,112	1954	211,219	55,825
1989	928,998	220,408	1953	221,849	61,308
1988	918,942	218,241	1952	228,490	63,632
1987	917,482	219,616	1951	231,544	66,139
1986	923,774	223,354	1950	255,724	59,597
1985	931,779	227,652	1949	216,997	58,020
1984	936,180	225,772	1948	191,063	53,131
1983	938,923	216,231	1947	170,143	43,880
1982	958,537	226,924	1946	169,796	36,106
1981	1,038,232	255,881	1945	161,050	41,925
1980	1,095,139	277,136	1944	145,059	43,997
1979	1,127,551	288,325	1943	129,207	42,618
1978	1,167,991	294,396	1942	91,572	21,757
1977	1,204,487	291,202	1941	78,320	14,576
1976	1,238,446	303,328	1940	65,624	11,890
1975	1,244,338	324,039	1939	63,575	10,747
1974	1,202,661	361,138	1938	63,666	9,844
1973	1,176,445	360,726	1937	1/	11,091
1972	1,111,045	326,138	1936		10,338
1971	1,001,660	291,272	1935		9,422
1970	875,911	266,975	1934		8,062
1969	781,614	241,390	1933		5,613
1968	680,415	207,918	1932		5,592
1967	569,907	173,594	1931		5,184
1966	499,464	154,279	1930		4,605
1965	441,332	134,859	1929		4,645
1964	399,852	119,708	1928		5,012
1963	368,696	110,136	1927		5,092
1962	345,635	102,377	1926		5,604
1961	320,963	92,501	1925		5,825
1960	297,950	88,275	1924		5,654
1959	280,384	80,739	1923		4,530
1958	258,444	74,317	1922		1,898
1957	238,582	70,940	1921		523

1/ Counts of persons served prior to Fiscal Year 1938 are not available.

Source: Department of Education Annual Report to the President and to the Congress, Fiscal Year 1992 On Federal Activities Related to the Rehabilitation Act of 1973, as Amended

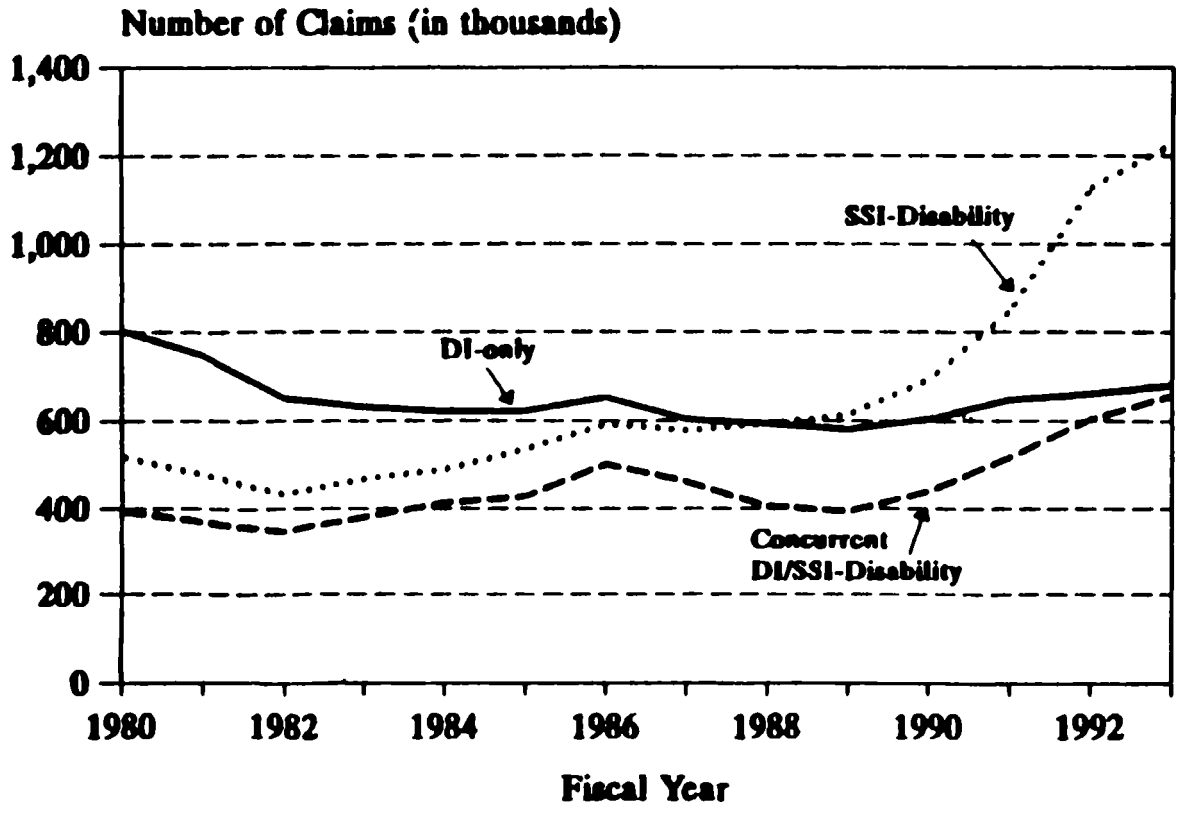
Table 7 - Number of persons with severe and non-severe disabilities served by State VR agencies, percent change from prior year and percent severely disabled, FY 1977 - 1992

Fiscal Year	Severely disabled served		Non-severely disabled served		Percent SD 1/
	Number	Percent change from prior year	Number	Percent change from prior year	
1992	668,607	+ 2.2	280,950	- 2.4	70.4
1991	654,038	+ 2.2	287,733	- 3.4	69.4
1990	640,163	+ 2.5	297,808	- 2.2	68.3
1989	624,552	+ 3.3	304,446	- 3.1	67.2
1988	604,800	+ 3.6	314,142	- 5.9	65.8
1987	583,688	+ 0.6	333,794	- 2.8	63.6
1986	580,342	- 0.1	343,432	- 2.1	62.8
1985	580,863	+ 2.7	350,916	- 5.4	62.3
1984	565,425	+ 0.6	370,755	- 1.6	60.4
1983	562,052	- 1.7	376,871	- 2.6	59.9
1982	571,541	- 4.9	386,996	-11.5	59.6
1981	600,727	- 0.9	437,505	-10.5	57.9
1980	606,049	- 1.0	489,090	- 5.1	55.3
1979	611,994	+ 2.0	515,557	- 9.2	54.3
1978	600,063	+ 5.5	567,928	-10.7	51.4
1977	568,826	+ 2.3	635,661	- 6.9	47.2

1/ Percent of all persons served who were severely disabled.

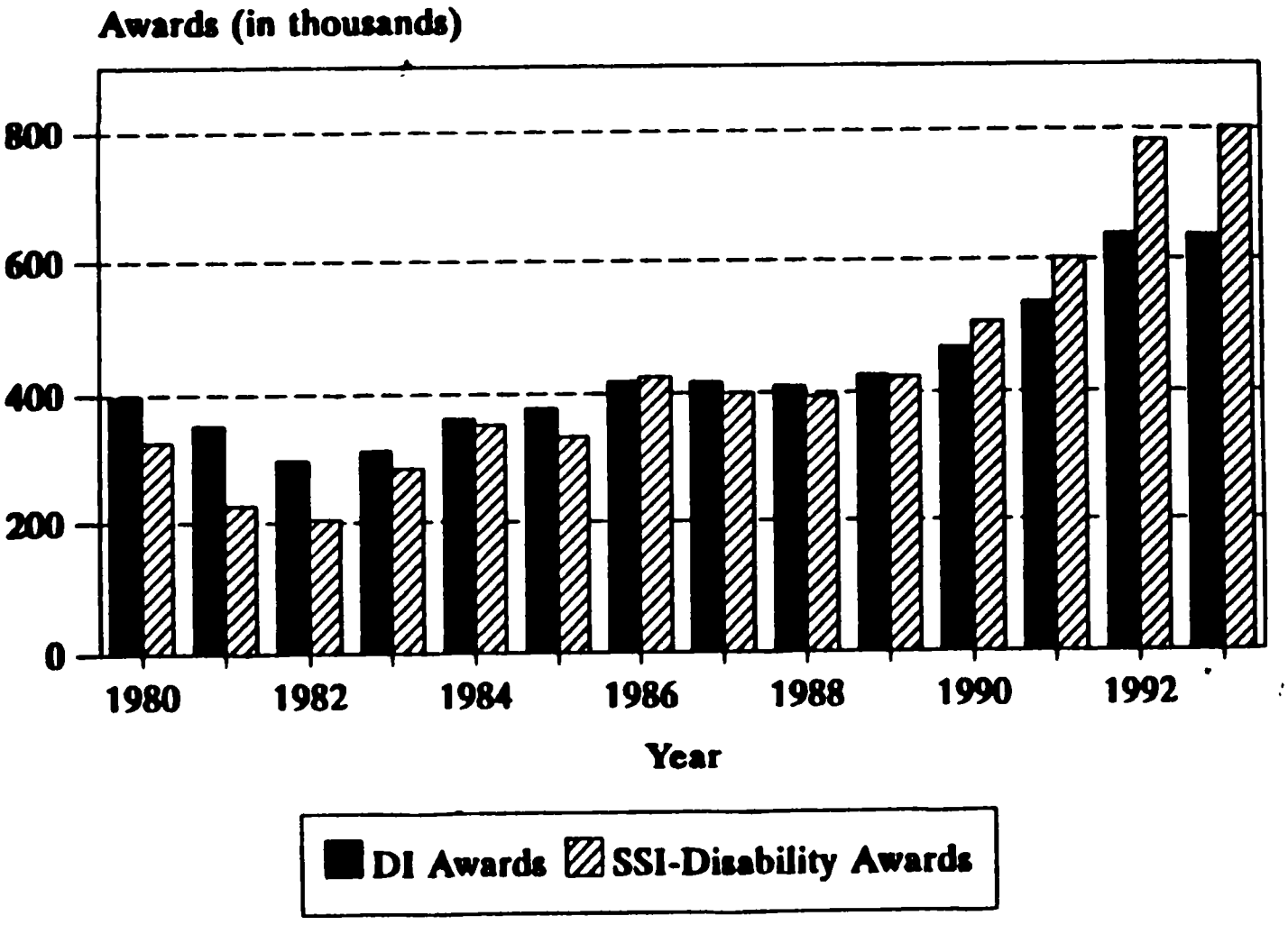
Source: Department of Education Annual Report to the President and to the Congress, Fiscal Year 1992 On Federal Activities Related to the Rehabilitation Act of 1973, as Amended

CHART 1. DI, SSI-Disability, and Concurrent DI/SSI Claims Received 1980-1993



Source: Congressional Research Service with data from SSA.

CHART 2. DI and SSI-Disability Awards 1980-1993



Source: Congressional Research Service with data from SSA.

TABLE 3. SSI-Disability Recipients, Number and Percentage Distribution of Adults and Children, 1974-1993
(in thousands)

End of calendar year	Disabled adults		Disabled children	
	Number[a]	% of SSI-disability recipients	Number[a]	% of SSI-disability recipients
1974	1,639	95.8	71	4.2
1975	1,879	93.6	128	6.4
1976	1,935	92.7	153	7.3
1977	2,012	92.0	175	8.0
1978	2,052	91.2	197	8.8
1979	2,066	90.7	212	9.3
1980	2,106	90.2	229	9.8
1981	2,111	90.2	230	9.8
1982	2,080	90.1	229	9.9
1983	2,150	90.1	236	9.9
1984	2,250	90.0	249	10.0
1985	2,368	89.9	265	10.1
1986	2,516	90.0	280	10.0
1987	2,641	90.1	289	9.9
1988	2,740	90.4	290	9.6
1989	2,858	90.6	296	9.4
1990	3,023	89.9	340	10.1
1991	3,215	88.0	439	12.0
1992	3,471	84.8	624	15.2
1993 (Sept.)	3,697	83.4	737	16.6

[a]Includes blind recipients.

Source: SSA, Jan. 1994.

TABLE 8. SSI-Disability Awards for Children, 1984-1993

Calendar year	Number of awards[a]	Percent of SSI-disability awards[a]
1984	49,478	12.6
1985	46,558[b]	14.0
1986	54,478	12.9
1987	51,825	12.9
1988	51,193	13.0
1989	70,345	16.6
1990	82,753	16.4
1991	125,821	20.9
1992	191,054	24.5
1993	225,611	28.1

[a]Includes awards to the blind.

[b]Data for 11 months only.

Source: SSA, Jan. 1994.

Growth in Social Security Disability* and SSI-Disability Claims (in thousands)

FY	Social security-only	Social security & SSI	SSI-only Total SSI-only	SSI-only Children**	Total SSA disability claims
1980	803	395	521	n/a	1,719
1985	621	429	535	(93)	1,585
1986	653	502	591	(88)	1,746
1987	604	463	577	(98)	1,644
1988	593	407	584	(100)	1,594
1989	580	396	613	(110)	1,589
1990	604	440	693	(125)	1,737
1991	648	519	848	(215)	2,015
1992	661	603	1,128	(433)	2,392
1993	680	656	1,229	(522)	2,565
Change:					
1989-93	+17%	+66%	+100%	+375%	+61%
1980-89	-28%	-0-	+ 18%	n/a	-8%

*Most social security disability recipients are enrolled in DI; however, disabled widows and dependents may be enrolled in the retirement or survivor programs.

**State-agency decisions are used here as a proxy for claims. The figures in the total SSI-only column include adults and children. A very small number of children also file for social security benefits.

Changes in the Recipient Population Over the Past 15 Years (in percent)

	1981	1993
SSI:		
Disabled enrollees	56	75
Child enrollees	6	12
Awards based on mental disorders	30-35 (1975-77)	55
DI:		
Awards to people under age 50	36	49 (1992)
Awards based on mental disorders	11	26
Recipients who also receive SSI	10	17

Disability Group Agenda

I Attributes of DI and SSI Recipients: Who Are the Disabled?

A Breakdown of recipients by program and impairment
B Trends in recipient growth by attributes: -

1) impairment,
2) income
3) work experience

C Denied applicants

II What is Driving the Growth in Disability Programs?

A Programmatic and Administrative Issues - Changes in the program and the administration of SSA's disability programs that may directly or indirectly contributed to the growth in awards

1) Statutory, regulatory and judicial program changes in DI and SSI, for example:

a) Medical improvement standard
b) Expansion of criteria for determining eligibility, for example: mental impairment, pain and substance abuse
c) Non DI, SSI laws: Immigration Reform and Control Act of 1987, Qualified Medicare Beneficiary (QMB) program

2) Administrative actions, for example:

a) Variation in processing of continuing disability reviews
b) Program outreach
c) Loosening of the decisionmaking climate

3) Judicial actions and climate, for example:

a) Class actions: i.e. *Zebley, Stieberger*
b) Acquiescence
c) Increased remands by courts and ALJs

B Changes in other programs that could be increasing claims and awards

1) Workers compensation
2) Reductions and restrictions in welfare benefits and eligibility
3) Health care availability and cost

C Actions by non-Federal entities

1) State initiatives to place welfare assistance recipients on the disability roles
2) Private disability insurance providers
3) Health care providers

D Macro Factors

1) The economy
2) Demographic aging
3) Morbidity

III International trends and programs

IV Future outlook: Are these temporary or permanent trends

V Policy Alternatives

A Programmatic alternatives

1) Eligibility
2) Benefits
3) Vocational Rehabilitation

B) Administrative alternatives, and the impact of administrative changes on applications and allowances

Tax Expenditures for Disability and Rehabilitation

	Tax Expenditure ($ in millions)		
	1995	1999	1995-1999
Credit for Disabled Access Expenditures	160	165	815
Expensing of Costs of Removing Certain Architectural Barriers to the Handicapped	20	20	100
Exclusion of Workers' Compensation Benefits	4,455	6,100	25,925
Exclusion of Special Benefits for Disabled Coal Miners	100	80	460
Exclusion of Military Disability Pensions	130	130	650
Additional Standard Deduction for the Blind	45	55	245
Tax Credit for the Elderly and Disabled	65	75	355
Exclusion of Social Security Disability Benefits	1,905	2,765	11,635
Exclusion of Veterans Disability Compensation	1,920	2,025	9,670

U.S. Treasury Department
Office of Tax Analysis

July 8, 1994

Source: Budget of the United States, Fiscal Year 1995: Analytical Perspectives, Table 6-1, pages 55-56.

Exclusion of Workers' Compensation Benefits

- Workers' compensation provides partial wage replacement for workers injured on-the-job. Lump sum benefits are also provided for permanent disability or disfigurement. Payments for medical services are usually paid directly to providers.

- Benefits which replace lost earnings should be taxed like earnings. (FICA taxes could also apply.) There is less justification for taxing benefits which compensate for permanent disability or disfigurement.

- Since benefits are set by states to cover about two-thirds to three-fourths of take-home pay for average workers, subjecting benefits to income (and possibly FICA taxes) would produce pressure to raise gross benefits, especially for higher income workers.
  - -- Higher benefits would cause higher premiums, thereby raising labor costs and possibly reducing employment.
  - -- Conversely, higher premiums would internalize costs, encouraging employers to provide a safer workplace.

- Current system subsidizes the workers' compensation system.

- The efficiencies from the strict liability of employers and the limits on workers obtaining other benefits even when employers are negligent may justify some federal subsidy which promotes the workers' compensation system.

Exclusion of Social Security Disability Benefits

- Social security benefits are provided to workers who are permanently disabled. The disability does *not* have to be work-related.

- Under current law, benefits are subject to tax if the beneficiary and/or spouse have modified AGI exceeding $25,000 ($32,000 on a joint return). At higher levels of income, up to 85 percent of benefits may be subject to tax.

- If benefits were taxed regardless of other income, pressure for compensating benefit increases could be expected.

Exclusion of Veterans Disability Benefits

- All compensation and pensions paid by the Department of Veterans Affairs as the result of disability are excluded from taxable income.

- Veterans groups have strongly and successfully opposed any taxation of benefits.

THE WHITE HOUSE

Office of the Press Secretary

July 26, 1995

AMERICANS WITH DISABILITIES ROUNDTABLE EVENT

Cash Room
Treasury Building

SECRETARY RUBIN: Thank you, and welcome, Mr. President, members of Congress, distinguished panelists, ladies and gentlemen. Welcome to the Treasury Department and our historic Cash Room.

The Treasury Department has been on this location since 1800. Our building was burned down in 1814 by the British -- that was the beginning of our special relationship. (Laughter.) Well, it was burned down again in 1839 by the employees. (Laughter.) Mr. President, that was under prior management. (Laughter.) We have improved our management practices.

We're honored that we could provide today the setting for this morning's event on the 5th anniversary of the Americans With Disabilities Act. We at Treasury are deeply committed to ensuring the fullest access to all Americans, whether it's access to our facilities or to opportunities in our work force. We at Treasury are fully committed to the operating principle that our nation is most productive when all Americans have the opportunity to contribute to the fullest extent of their abilities.

To demonstrate that commitment at Treasury we're having our own event today at the Bureau of Engraving and Printing, where one of Washington's favorite attractions for visitors, for tourists, and a very large work force is now far more accessible to those who are physically challenged. I'm pleased to say, too, that every Treasury bureau has provided us with plans to make their facilities more accessible.

It is now my honor to introduce an American deeply concerned about making sure that all Americans have the opportunity to live their lives to the fullest and with dignity; a person that recognizes that every American has a contribution to make if given the chance. Ladies and gentlemen, I introduce the President of the

United States. (Applause.)

THE PRESIDENT: Thank you very much. Thank you. (Applause.) Thank you very much. Secretary Rubin, Attorney General Reno; to the distinguished members of this panel, Senator Harkin and Congressman Hoyer, Chairman Coehlo, Dr. Hitt, Gil Casellas, Marca Bristo; the members of the administration who are here -- I see Reed Hunt and Patsy Fleming out there -- I thank all of you for being here to celebrate this fifth anniversary of the Americans with Disabilities Act.

Five years ago, when the ADA became law, we became the first nation in the world to commit ourselves to equal rights and equal opportunities for all citizens with disabilities. Because of the ADA, our country is stronger today. Our fellow citizens are being judged by their ability to contribute, not by their disabilities. Now, all of you, and millions of others all across this country have an opportunity they never had before to make the most of their own lives.

That opportunity is critical to what we have to do as a nation to meet the great challenges we face and to move forward into the next century. In many ways, the ADA is the perfect example of what I mean when I talk about our job is to create more opportunity and demand more responsibility from all of our citizens.

The ADA has meant more opportunity for 49 million Americans with disabilities to their part to make us a stronger and better country. It has meant that more people could go to work and participate in community life, and do things that most Americans take for granted, like helping to take care of their families or getting a good education or registering and voting. It's also a perfect example of what I have meant in recent weeks when I have urged the American people to come together to find common ground in order to move forward together as a nation.

That was true across party lines. Members of both parties, including three who are here today -- Senators Harkin, Representative Hoyer and former Congressman Tony Coehlo -- fought for the ADA in the Congress. And President Bush signed it into law. The ADA became law because Americans like so many of you worked together in the best interest of everyone, putting party behind country. There was a realization that the best way to keep our country moving forward was to allow every American, regardless of whether he or she used a wheelchair, was blind, had a mental disability or was HIV positive, to live up to his or her God-given potential.

And today, even as we celebrate the rights gained under the ADA, the budget cuts proposed by the congressional majority would sharply reduce the services and the supports that enable people to effectively exercise the rights granted by the ADA. Under the proposed cuts, states would be forced to drop 1.4 million people with disabilities from Medicaid rolls, and 4 million disabled Americans on Medicare would have to pay more every year for the same health care. They also have proposed eliminating funds for training special education teachers.

Now, we have to join together to maintain our commitment and our common ground. I will vigorously implement and enforce the ADA through the Cabinet and the administration. We will not allow Americans with disabilities to be kept from realizing their dreams by closed doors or narrowed minds.

We should also celebrate, all of us, this fifth anniversary of the Americans with Disabilities Act in the best way possible: by all, each of us, rededicating ourselves to creating a society of equal access and equal rights for all. That is the best kind of affirmative action for all the American people.

Thank you very much. (Applause.)

MS. LIPTON: -- Senator Harkin, Congressman Hoyer, without whom the ADA would never have happened. I'm also very honored to be in this room with all of the disability leaders who are in the audience, also without whom there would be no ADA.

I can speak a little bit basically from two perspectives. I have a daughter who is 23 years old, Chloe, who is disabled. She has Cerebral Palsy and cognitive disabilities. And she uses an electric wheelchair. She just completed her public education and was really among the first generation of children to go through her entire school career with the Individuals With Disabilities Education Act in place.

That did not mean it was easy. It was really a struggle to make sure that the law was enforced and that all of her rights were guaranteed. In fact, as I told Senator Harkin recently, I had to take -- go to the rather extreme measure of going to law school and becoming a lawyer to make sure that all of her rights would be enforced. I am also a lawyer right now at the Disability Rights Education and Defense Fund, and I work daily with parents and families of children with disabilities.

It's thanks to the Individuals with Disabilities Education Act that our children had an opportunity for equal educational

opportunity, as other children in our country do. And as the IDA goes through the reauthorization and budget process, Mr. President, we are sure we have your total support to maintain all of the protections and full funding for this critical law.

But because of the skills and experiences that our children have gotten in their education, they really have been given a foundation to participate in the community. My daughter, Chloe, spent years practicing to shop, to handle money, to work, to order in restaurants, and she spent a lot of her education in McDonald's. (Laughter.) But she was prepared, and she was prepared well to go out into the community. The problem was at the late '80s it didn't look like there was much of a community for her to go out into.

Fortunately, in the nick of time, the disability community came through and Congress came through and the President came through and passed the ADA. Basically, what this meant for us as a family and for my daughter was that there was life after school. It meant that there were jobs, that there's transportation, that she could be integrated -- our daughter -- into the economic and social mainstream.

For my daughter in particular it meant that as of six months ago she was able to move out of our family home, into her own apartment, with live-in roommates and attendants, because transportation was now available, programs and services that had been closed to her prior to the ADA were now available. It meant that she could be in community-based programs and not isolated and segregated and warehoused in a sheltered program.

So, for families, the ADA has been quite remarkable in ending the terrible isolation, the loneliness that families with members who are disabled experience -- and the segregation. For families with younger children, it's meant for the first time that day care programs, after-school programs, recreation programs are open to them.

I know when Chloe was young, I was not able to work full-time because there was not child care available, and I could not hire our local teenager on the block to take care of her. This has changed.

However, if the law is new, we have to ward off attacks on the ADA, as on all civil rights laws. We are really looking to you, just as you have on affirmative action, to send a very clear, strong message to this country and to the Congress that the ADA will be implemented and ADA will be enforced. The parent and disability community will be completely behind you, and we are geared up. I can tell you, we are geared up for the fight.

Thank you. (Applause.)

THE PRESIDENT: Thank you.

CHAIRMAN COEHLO: Next we'll hear from Danny Delcambre, Mr. President, who you know, who is the owner and chef of Ragin' Cajun in Seattle.

MR. DELCAMBRE: Hi, I'm Danny Delcambre, and I'm deaf-blind. I'm profoundly deaf, but I can hear two things. I can hear a boom box, the vibrations from that, and I can hear when my wife sneezes. (Laughter.) I also have tunnel vision -- Usher Syndrome. And Usher Syndrome means that, for example, if you were to close one eye and put a straw up to the other eye, that's what I can see. So it's called Usher Syndrome. I'm actually deaf and blind, with retinitis pigmentosa.

But the most important thing to know about me is I'm from Louisiana and I'm Cajun. (Laughter and applause.) I moved to Seattle in 1987, and attended college. Before I moved there my father had told me, "Danny, when you grow up get a job in a Navy base." And I put that in the back of my mind. And that was my goal. So in 1987, when I moved to Seattle, I went to college. I worked at the Lighthouse for the Blind in a machine shop, and I applied to a number of jobs -- Navy bases -- all around Seattle, and was not successful in getting hired. No one would hire me.

So I went back to college and studied machine shop some more. And while I was doing that I was also applying for these jobs and getting turned down. But at my break time at college I went into the cafeteria and I became fascinated with the cooking program that they had. So I decided to change my major and went into culinary education. I was lucky, I got an internship with Paul Prudhomme and worked with him. When I graduated, all the people in my class who were hearing-sighted people got jobs as chefs and cooks. But no restaurant would hire me. They offered me jobs as dishwashers. So I decided to set up my own restaurant. I worked with the Small Business Administration and was successful in getting a loan.

Along the way, I've had people who have had negative attitudes, who have the idea that, oh, a deaf-blind person can't do. And my way of approaching that situation was to look for more positive people. I was successful in setting up my own restaurant, and I showed people now that I could be successful as a chef. I've hired seven deaf people and two hearing people who know sign language to work with me.

The Americans With Disabilities Act is a wonderful piece of

legislation. I remember, I went to the signing of the ADA at the White House five years ago, and I was very proud. And I thought that the ADA would be a wonderful thing. It's helped with the bus services in Seattle. It's helped with interpreting services, in providing relay services for deaf people. So I think that's it's really had some positive impacts.

Thank you. (Applause.)

THE PRESIDENT: I can also tell you that I am a satisfied customer. (Laughter.) It's also resulted in good food. (Laughter.) And I thought I would just ask the two of you together what we could do to increase employment levels, because the unemployment rate among people with disabilities is still about two-thirds, and about 80 percent of the people who are unemployed would like to work and probably could in some form or fashion.

Obviously, if this were -- if we could change this, it would add to the wealth of the country and it would create jobs for other people without disabilities. I mean, if you think about the -- if you look at the results of Mr. Delcambre's restaurant in Seattle, he not only has nine employees and he's not only been recognized as an employer of people with disabilities, but he has contributed to the economy of the city. If you multiplied that times all the people in this country with disabilities who could work who aren't, it would dramatically add to the per capita income of the United States as a whole.

And that's a very big deal now, because even though we created seven million jobs and the unemployment rate has dropped, we're not growing fast enough for people's incomes to go up. There are headline stories now, even Business Week has recognized -- the cover of the last addition of Business Week recognizes that we're in an unusual economic period where we've got all kinds of jobs, but not enough and not enough growth to raise incomes. And if you think about where the opportunities are to raise the growth rate of America, putting all the people with disabilities to work who can work is one, it seems to me, of the most obvious opportunities to add to the stock of wealth.

So I was wondering what advice you have for us specifically on that issue, either one of you.

MS. LIPTON: I think that one of the things that's really critical is job training. People have to be trained for the realistic job market so that they can have the skills to compete in the job market.

I think another problem with a lot of disabled people not working is our benefit structure. Many people who could be working or possibly could be working in some limited way are afraid to work because they will lose their health care benefits, which they depend on for survival. So I think we really need to look at our whole health care system in order to encourage more disabled people to work.

THE PRESIDENT: You know, one thing we did a few years ago, back in 1988, the Congress did when the first big welfare reform bill was passed, was to say people on AFDC who went to work could carry their Medicaid with them for a certain number of months, and the coverage for their children. And it made a big difference. And maybe we ought to have some -- it probably wouldn't be very costly to the country to make some similar provision, especially for people going to work for small businesses that might otherwise not be able to afford a health insurance policy. That's worth looking into.

Thank you. Danny?

MR. DELCAMBRE: Yes. My experience is that -- I've said that ADA, I think it's a great piece of legislation. But five years ago I thought -- when they signed the ADA I thought, oh, this is going to be a wonderful opportunity for people with disabilities, it will help them in getting -- having more employment opportunities, especially for my friends who are deaf-blind. And we do have support there. But I think it really is an attitudinal issue. I think people with disabilities are ready to work; they want to work. And I'm really disappointed not to see an improvement in the job opportunities for my friends.

But there's lots of things that get in the way. For example, with me, my goal is to become a professional speaker. And I wanted to join this organization for professional speakers, and I paid for membership. And when I told them that I was deaf and I needed an interpreter, they told me I needed to bring my own interpreter or I needed to recruit 50 other deaf people to come to their meeting before they would provide interpreters.

My friends have said, oh, Danny, you should get a lawyer, you should sue them, you should go to court. I don't have energy and I don't have time to be filing complaints all the time and to sue people and stuff. My time and energy needs to go into my business. So those are some of the issues that we run into. It's attitudes.

MS. LIPTON: -- transportation is another very critical issue because without accessible transportation people simply

cannot get to work. So --

CHAIRMAN COEHLO: Now, let's hear from Heather Whitestone, Miss America. Heather.

MS. WHITESTONE: I wanted to tell you that I saw your car pass by. I was out to walk, I took a walk and I saw your car pass by as it went to the White House. And I thought, I'm going to see him tomorrow. (Laughter.) It was so funny.

But six years ago, Miss Washington was the best deaf contestant competing for the Miss America Scholarship Program on an equal ground. Six years ago. So I became the second deaf contestant for the Miss American Pageant, and also became the first deaf woman to be accepted as Miss America.

This is a most demanding job, because she's the spokesperson for the platform -- 20,000 miles for a national speaking tour. So this is really unusual for a deaf girl to speak for her platform. Before I competed for this job I had no job experience. I only had experience through my community service, and I baby-sat once. That's it -- in my lifetime. And it just amazed me that I was getting a chance. And I had a strong faith in God and I really believe it is part of God's plan.

But I have been discriminated against before. I have been. And my mother and I, we struggled a lot. And we wonder -- if it was to go to the court, it takes time. It's just so much time. But we just decided to find the obstacle as an opportunity for creative ideas. So we found our own paths to overcome. But success for people with disabilities does take longer, because we have to find the path to overcome.

And I had the opportunity to meet with young people across the country, all people. And I want you to know that young people with disabilities are really working hard, because they have high hopes for their dreams. Some want to be a lawyer -- a lot want to be lawyers. Some want to be astronauts. Some want to be a schoolteacher, and so forth. Just like all of us. And I want them to have the educational opportunities, and education, we have no doubt, will help them to succeed.

And I also had the opportunity to meet businesswomen... And we would talk about ADA a lot -- once in a while. And they think ADA has had good results, but at the same time they are confused and frustrated. It really is frustrating. And I was shocked this year that we still have more than 60 percent of people with disabilities who are not employed. I thought a lot of them had

jobs -- I just assumed until I read the fact.

So my goal as Miss America is to help people both -- people with disabilities and people without disabilities -- to look at each other with a positive attitude. And I want everybody to have equal rights, because I know when we treat everybody fair -- just like my mom treated my sister and me -- my mother always treated my sister and me fairly. Otherwise, we would not obey her. She treated us fairly. She never treated me differently from my sister. She didn't baby me more than my sister, either. She treated us equal. And it gave us more opportunity to work together as a team. Same thing in America.

And that's what's so special about the United States, the good people are united together. The last four letters in the word American spell I Can. So we have the freedom to succeed. The problem is the people's perspective. We handicap ourselves by thinking negative. We need to change our thinking to positive. That's what I feel. (Applause.)

THE PRESIDENT: One of the things that I think is very important in this whole endeavor is what I think you're doing now. I mean, I think that people have to have examples or experience that makes them either think they can do something that they didn't think they could do before, or changes the attitudes of other people who are holding them back. So I think you can have a huge impact on that. But I think that we need to look for other things that we can all do which would also contribute to that.

A couple of years ago -- I can't remember -- maybe it was just last year -- Senator Harkin and I kicked off the telephone relay system, the two-way telephone relay system. And I thought that, in addition to actually enabling people to use the telephone who couldn't before, it would also make a statement that we thought they were important and deserved to be able to use the telephone, and that maybe the statement it made would be just as important as the conversations which could occur.

Do you think a lot of people are using that telephone relay system now? Do you think that more people are using it -- do you hear that? Maybe Danny and Heather both would like to comment on that.

MS. WHITESTONE: Because I had early training when I was little, my mother taught me to listen with my hearing aid. And now I talk on the phone most of the time. And I use TTY sometimes, but I've heard from other deaf people that it's a struggle. Sometimes it's hard to get some help. But I think communication really helps

all of us to pull together, so I do support TTY -- I mean, relay -- a lot, 100 percent. And I talked with him earlier about it.

He had a better explanation. So I asked him, can he take my place? (Laughter.) So he will.. And he can tell you more about it because he's had more experience.

MR. DELCAMBRE: Yes, I do have a lot of experience with the relay in my business and I've been using the relay since 1987, the state relay. And most deaf people really use the relay. We use it to make appointments to go to the doctor, to the dentist for jobs. It would always be better for the hospital to have a TTY itself and know how to use it instead of having to depend on the relay. And sometimes there's a problem with -- (gap in tape) --

-- that they're setting up out there. And TTYs are few and far between. Hearing people are fortunate because you can just walk outside and there will be a phone right there at your service versus us, we have to search for them.

In my restaurants I use the relay every day and I have to use the relay. And some of those operators are very skilled and conversation is smooth and it's just wonderful. I can't speak positively about it enough. But sometimes they have new people who come in and that can really impact my business. I don't answer the phone at all. I just have voice mail. So, when people call in I don't accept -- when I call the relay sometimes they won't accept interpreting both the TTY calls and the voice calls. So, I'll ask to speak to the supervisor and the supervisor always kind of balls them out but it's just a training issue.

So they're still working on the educational issues with the relay and a lot of people have those kinds of experiences with not having people who are educated enough about how to use that service.

MS. WHITESTONE: I also want to add more information to you. Remember I said most young people study harder and need educational opportunities. I remember when I went to school I called my friend and asked her for help for homework and other stuff. These deaf students who go to regular school or who need help from people who can hear, it's harder to get help. And also they want to have social lives -- like more economic competition. I mean we have a lot of deaf people in America, 49 million people with hearing loss, and I believe communication will build the economy more. I really believe that. That's why the telephone is so important. And also many jobs they are required to use the telephone to work together as a team.

So it's really important.

CHAIRMAN COEHLO: Now we're going to hear from somebody, Mr. President, that you may know about. He is part of Americorps right now from Philadelphia, but formerly from North Carolina, Ronnie Pulliam.

MR. PULLIAM: Mr. President, I grew up in North Carolina and I went to school at Temple University and that is where I received my Bachelors Degree. I'm not here because of my speaking ability. I'm here because of my work in the Americorps Program at Temple University's Institute on Disabilities.

As an Americorps member I support Speaking For Ourselves, a self-advocacy group to assist mental retardation -- people with mental retardation who are forced to live in institutions. I, along with other members of Speaking For Ourselves, go out into the community and take these people with us and try to help them see that there is another side. We want to give them an opportunity to see that there are other opportunities that exist out there.

I also provide community service in North Philadelphia and recently provided emergency personal assistance to a man who was temporarily without a home and he needed support because he didn't have support at all. My Americorps colleagues and I surrounded this man, Tom, with assistance so he had an option other than being admitted to a rest home. We feel that there is a greater need for personal assistance services. We do what we can, but there's still a much greater need.

Americorps service has given me confidence in myself as far as I can go out into the community. I know I can go out into the community and make a difference while helping change the lives of other people.

We in the Americorps program want to thank you for giving us an opportunity to go out and make a difference. Thank you. (Applause.)

THE PRESIDENT: I thought you spoke just fine. (Laughter.)

I would like to make one comment about this, and maybe either Senator Harkin or Congressman Hoyer might want to say something, too. First of all, you know I believe in the Americorps program and I think it's done a lot of good. And I think it gives the taxpayers a lot more back than we pay for it by encouraging community service and helping people to pay for their education with no national bureaucracy to speak of. All of these programs

are grass-roots programs. And I thank the Congress, the last Congress and especially Senator Harkin for his leadership role in setting it up.

On the personal assistance issue, let me say that I believe we will never have comprehensive health care reform until we provide more personal assistance for things like in-home care and going to and from work and things like that. (Applause.)

Many of you here know that was a big part of the health care bill I asked the Congress to pass last year. But what you may not know is that I believe it is possible that we can make some progress on that issue this year. (Applause.) And here's how. I have proposed that the Congress, if we're going to say we're realizing some savings from Medicare and Medicaid because we're going to slow the rate of inflation growth, first of all, the cuts have to be far smaller than are proposed by the congressional majority. And, secondly, we ought to take a small amount of that money -- it doesn't have to be a lot of money, but a small amount of that money -- give it back to the states to create the beginnings of more in-home care. You'd be amazed.

If you take any kind of survey in America about what people really want in health care and the number-one thing always comes up from families worried about their older parents, and families with people with disabilities say we need more support for personal assistance in the home or getting to and from someplace, from the home going to and from someplace else.

So I would urge all of you to watch this very closely and see whether or not, if we can't -- when we get down toward the end of this budget debate, if we can't say, look, let's take a small portion of these savings we're trying to achieve from Medicare and Medicaid and put them in to the work of independence and in-home care. We could make a huge difference with a small amount of money because what everybody will see is that it is so cost-effective that that will leverage more funds coming from the states and this thing, I think, will snowball over the next five years where we'll really create a system that the country needs.

So some might think that's too optimistic, but I believe, given the fact that there's going to be -- I think it's going to be a lot more difficult than some in Congress now think to make these big slashes for Medicare and Medicaid. You all ought to come forward, be counted and say, listen, if you're going to slow the rate of inflation, increase the rate of independence, increase the rate of family strength. Give us some beginning framework for in-home personal services. (Applause.)

I think we can do it.

CHAIRMAN COEHLO: Now why don't we hear from Justin Dart, the father of the movement.

THE PRESIDENT: Ever since John Wayne passed on, Justin's had the most famous cowboy hat in America. (Laughter.)

MR. DART: Mr. President, there has been great progress under the ADA and much of it under your administration and with the leadership of Attorney General Reno and some other great members in your administration. But now, on the fifth birthday of the ADA, proposed changes in public spending and public responsibility threaten to devastate the programs that empower people with disabilities to move from institutions and welfare to work and to live like human beings.

And the same few lobbyists who opposed ADA in 1990 have flooded the nation with fallacies about the ADA, the IDEA and people with disabilities.

Fallacy -- people with disabilities are a small minority of tragic victims whose fate is only marginally relevant to Americans. We can take good care of them through welfare and charity. ADA, IDEA -- why?

Fact: Science has created a new human. The average American is going to have a disability at some point in his or her lifetime. Disability will occur many times in every American family. Disability is not them, it's us, all of us.

Fact: Today's Americans with disabilities have a prove potential for productivity and quality of life that is far beyond our strongest and smartest ancestors of just 100 years ago. But we allow old attitudes and old systems to discriminate them out of schools, out of the workplace, out of the community.

Fallacy: ADA idea costs too much.

Fact: Discrimination costs too much. (Applause.)

According to President Bush's estimate, discrimination against people with disabilities cost $200 billion a year and going up. Mr. President, America can't afford another century of discrimination against people with disabilities. The ADA, the IDEA, decent education and health care will pay for themselves 10 or 100 times in every generation.

Fallacy: The ADA imposes abrupt expenses that will bankrupt businesses and communities.

Fact: After five years ADA has caused no bankruptcies, no serious economic problems, not one. It never will.

Fallacy: The ADA will cause an avalanche of lawsuits.

Fact: No avalanche. There never will be because the ADA doesn't allow million-dollar judgments. In five years there have been just 650 public and private lawsuits under the ADA. And, Mr. President, at that rate it will take 50,000 years to sue every business and community covered by the ADA. (Laughter and applause.)

THE PRESIDENT: That's good. (Laughter.)

MR. DART: Mr. President, all of the tiny handfuls of horror story lawsuits that are endlessly cited by the propagandists either lost or were otherwise misrepresented. And implying that these lawsuits were authorized by the ADA is just blatantly dishonest. Now, Mr. President, 49 million Americans with disabilities and our families appreciate your support for our rights, for our education, for our health care. But, Mr. President, we are in trouble. America is in trouble. We need your public leadership on the television -- (applause) -- on the radio, through the newspapers, to the Congress for the ADA, for the IDEA, for the programs that empower us to work and to live like human beings.

And, finally, Mr. President, we love you and we're going to be around in '96. (Applause.)

THE PRESIDENT: I wish you were my speechwriter. There's an opening on our staff there. (Laughter.)

I think that I have to make one serious response to what Justin has said and maybe ask my friend Scott Hitt if he wants to say anything about this.

I have been trying to convince the American people in the last few weeks with these speeches I have given on trying to achieve common ground and affirmative action and the relationship of religion to our school life and the role of the media in building a strong family or tearing it down. All these things. I've been trying to make the point that we are having debates in Washington today that are -- (gap in tape) -- in a heartbeat, and it couldn't be overlooked. (Applause.) You don't have to worry about that. (Applause.)

But that's the good news. (Laughter.) The bad news is that the President cannot force the Congress to spend money. That is where your real battleground is. We'll take care of any attempt to -- those of us here and others -- substantively erode this law. But we cannot force the Congress to spend money.

And we need an outreach to the conservative Democrats, to the moderate Republicans, to people who genuinely want to balance the budget. I do, too. But we need an outreach to say, you know, if we're going to reduce spending, that makes how we spend our money even more important. And we cannot have these sort of back-door extremist arguments.

The reason I mention Scott Hitt, of course, is because of the remarks that Senator Helms made the other day about AIDS education and treatment. And I thought I ought to point out that, given his interest, that -- you know, he said people's behavior caused AIDS; therefore, we should spend no money on education and treatment. And I thought that I should point out that smoking causes lung cancer, but I'm still for research and treatment of cancer.

I mean, this is a -- this country cannot be permitted to reopen all these questions that are fundamental to a society living together and working together and going forward together. But you just need to know what Senator Harkin and Congressman Hoyer are up against, I'm talking, every single day. Questions that had not been really seriously debated for 80, 90 years -- not just civil rights, not just the environment, not just the Americans with Disabilities Act, but the very responsibility we have as a people to work together to solve our common problems.

You know, a lot of disabled workers we'd like to get into the work force because they're low-skilled people would, by definition, start out at low wages. And a lot of them would love to have any kind of job opportunity. But if we don't raise the minimum wage this year, we will be at a 40-year low in the minimum wage next year.

My idea for the 21st century is a smart-work, high-opportunity society, not a hard-work, low-wage society for anybody. That's just an example of what we're up against. So you need to see your battle as a part of a larger debate over what kind of people we're going to be and whether we're going forward together. You can make a lot of unusual allies, and you can do a lot of good in this Congress. There are a lot of people with good brains and good hearts who don't want to be pushed off this cliff, and you can help them to do something about it. You can keep them from being politically disabled in this crazy time, and I want you to do it.

(Applause.)

DR. HITT: Mr. President, as you know, the years of the HIV epidemic have, unfortunately, been marked by ignorance, fear and prejudice. And I can't begin to tell you how deeply grateful the people with AIDS in this country are for your strong, aggressive support for this monumental legislation that has helped them as well.

When you ask what is needed, I think everybody around this table would agree and has already said, your visible leadership. It makes a difference when you speak out. It made a big difference a couple of weeks ago. It did turn things around. And your continued, strong, visible support is what is truly needed. (Applause.)

MARCA BRISTO: Mr. President, as you know the National Council on Disability has been all around America over the last six months meeting with people with disabilities. We've heard from in excess of a thousand people. We saw in excess of 10,000 people from Ohio to Alaska, from Maine to Georgia. And from these people, I present you this report which tells their story of the Americans With Disabilities Act. I promised that I will give you the signed copy and convey to you their heartfelt urging to stand firm behind the principles of the ADA.

These people have told us that the law is making a difference in their lives. Brick by brick, that painful wall of exclusion that George Bush referred to is beginning to come down. And even as we say that, we know there's much more to be done. We continue to hear stories of discrimination.

And, as I mention the ADA, we also heard significantly about IDEA. IDEA is to parents and children what ADA is to adults with disabilities. And the partnership between all of us will be with you as you stand firm in these challenging days to come. Believe me, they're out there.

I did a radio interview yesterday, and they're digging deep now for new myths. Yesterday it was, I hired unqualified disabled workers. Now that the ADA is passed, I won't be willing to take that risk anymore. And I said, it is unfair of you to blame the Americans With Disabilities Act for bad business practice. The law doesn't expect it, and we don't want it. These people don't want it. They want equal opportunity, not charity. And we respect the leadership you've given in urge you to continue on.

Thank you. (Applause.)

CHAIRMAN COEHLO: We're going to have to bring this to a close. But before we do, I'd like to give three individuals who didn't comment an opportunity to make some short remarks if they would. First off, Laurie Powers, would you like to say anything quickly for the President?

DR. POWERS: Mr. President, you started out by asking what it would take for people to be employed at higher levels. And I think that, just as ADA provides the opportunity and has really catalyzed an attitudinal shift in our society, IDEA really is the investment that's required in order for people with disabilities, for youth with disabilities to be able to actualize that opportunity.

And it won't happen unless there are trained Special Ed staff. It won't happen unless there are technologies that are available in schools for children with disabilities. It particularly will not happen if there aren't opportunities for people with disabilities, for youth with disabilities to get that first critical job experience and demonstrate to themselves as much as to everybody else in the world that they are capable of working and standing as typical, capable Americans.

And I really would -- I really support your continued effort in trying to marshal through IDEA, and I hope that we can really keep that essence of that investment in place for youth because if we don't, we are really saying good-bye to our future. (Applause.)

CHAIRMAN COEHLO: Thank you, Laurie. Laurie, as you may know, is Assistant Professor at Dartmouth Medical School. So she has a little bit of experience about what she's talking about there.

Rudd Turnbull. Rudd, do you want to make a couple of short comments?

MR. TURNBULL: Mr. President, General Reno, our son, Jay Turnbull -- his family is out here with me -- has severe mental retardation and he has autism. He is 27-years-old, and when he was born, he was regarded as less able, and, therefore, less worthy.

Today, Mr. President and General Reno, he lives in his own home with people who don't have disabilities. He works at the University of Kansas. He makes more than the minimum wage. He makes so much money that he pays the principal, interest, taxes and insurance on the house that he is buying himself. (Applause.) He lives in Lawrence, Kansas. He contributes to that Social Security fund that we all want to preserve. He pays his own Blue Cross-Blue Shield.

And you might ask, General Reno and Mr. President, how it came about. I'll tell you in a word. It came about because we created a reliable alliance between his family and his friends, between special education and general education, and between his parents and his professionals. And it is that reliable alliance that kept Jay Turnbull safe through all of these years and that will keep him safe.

I was once fond of saying, as was Ann and his sisters, that his greatest social security is his friendship. And we will say it is a great social security. But today, Children's SSI Program is under the wrong knife by the wrong surgeon at the wrong time. And Senators Conrad and Chafee have a chance to save it. Mr. President, by God, so do you.

And I would only say that when you create these reliable alliances, we create a situation that you, in your words, want. We will not waste a single life in America. We didn't waste Jay Turnbull's, and we won't waste anyone else's. And we will be with you all the while on this.

Thank you, General Reno. Thank you, Mr. President. (Applause.)

CHAIRMAN COEHLO: Two more short comments. Julie Clark.

MS. CLARK: I just want to add briefly that, as you continue to be visible on this issue, I would remind you that the ADA also does apply to people with mental disabilities and that tends, I think, to be underemphasized in these discussions.

When the federal court decision was issued in my case, I literally got hundreds of phone calls and letters from people from around our entire country, many of whom did not know or believe that the ADA applied to people with mental disabilities and had very real questions about what did access mean for a person with mental disabilities, what does accommodation mean for person with disabilities?

And most people don't have the energy and the funds and the support to sue every employer that isn't willing to accommodate their needs. But for people who need counseling, for people who have mental illness, there needs to be additional education and discussion about those access and accommodation issues.

CHAIRMAN COEHLO: Thank you.

Last, but not least, from Little Rock, Arkansas, Pat Yates.

MS. YATES: First, Mr. President, let me tell you how thrilled I am to be here, and how excited I am to take the news back to my students. It will be the most exciting beginning of a school year for me to tell my students that the President of the United States cares about you and is listening to people who are advocating for you and are speaking to him on issues that concern you. And I can't wait to tell my students that.

I have a couple of things in response to the discussions I've had with people around here today. It's been wonderful to meet some of these people and to hear their stories. Ms. Lipton told about having to go to law school so she could make sure that her daughter got the services she needed. And that's one of the points I wanted to bring up today -- every parent can't do that.

The majority of parents of my students are themselves struggling to keep their heads above water. Some of them have two or three jobs, and they do not have the time that it takes to devote themselves full time to making sure their child's needs are being met. The bureaucracy and the procedures that they have to go through are intimidating and overwhelming to them.

And oftentimes, once a child leaves the educational system, the ball is dropped because the parents just don't know how to keep the ball rolling. So, somehow, that process has got to be made more consumer-friendly so that everyone doesn't have to be a lawyer to get those rights for their children.

The other thing you mentioned is in-home care and assistance. This is vital. We do our best in the education system to prepare students to go out and have jobs and work and be contributing members of their communities. And once they leave the school, again, oftentimes, there's not that community support to really help them live independently and get to the jobs. And maybe they just need a little help getting dinner made one evening. They don't need someone there all the time in their way. They just need that little extra in-home support,and it's not out there. The Medicaid -- (gap in tape) -- help them feel comfortable with having special needs students in their classrooms. It takes a lot of work. They're anxious about it. They're not comfortable with it. And you need to educate them on what it's going to take and how to modify their curriculum and their program so that these children can fit into their classrooms.

This needs to be done in the community if we're going to increase the number of jobs in the community. Someone needs to be out there helping businesspeople feel comfortable about hiring

people with disabilities and helping them understand what it takes to work with someone with a disability and that they have more abilities to offer than they could ever believe if they would just let them in the door.

Thank you very much. (Applause.)

CHAIRMAN COEHLO: Thank you. Thank you, Mr. President, for your willingness to listen to us for an hour. You are truly our leader. You are truly our hope. With your support and enthusiasm, we can get there. Thank you very much.

THE PRESIDENT: We're going to do fine. Thank you. (Applause.)

END

EMPLOYMENT WORKGROUP RECOMMENDATIONS

I. CREATING A RETURN-TO-WORK SYSTEM

II. REVITALIZING EMPLOYMENT AND TRAINING SERVICES

III. PROMOTING ADA COMPLIANCE

IV. CREATING A MODEL FEDERAL WORKFORCE

V. EMPLOYERS AS PARTNERS

VI. DATA AND RESEARCH FOR POLICY DEVELOPMENT

VII. MISCELLANEOUS

I. CREATING A RETURN-TO-WORK SYSTEM

2. MORE NEW COVENANT IDEAS (CHOICE AND RESPONSIBILITY). MAKE THIS AN OVERARCHING THEME. (WILL EVENTUALLY LINK W/#3) A: Diana

3. CREATE A RETURN TO WORK SYSTEM. (A COMPREHENSIVE REHAB SYSTEM). (Link w/5, 11, 13, 16, 22, 31) (Also see #11)

   (i.e. time limited, cash stipends, voucher for rehab svcs; paid only for long term success; customer choice; education training similar to Pell Grant formula. A: David R: Howard

4. VOUCHERS FOR MEDICAL CARE/INSURANCE. SUBSIDY PHASED OUT WHEN WORKING; MEDICAID BUY-IN. (link w/7, 12, 18, 22) A: ANDY R: SUSAN HILL

5. PHASE OUT CASH PAYMENTS. *KEY IDEA - ECONOMIC INDEPENDENCE - MORE INCENTIVES TO WORK DUE TO CASH IN HAND, EASY BACK -ON. (LINK W/3)

7. REMOVAL OF PRE-EXISTING CONDITION W/PRIVATE HEALTH INSURANCE. (LINK W/#4)

11. WORK SUPPORT ASSISTANCE. (Link w/3)

12. LEGISLATIVE CHANGE IN HEALTH CARE. (eliminate disincentives) (LINK W/4)

13. MAX CHOICE THROUGH VOUCHERS. (LINK w/3).

16. CONSUMER CHOICE - BROAD TERMS NOT JUST VOUCHERS. (LINK w/3). Individuals have resources to pay for services - transportation, PAS, etc., Don't just expect employers, etc. to pay. Eliminate $ from secondary supports.
    - Not means tested.
    - Not related to employment status.

17. ELIMINATE RETIREMENT FOR YOUNG PEOPLE WITH DISABILITIES.
    - be aware of people w/HIV AIDs; terminal illnesses. (Transition) A: Marie R: Brenda

18. EXTEND PREMIUM FREE HOSPITALIZATION COVERAGE FOR WORKING PEOPLE WITH DISABILITIES. (LINK W/4)

22. REMOVE WORK DISINCENTIVES. (Link w/3)
    - Universal Health Coverage;
    - PAS;
    - Consumer control

I. CREATING A RETURN-TO-WORK SYSTEM CONTINUED

23. CHANGE SSA DEFINITION OF SGA (SUBSTANTIAL GAINFUL ACTIVITY) TO SUBSTANTIAL ASSISTANCE. (Link w/#11)

24. CHANGE CASH BENEFIT SYSTEM FROM ALL/NOTHING TO GRADUAL PHASE OUT.

30. MAKE WORK PAY FOR PEOPLE RECEIVING BENEFITS (i.e., EITC).

31. PROVIDER INCENTIVES ON OUTCOMES/CONSUMER CHOICE. (Link w/3)

II. REVITALIZING EMPLOYMENT AND TRAINING SERVICES

2. MORE NEW COVENANT IDEAS (CHOICE AND RESPONSIBILITY). MAKE THIS AN OVERARCHING THEME. (WILL EVENTUALLY LINK W/#3) A: Diana

8. DECATEGORIZING EMPLOYMENT RELATED PROGRAMS SERVING PEOPLE WITH DISABILITIES; i.e. through block grants? (Link w/10 and 37) A: Howard R: David, Stephanie, Paul Mayrand

10. BRING TARGETED PROGRAMS CLOSER TO MAINSTREAM PROGRAMS. (Link w/8).

16. CONSUMER CHOICE - BROAD TERMS NOT JUST VOUCHERS. (LINK w/3). Individuals have resources to pay for services - transportation, PAS, etc., Don't just expect employers, etc. to pay. Eliminate $ from secondary supports.
    - Not means tested.
    - Not related to employment status.

21. CREATE A BUREAU FOR DISABILITIES IN DOL. (Link w/29, 39)
    (Is there a bigger question here? -- Who should be in charge of disability & employment? How is Fed. gov't organized? A: Rick R: Susan Hill, Stephanie, Howard

29. STRUCTURE INTER-AGENCY PARTNERSHIPS THAT REFLECT SENIOR MEMBERS; not staff lines. (Link w/#21)

35. MORE EXPERIMENTATION W/LEARNING:
    - past (what have we learned thus far about programs, what works/what doesn't work?);
    - future (do more experimentation);
    - ongoing evaluation

37. PERFORMANCE PARTNERSHIPS CONCEPT IN REHAB PROGRAMS. (consolidation) (LINK W/#8)

II. REVITALIZING EMPLOYMENT AND TRAINING SERVICES CONTINUED

38. BREAKING OLDER WORKER MYTHS.

?39. GOVERNMENT WIDE AUDIT OF DEFINITIONS USED TO MAKE ELIBIBILITY DETERMINIATIONS FOR BENEFITS & SERVICES FOR WORKING AGE ADULTS W/DISABILITIES. (Link w/21)(REVIEW FOR CONFLICTS, DO THEY WORK AT CROSS PURPOSES, ARE THEY CONSISTENT W/CURRENT NATIONAL POLICY).

III. PROMOTING ADA COMPLIANCE

20. USE SSA MAILING LIST TO EDUCATE PEOPLE RE: CIVIL RIGHTS/ADA, etc. (Link w/33). --HOLD--

32. EXPLORE ADDITIONAL ENFORCEMENT OF ADA - (i.e., employers to particpate pro-actively; use P&A's in enforcement mechanism. (LINK w/9)

33. PUBLIC AWARENESS CAMPAIGN

36. ADA ENFORCEMENT - (Have EEOC give deference to model employers who have ADR (Alternative Dispute Resolution process in place).

IV. CREATING A MODEL FEDERAL WORKFORCE

14. EXPAND DATABASE i.e., Project Able.

15. LIFT FTE REQUIREMENTS ON HIRING PEOPLE WITH DISABILITIES. (LINK w/25).(i.e., schedule A's - exclude attendants and readers from FTE'e.) A: Armando R: Andy

25. MAKE FEDS MODEL (GOOD) EMPLOYERS. (Link w/#15)

V. EMPLOYERS AS PARTNERS

9. TAX INCENTIVES FOR EMPLOYERS: i.e. credits for hiring people with disabilities. (LINK W/27, 32, 34) A: Rick Douglas R: Jane

27. EXPAND TA (outreach to employers, esp. small business). (LINK W/9)

34. TECHNICAL ASSISTANCE FOR EMPLOYERS (LINK w/9)

VI. DATA AND RESEARCH FOR POLICY DEVELOPMENT

1. BUREAU OF LABOR STATISTICS CENSUS BUREAU AMEND THE CURRENT POPULATION SURVEY TO COLLECT AND REPORT DATA ON DISABILITY AND UNEMPLOYMENT ON A MONTHLY BASIS. (LINK W/#14, #21)

- Forecasting where jobs of the future are hooking up for people with disabilities, possibly include w/jobs DOL survey?
- Administrative data;
- include people with disabilities in all natl' data collection;
- Need a Federal report of people with disabilities.

A: Dennis R: Jane

VII. MISCELLANEOUS

6. EXPERIENCE RATE SSDI --HOLD--
*not sure where this belongs-- Q of why do this? to provide $ to support RTW, to promote ADA compliance with reas. accomodation, to provide incentives to keep workers on the job after disability (early intervention), all of the above??

19. AMENDING SECTION 8A. (Small Business Act) (LINK W/40). A: Andy R: Rick Douglas

26. USE PARENTS IN REDESIGNING NATIONAL DISABILITY POLICY.

28. EMPLOYMENT FOR PARENTS WITH KIDS W/DISABILITIES.

40. ENTREPRENEURIAL TRAINING & OPPORTUNITIES W/HIGHER EDUCATION FOR PEOPLE WITH DISABILITIES: (e.g., HARVARD BUSINESS SCHOOL/WHORTON BUSINESS SCHOOL). (Link w/19).

SOME STATISTICS

EMPLOYMENT: Of the 15.6 million working age adults (16 to 64) who report a work disability, 10.2 million, or 65.5% are not in the labor force. (Current Population Surveys 1992, 1993).

HISTORY: In 1986, 66% of 1000 people with disabilities who were surveyed were not employed; in 1994 68% of those surveyed were not employed. (Louis Harris and Associates 1986, 1994)

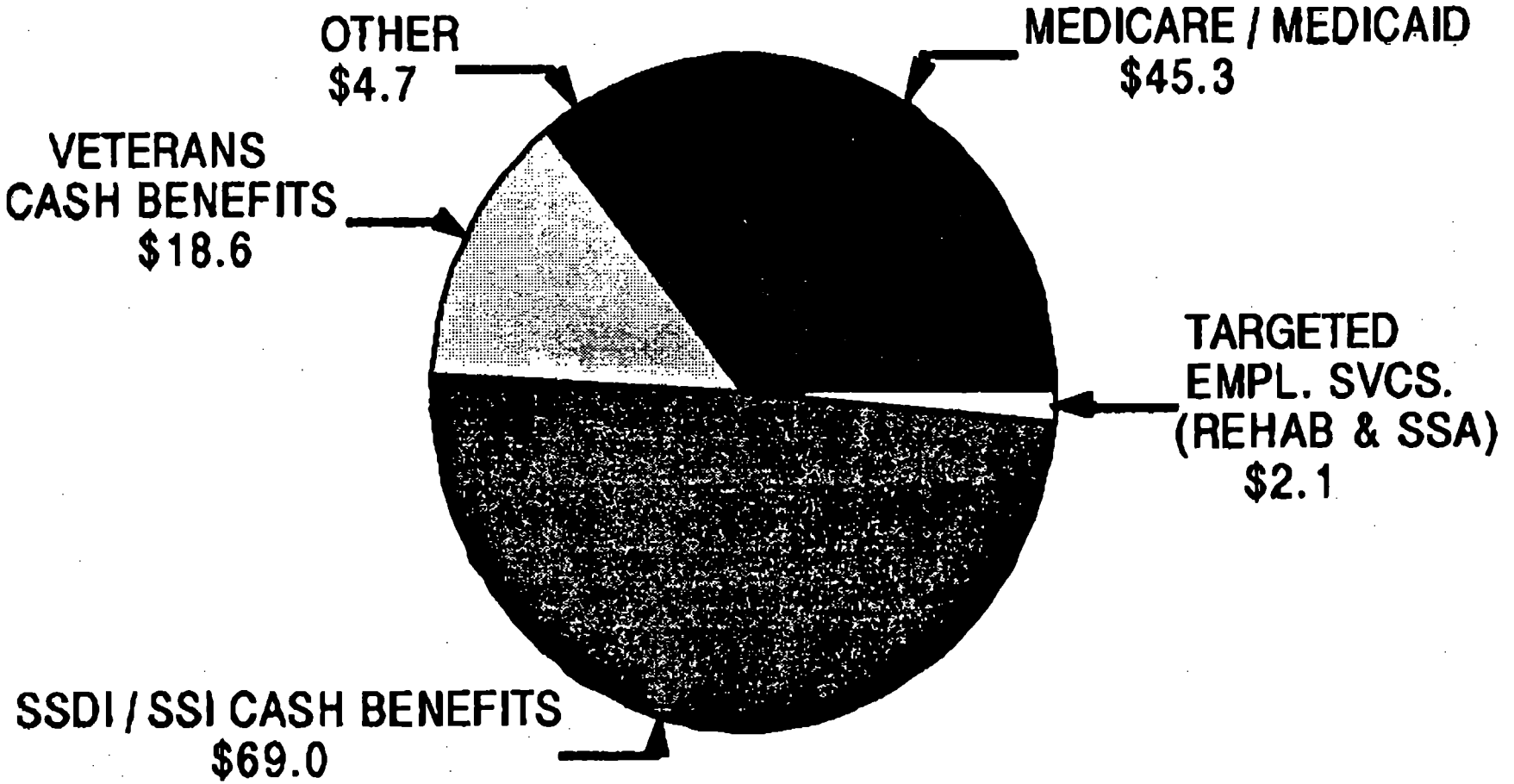
POVERTY: People with disabilities who work full time have a 12.3% poverty rate, compared to a 2.65% poverty rate for full time workers without disabilities. (CPS 1993).

FEDERAL EXPENDITURES: The number of working age adults on Federal disability income support increased from 4.2 million to 6.2 million more than doubling the cash outlay from 21.7 billion in 1984 to over 48.3 billion in 1994. (SSA 1994)

YOUTH: The number of SSI and SSDI beneficiaries under age 30 increased by 43% between 1989 and 1993 (SSA 1994).

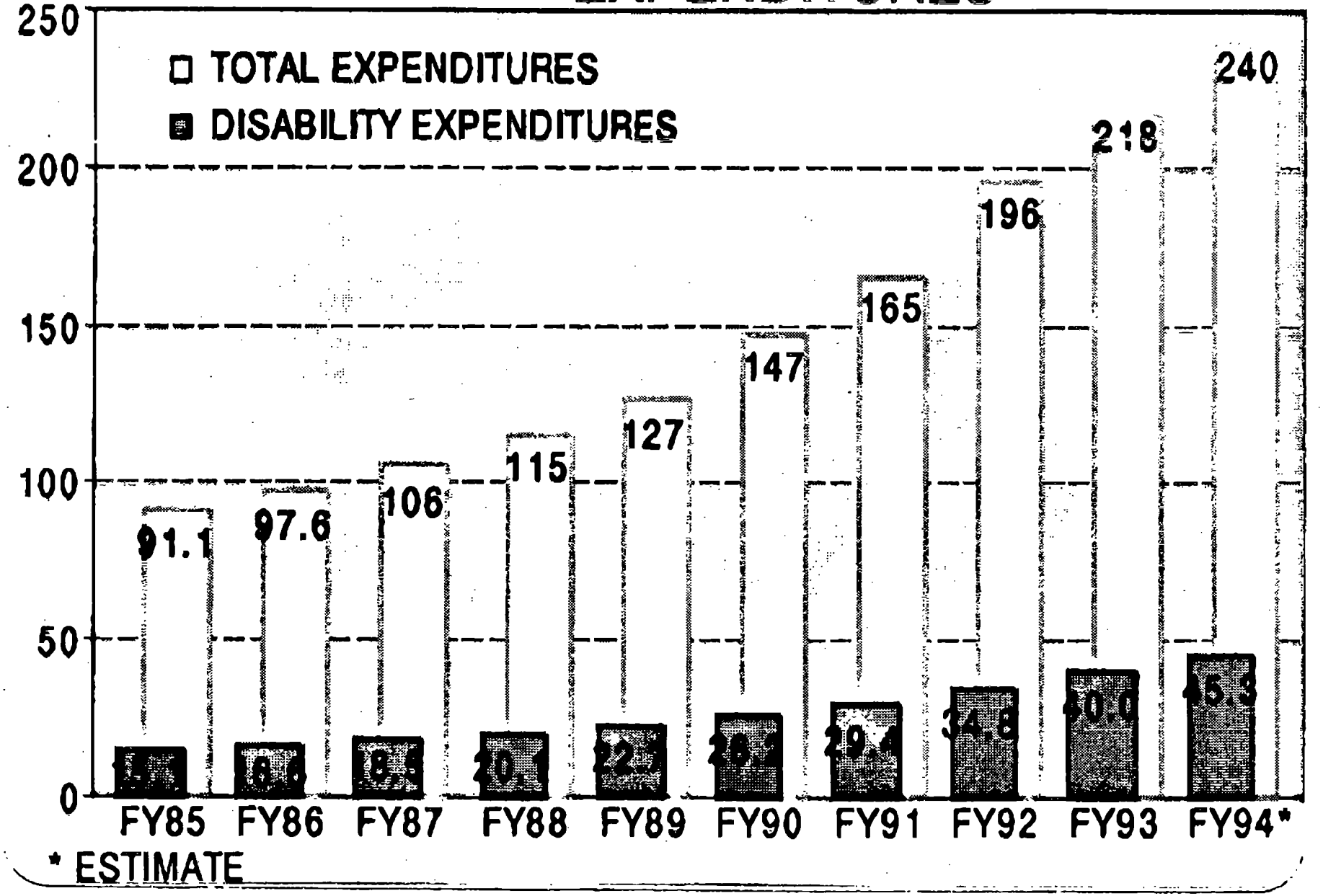
PROGRAMS FOR PEOPLE WITH DISABILITIES

FEDERAL EXPENDITURES IN BILLIONS OF DOLLARS
FISCAL YEAR 1994



ESTIMATES BASED ON AGENCY REPORTS TO THE WORKGROUP

MEDICARE AND FEDERAL MEDICAID EXPENDITURES



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FINDINGS OF THE EMPLOYMENT WORK GROUP OF THE NATIONAL DISABILITY POLICY REVIEW

FINDINGS

FINDING 1: People with disabilities are significantly less employed than people without disabilities and have been over many years; and, when people with disabilities do work they are disproportionately adversely affected by changes in the economy and the labor force.

FINDING 2: Many people with disabilities who are not working can work (with appropriate accommodations and supports) and want to work.

FINDING 3: People with disabilities report the following reasons as to why they are not employed: lack of access to health care; loss of income from benefits when returning to work; lack of support services, particularly long term support services; and employment discrimination.

FINDING 4: While employers report many positive experiences with their employees with disabilities, they continue to encounter significant barriers to employing people with disabilities.

FINDING 5: People with disabilities are a vastly diverse group with a myriad of employment related needs.

FINDING 6: Too frequently, youth with disabilities do not move toward independence during their years of transition from school to the adult world.

FINDING 7: The unemployment and underemployment status of people with disabilities has not been considered in the nation's overall employment policy and goals.

FINDING 8: The Federal government has played, and continues to play a crucial role in the lives of people with disabilities.

FINDING 9: Expenditures for income maintenance (SSI and SSDI) for people with disabilities have doubled in the last 10 years are likely to more than double again in the next 10 years.

FINDING 10: Mainstream employment and training programs are not funded as the primary vehicle for providing employment and training services for people with disabilities and thus may have limited ability to impact the high rates of unemployment for this group.

FINDING 11: Targeted vocational training and rehabilitation/ return-to-work programs for people with disabilities do not have the resources to serve all individuals who seek services; and, confusion exists between mainstream programs and targeted programs regarding their roles in the delivery of services.

FINDING 12: In disability related programs the decision-makers are service providers and program administrators, not customers.

FINDING 13: For millions of Americans with disabilities, pursuing employment is an irrational act because Federal income maintenance programs operate in conflict with Federal employment and training programs; the two sets of programs work at cross-purposes in terms of providing incentives for employment; and, work does not pay enough to overcome the loss of in-kind benefits such as health care, food stamps, subsidized housing, and/or cash benefits.

FINDING 14: The structure, regulations, and administration of Federal employment programs for people with disabilities focus on process, not outcomes.

FINDING 15: Despite Federal efforts to enforce anti-discrimination statutes, people with disabilities continue to face discrimination in employment and related areas such as housing, education and transportation.

FINDING 16: Federal data collection, reporting, linking and analysis of statistics about people with disabilities is inadequate in both population-based surveys and administrative data sets.

FINDING 17: The Federal government could do more to promote the hiring of persons with disabilities.

FINDING 18: It is generally acknowledged that Federal employment and rehabilitation programs lack an early intervention focus and are ineffective in assisting workers to maintain employment after the onset of disability.

RECOMMENDATIONS

I. CREATE A FEDERAL RETURN TO WORK SYSTEM

II. REVITALIZE FEDERAL EMPLOYMENT AND TRAINING SERVICES

III. PROMOTE COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

IV. CREATE A MODEL FEDERAL WORKFORCE

V. MAKE EMPLOYERS OUR PARTNERS

VI. IMPROVE DATA AND RESEARCH FOR POLICY DEVELOPMENT

VII. MISCELLANEOUS

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

03-May-1996 09:53am

TO: fortuna_d

FROM: Bob Williams

CC: Carol Williams@ACYF.CB@ACF.WDCJoan

SUBJECT: Roundtable Discussion

Last year staff at the Administration on Children and Families briefed Carol Rasco and the Domestic Policy Council on the Administration's initiative concerning children with disabilities. Prior to that briefing, Carol Rasco had just visited Bananas, Inc., one of our Projects of National Significance located in Oakland, California. She was extremely impressed both by what they are doing and what still needs to be done. Carol mentioned at the time her desire to arrange a roundtable discussion of the disability, childcare, and foundation communities. Given both the shrinking discretionary resources and the enormous need, such a partnership effort is both critical and timely. Carol Williams of the Children's Bureau, Joan Lombardi of the Child Care Bureau as well as myself would like to meet with you to discuss this strategy for assuring the future of an effective safety net for children with disabilities.

Recognizing that increased access to child care is important for families of children with disabilities, particularly where there is the likelihood of abuse, we would like to meet with you to discuss how we might work together to orchestrate such a roundtable. I have been working since that time in developing collaborative opportunities with both Carol Williams and Joan Lombardi, and would like to discuss our thoughts on this important issue.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-May-1996 09:27am

TO: Diana M. Fortuna

FROM: Carol H. Rasco
Domestic Policy Council

CC: Elizabeth E. Drye

SUBJECT: RE: Developing a roundtable on on child care/disability

I would be very interested in any of their thoughts...it is a critical issue and if a roundtable held at White House that really dives into the issue and doesn't just do "for show" talking can be done and they agree it is the most productive thing to do I would be very, very interested in leading it or assisting. The topic is one I am quite interested in pursuing and again, am open to their thoughts.

EXECUTIVE OFFICE OF THE PRESIDENT

23-May-1996 12:42pm

TO: Diana M. Fortuna

FROM: Lisa B. Fairhall
Office of Mgmt and Budget, HRD

SUBJECT: RE: Your question on accommodation fund for disabled

Maybe, instead of a central fund, a directive to heads of agencies, or some other coordinated guidance. We can talk about this further if you like.

Note to Diana Fortuna:

I received a message from the Internet Manager that the attached e-mail to you was undelivcrable. I will figure out what I have been doing wrong. In the meantime, I am simply faxing this to you.

Thanks.

Howard Moses

Author: Howard Moses at WDCI02
Date: 3/29/96 8:14 AM
Priority: Normal
TO: Diana M. Fortuna_D@al.eop.gov at INTERNET
CC: Judy Heumann
Subject: Effect of SSA policies on VR

---------- Message Contents ----------

Diana:

As I'm sure you know, SSA recently revised management procedures and polices regarding the PASS program. This action was taken in response to a GAO report critical of PASS.

Also, SSA is preparing to publish in the Federal Register in the coming week proposed procedures allowing alternative rehabilitation service providers to provide the range of services needed to place SSI and SSDI referrals in employment. This would happen only after a State VR agency has either waived its first right of acceptance or 120 days has lapsed.

Jerry Elliott, Rehabilitation Services Administration, has prepared two brief descriptions of potential impact the SSA policy changes will most likely have upon the Vocational Rehabilitation program. I am attaching both pieces as I thought they would be helpful to you.

Please keep in mind that the alternative service provider policy is viewed by some in the rehabilitation system as the first step to privatizing the State VR system. I believe most people view it as a reasonable policy. It does point out the need for on-going communications between SSA and RSA, and that communications has received renewed efforts by all parties. We believe the outreach effort OSERS has initiated in preparation for the reauthorization of the Rehabilitation Act will be a positive step towards furthering such discussions.

Jerry Elliott and/or I is/am available to answer any questions you might have after you have had a chance to glance at the papers. Don't hesitate to call me (205-5465) if there is anything I can do.

PLAN FOR ACHIEVING SELF-SUPPORT (PASS)

DISCUSSION POINTS

March 7, 1996

Current Situation

On February 28, 1996, GAO released a report on the PASS program entitled, "PASS Program: SSA Work Incentive For Disabled Beneficiaries Poorly Managed." On the same day, SSA announced several changes to the administration of the PASS Program. The announced changes include:

A recommitment to the goals of self sufficiency, individual responsibility, and less reliance on the SSI Program, including a rewriting of PASS operational instructions to clarify and reinforce this emphasis.
Effective immediately all PASS plans will be reviewed and approved by a cadre of trained vocational specialists in Baltimore, rather than being approved by the staff in field offices.
The period between PASS Plan reviews has been shortened from 18 months to 12 months. At the time of the next review, PASS Plans will be reviewed to make sure they meet the improved standards.
SSA is developing a legislative initiative that will eliminate the currently allowable use of PASS Plan income exclusions to establish SSI eligibility.

History

SSA had been conducting internal studies of changes in the PASS Program prior to the GAO study. An internal SSA document referring to an August 10, 1995 meeting outlined in an action memorandum 13 recommendations for changes to the PASS Program. These recommendations include:

Restrict PASS eligibility to persons already eligible for SSI.
Approve only expenses which are at additional cost to the individual and needed to reach the vocational goal.
Approve only costs related to starting a job or business, but not ongoing costs.
Require evaluation of the least costly alternative to provision of a needed service, i.e., transportation.
Limit approved goals to entry level positions.
Do not approve a new PASS without evidence of inability to obtain employment in the original goal.
Refocus the evaluation process to emphasize intermediate steps and how goals will be accomplished.
Develop a national form for PASS Plans.
Develop checklists to assist in PASS Plan evaluation.
Provide workload "credit" for reviewing a PASS Plan.
Develop a cadre of consultants to help claims representatives write PASS Plans.
Develop a supporting management information system.
Disallow fees within the PASS Plan that would be paid to third parties for monitoring.

Discussion

It seems clear that the four changes mentioned in the Current Situation section relate to the points mentioned in the action steps paper summarized under the History section above. We do not know how many of the points included in the History section were approved and are scheduled for implementation, or which might be being implemented in the revision of the PASS policies and procedures. We have

been told that SSA will be contacting RSA within a week or two to inform R.A. of the plans for changes in the PASS Program. The GAO study release may have accelerated the timetable for implementation, or provided the external support for making the changes. Taken together, the points listed above raise questions about the impact of PASS Program changes on supported employment.

Eliminating use of PASS Plans for ongoing expenses may eliminate the required source of funds for extended support for persons with disabilities who are not eligible for DD or mental health funding.
Indefinite continuation of successive PASS Plans would be eliminated unless the vocational objective has changed or the plan failed.
Elimination of third party payments for PASS Plan preparation and monitoring may affect community rehabilitation programs and who provide the specialized extended support services.
The net effect of the possible changes is to negate the use of PASS Plans in ways originally sponsored and encouraged by SSA, including the use of PASS Plans to make individuals eligible for SSI and therefore for Medicaid coverage.

Comment

When reading the PASS regulations that have been in effect since at least 1990, it seems clear that most of the above changes are consistent with the intent of the PASS Program. It is likely that the intent of the PASS Program was to achieve self-support as implied in the program name, not to achieve a goal of long-term continuous dependence on SSI support of vocational expenses and resource acquisitions. Nevertheless, the abrupt change could have a significant negative impact of supported employment providers, persons with disabilities who use PASS Plans, and those state VR agencies who most heavily participate in supported employment. One possible response from RSA might include a request for some sort of notice and/or gradual implementation of those provisions that are most harmful. This might allow both state agencies, vendors, and persons with disabilities time to consider alternative arrangements.

SSA ALTERNATIVE PARTICIPANTS DISCUSSION POINTS

March 7, 1996

Current Situation

On February 9, 1996, the Social Security Administration issued a presolicitation announcement for the purpose of recruiting alternative participants to provide rehabilitation services to SSA disability beneficiaries and SSI recipients. This announcement also indicates that a formal solicitation and request for proposal (RFP) for alternative participants will be issued on or about April 1, 1996. As currently proposed, the alternative participants will be required to meet the following conditions.

The State VR Agency (SA) has first chance to accept any or all referrals. If no action is taken within four months after the month of referral, SSA may refer the case to an alternative participant.

Alternative participants are required to have procedures and safeguards similar to those of the SA. including state plans, IWRP's, case file requirements, and presumably client choice protections.

Reimbursement rules will be the same as for SA's. Alternative providers will need to pay for all costs up front. It is not clear how much the alternative providers will be allowed to charge for indirect costs and counseling and guidance services.

Rules for determining success and/or eligibility for reimbursement will likely remain the same as they are now. Clients will have to complete the trial work period before reimbursement is made. It is not clear whether alternative providers will be eligible for forward funding.

Discussion points regarding the effects of alternative participant programs under the current operating rules

SA's may lose reimbursement revenue.

This might occur because the agency is not making decisions fast enough and clients are referred out. Alternative participants might also use up a significant share of the available reimbursement funds, leaving less for SA's.

State DD and mental health agencies who have their own state or federal funds to provide vocational services may be alternative participants. Large sheltered workshops with product or contract income may also be able to risk the up-front costs. Private for profit and private non-profit vendors not associated with DD or mental health systems would be unlikely to participate because of the financial risk.

Could this be a precedent for directly funding rehabilitation services to specific disability groups or agencies rather than operating a system for all persons with disabilities?

How should RSA and/or the SA's respond to this program initiative on the part of SSA?

What steps should RSA and/or SA's take with regard to the basic need of SSA to refer more clients and get more positive results?

Potential future changes in alternative participant programs and the possible effect on SA's.

SSA may be considering removal of the SA right of first choice relative to serving beneficiaries and recipients. The state agency would compete as just another vendor among many.

The most likely to succeed group of persons might be claimed by alternative providers, leaving SA's with their statutory duty to work with the most difficult cases for which reimbursement may be least likely.

SSA is considering a number of way to change the reimbursement system to encourage the participation of more alternative providers. These include partial up-front payments for completion of benchmarks such as initial evaluation, job placement for 60 days and so on. Another proposal recommends payment for success of a percentage of the savings to the trust fund, allowing a vendor to potentially receive considerably more reimbursement than actual costs.

These changes make it much more likely that the private for profit rehabilitation service providers would enter the alternative participant arena. The profit motive would again encourage selecting the youngest and least difficult cases in order to maximize reimbursements.

SA may be moving toward a more managed care, cost containment philosophy, perhaps somewhat similar to that of worker's compensation agencies. The philosophies of SSA and RSA/SA's may come to differ with regard to client choice, serving the most severely disabled, and limits SSA might try to impose on rehabilitation provider actions stemming from the goal of saving money for the Trust Fund as opposed to meeting the needs of persons with disabilities.

Conclusions, Questions and Recommendations

A major question related to either the current or future structure of the alternative participant model is the impact a successful demonstration of such a service delivery structure would have on the ultimate need for SA's. Especially in the expanded scenario with many provider options and possibly with the addition of a client voucher feature, the person with a disability would be maximally empowered to choose a service provider. This type of option was considered in a weekend conference sponsored by the World Council on Disability. Active participants included Susan Daniels from SSA and Monroe Berkowitz.

A second issue is the potential move of SSA toward a more aggressive, managed care, benefits termination philosophy and the potential for even greater philosophical contrasts between the two rehabilitation systems.

How should RSA and/or the SA's attempt to track and/or be involved in the developments at SSA in regard to alternative providers?

Possible actions might include the following.

RSA might ask to be included in the selection of alternative participants as responses to the RFP are reviewed.

The RFP itself should be analyzed for comparability to the RSA/SA requirements for things such as client protections, assurances and so on, and a response prepared if the RFP contains features which substantially alter the "level playing field" between the SA's and the alternative participants.

RSA may also want to get ahead of the curve by asking to be included in the process by which SSA develops policy and legislative initiatives related to the rehabilitation program.

April 26, 1996

TO: Diana Fortuna

FR: Judy Chesser

Per our conversation

- 15 pages total →

International Association of Machinists and Aerospace Workers

9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500

OFFICE OF THE INTERNATIONAL PRESIDENT

3/25 copy to Jm O'C for response

GOV-2
Social Security
Administration

March 18, 1996

Mr. Harold Ickes
Assistant to the President/
Deputy Chief of Staff
1600 Pennsylvania Avenue, N.W.
1st Floor, West Wing
Washington, DC 20500

Dear Mr. Ickes:

I have attached, as you will note, a copy of a letter and a concept paper I sent to Acting Commissioner, Ms. Shirley Chater of the Social Security Administration, expressing our union's willingness to work with her in addressing the urgent need to curtail the rapid rise in the number of cases on the Social Security Disability Insurance rolls which now significantly incur expenditures of over $50 billion per year.

As you are no doubt aware, the Advisory Council on Social Security on which I served, expressed its deep concern about the increasing caseload in the disability insurance program and the trustees' project that the disability trust fund will be exhausted in the not too distant future.

The human service arm of our union, the International Association of Machinists Center for Administering Rehabilitation and Employment Services (IAM CARES), has had over a decade and a half of highly successful experience in managing and conducting rehabilitation and employment programs in cooperation with a number of the 6,338 firms under contract with IAMAW. Consequently, our resources are well positioned to offer valuable assistance in helping to alleviate problems confronting the Social Security Administration.

Our proposed initiative in this respect offers the potential to (1) save the Trust Fund millions of dollars, (2) provide jobs for people with disabilities, and (3) demonstrate timely action in this highly sensitive political year.

I appreciate any assistance you may be able to render in stimulating a discussion on the merits of our proposal. Your assistance is deeply appreciated. Thank you so much.

Sincerely,

George J. Kourpias
INTERNATIONAL PRESIDENT

International
Association of
Machinists and
Aerospace Workers

9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500

OFFICE OF THE INTERNATIONAL PRESIDENT

GOV-2
Social Security
Administration

March 18, 1996

Ms. Shirley Chater, Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Commissioner Chater:

I am pleased to advise you that I was honored to have served as a member of the Social Security Advisory Council. I appreciated the opportunity to work with other interested parties in ensuring continued viability of this important asset for American workers. In 1938, organized labor was instrumental in bringing about the enactment of the original Social Security Act, and serving on the Council enabled me to continue our union's commitment to our members and our community. The International Association of Machinists and Aerospace Workers (IAMAW) has had over a century of commitment and a tradition of service in nurturing advances in social and economic justice for the American worker.

In respect to my membership on the Social Security Advisory Council, I share the deep concern with other members of the Council about the rapid rise in the number of cases on the disability insurance rolls. This number is now approaching 9 million beneficiaries at an expenditure exceeding $50 billion per year.

Our union's human service arm, the International Association of Machinists Center for Administering Rehabilitation and Employment Services (IAM CARES), has had over a decade and a half of experience in managing and conducting rehabilitation and employment programs in cooperation with firms under contract to IAMAW as well as others, to return people with disabilities to gainful, competitive employment. In fact, from 1987-1989, IAM CARES conducted a preliminary demonstration program for SSDI/SSI beneficiaries who manifested some interest in returning to work with promising results. These programs span the nation and have been highly successful.

I believe it will be of special interest to SSA, that IAMAW has also developed a national model in the Health & Safety Institute established at the Boeing Company in Seattle, Washington and Wichita, Kansas. The Institute provides prevention and return to work programs for employees with disabilities. This is a unique and remarkable program -- a joint union/management return to work program which demonstrates cost savings to employers and jobs for people with disabilities, thereby reducing the disability rolls and lowering the costs. I believe that this model may be of special interest to SSA.

I have asked my staff to prepare a concept paper describing a proposal for your consideration. Specifically, we are proposing to establish a Research and Training Center as a joint venture between IAMAW, IAM CARES and the Social Security Administration. The Research and Training Center would be tailored to meet the needs of SSA beneficiaries and integrate successful Return to Work approaches.

I have been advised that currently only one half of one percent of the beneficiaries on the SSDI rolls return to gainful employment. Significant data compiled by GAO, SSA, the Census Bureau, and independent researchers indicate that approximately 50 percent of all beneficiaries would return to work, if they were offered a job. Of course, the problem is more complex than a job offer. The Research and Training Center would address these complexities by creating a focal point for reemployment strategies that involve joint problem solving by workers and employers.

In view of the discussion above, I believe IAMAW and its human service arm, IAM CARES, can save the nation millions of dollars - perhaps even billions - through a joint venture with SSA. This partnership arrangement would assist disability beneficiaries obtain employment in the competitive labor market and provide technical assistance to employers, other unions, and service providers.

This issue needs to be addressed on a priority basis. It is not only a matter of saving large sums of money, which indeed is highly important, but in addition, it would benefit the nation through increased productivity and services. The humanitarian dividends that would accrue to the beneficiaries are also an important consideration. We believe our proposal makes good sense.

I look forward to your reply to explore possible options in how our staff may proceed to develop a partnership or some other working arrangement between IAMAW, IAM CARES and SSA.

Thank you for your consideration.

Sincerely,

George J. Kourpias
INTERNATIONAL PRESIDENT

cc: Harold Ickes

Concept Paper

INTRODUCTION

IAMAW proposes to establish a Research and Training Center that would be managed and operated by IAM CARES, the human service arm of IAMAW. IAM CARES is a non-profit organization chartered to assist people with disabilities to achieve personal, social, and economic independence though the intervention of rehabilitation and employment services. IAM CARES has a highly experienced professional staff complemented by leading national researchers, as well as expert consultants fully experienced and knowledgeable on social security matters. IAM CARES has access to a national network of corporations under contract with IAMAW, other Union affiliates and non union employers.

STATEMENT OF THE PROBLEM

The establishment of this center is particularly relevant at this time. Not only are disability programs in serious financial straits, but the entire social security system is in jeopardy. According to trustee projections they are likely to become insolvent by the year 2020. Social Security Disability Insurance counts nearly 9 million working age adults on their rolls, at a cost exceeding $52 billion dollars per year. This represents an increase of more than 50 percent over the last 5 years.

Another factor is a long-term policy that has been adopted to preserve the financial viability of the social security retirement program -- raising the retirement age. In the future, as planned, the retirement age will be changed from 65 to 70

years of age. This seems rational as life expectancies are extended. However, since there is such a high correlation between age and the incidence of disability, much of the expected savings in the trust fund of the OASI program may be spent on DI benefits unless a much greater percentage of current and potential DI beneficiaries can return to work.

MISSION OF THE RESEARCH AND TRAINING CENTER

The mission of the proposed Research and Training Center (RTC) is (1) to assist SSA in containing the costs of disability benefits and (2) to improve the quality of life of those who demonstrate the capacity to return to work through the intervention of rehabilitation and employment services.

METHODOLOGY

The over arching objectives for the Research and Training Center (RTC) are:

① Developing a network of employers to extend and further test current Return to Work (RTW) efforts;

② Testing the effectiveness of RTW approaches at pilot sites around the country;

③ Evaluating the effectiveness and replicability of RTW practices; and

④ Conducting dissemination, training and technical assistance activities.

Specific strategies associated with each objective are outlined below.

Developing a network of employers to extend and further test current Return to Work (RTW) efforts:

a. Identify selected representatives from the 6,338 employers under contract with IAMAW, representing diverse geographic, demographic and industry characteristics;

b. Form a joint venture between union representatives and management and the local SSA office at each site.

c. Survey and identify other IAMAW, AFL-CIO and non union employers with demonstrated interest in establishing RTW centers in collaboration with local SSA offices and other service providers.

d. Establish and maintain a list of employers and unions indicating interest in RTW outcomes and activities.

Testing the effectiveness of RTW approaches at pilot sites around the country

a. Establish a National Advisory Council whose constituency may include representatives from IAMAW, SSA, AFL-CIO, DOL, President's Committee on Employment for People with Disabilities, Rehabilitative Services Administration (ED), HHS, and Consumer Groups.

b. Establish working partnership groups at pilot site locations to include employers, union leadership, SSA representatives, consumer groups, and other service providers.

c. Identify workers who are or become disabled and would be willing and able to return to work under the proper conditions.

d. Develop methods of aiding beneficiaries to return to productive employment and identify selected intervention strategies to meet the needs of diverse workers.

e. Operate and test job accommodation techniques.

f. Identify barriers and solutions to obstacles created by the workplace, community or worker.

g. Develop plans and model strategies for increasing the cooperation between government, labor, employers, professionals, and insurance carriers to facilitate return to work.

Evaluating the effectiveness and replicability of RTW practices

a. Develop a research model that results in reliable quantitative and qualitative data for the purposes of evaluating the effectiveness of RTW strategies, benefits to disabled workers and their employers and prospects for nationwide replication.

b. Establish baseline data upon which to compare RTW outcomes.

c. Identify methods for analysis and sources of data.

d. Identify best practices and document lessons learned.

e. Utilize evaluation results for replication and new RTW demonstration projects.

Conducting dissemination, training and technical assistance activities

a. Prepare a best practices manual that can be used for replication and dissemination.

b. Prepare a report to the Commissioner that can be used to formulate government policy.

c. Provide training of rehabilitation and other appropriate professionals to effectively serve workers who become disabled or who wish to return to work.

d. Provide technical assistance to employers and union leaders to establish RTW programs. Note: technical assistance would

be provided at IAMAW's Training Center in Placid Harbor, MD, at other Union Training Facilities; in conjunction with national and regional conferences sponsored by consumers, service providers and industry; and on site at locations that are planning to implement RTW programs.

e. Collaborate with the university based schools in labor studies.

f. Publish information in consumer, professional and business publications.

g. Participate in national, regional, state and local conferences, workshops, seminars and forums.

REHABILITATION - THE RECORD

The Social Security Administration currently reports that state VR agencies accomplish only a one-half of one percent success rate in the training and employment of beneficiaries. This abysmal record is due to multiple factors. One factor is that state vocational rehabilitation agencies continue to have a monopoly on reimbursement of costs for training and placement services for social security disability beneficiaries.

The first IAM CARES program was launched in 1980 in recognition of the need by IAMAW for union and industry involvement in the rehabilitation process. For the last 15 years, thousands of people with disabilities have been assisted in obtaining jobs. From 1987-1989, IAM CARES conducted a preliminary demonstration program for obtaining jobs for SSDI/SSI beneficiaries with promising results.

Unique to IAM CARES programs is its contextual approach to rehabilitation and training. Active involvement by IAMAW representatives, Business Advisory Council members, employers and other AFL-CIO affiliates provides a direct link between the worker and job setting. IAM CARES balances employer needs with worker needs. To the greatest extent possible services are provided at work site locations. The range of services provided by IAM CARES with its union and employer partners include:

- **Assessment** to determine the interests, aptitudes, and abilities of the individual with a disability.
- **Job readiness** to ensure that the beneficiary is prepared to perform the job in which he or she will be placed.
- **Job development** to provide jobs that will be available when needed.
- **Job modification** to adapt job requirements to individual's capabilities.
- **Job analysis** of previously held positions and new positions.
- **Job training** to provide the occupational skills for the specific job in which the disabled individual will be placed.
- **Industrial evaluation** to confirm during a trial period that the beneficiary can meet the requirements of the job.
- **Job placement**, matching the job to the individual.
- **Safety and prevention** awareness activities are integral to IAM CARES services.

- **Follow-up** to ensure that the placement is satisfactory both to the applicant and to the employer.
- **Support services** to solve problems which might affect the ability of the employee to succeed and remain in the job.

IAMAW has already developed a national model through the Health & Safety Institute established at Boeing Aircraft in Seattle, Washington and Wichita, Kansas. Prevention and return to work programs for employees with disabilities are provided through the Institute. This is a unique and remarkable program -- a joint union/management return to work program which provides ① cost savings to employers and ② jobs for people with disabilities. This program has successfully reduced the number of individuals on the disability rolls and has lowered costs to employers and public programs. An important factor is the planned merger of IAMAW, UAW and USWA and the potential pool of employees within these unions, as well as other AFL-CIO affiliates. In keeping with IAM CARES practices, RTW programs would also be established for non union employers and workers.

<u>OUTCOMES</u>

Our proposal is a practical plan to improve the solvency of the Social Security disability program and at the same time provide opportunities for workers with disabilities to contribute to the nation's productivity. This will be accomplished by:

- Providing a significant savings to the retirement program.
- Reducing costs for employers and insurance companies.

- Obtaining jobs for people with disabilities in fulfillment of the promise in the Americans with Disabilities Act.
- Increasing productivity and services (GDP).
- Protecting the availability of funds to pay benefits to the severely disabled who cannot work.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL # of pages ▶

To Grootrian/Fortuno | From Gary Thorne

Dept./Agency | Phone # 965-3435

Fax # 202456-7028 | Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

SOCIAL SE

Office of the Co...

May 16, 1996

MEMORANDUM FOR THE HONORABLE LEON PANETTA

FROM : Shirley S. Chater Shirley S. Chater
Commissioner of Social Security

SUBJECT: Social Security Administration's Weekly Report--
May 20-31, 1996 INFORMATION

KEY AGENCY NEWS

- **SSA's Office of the Inspector General's (OIG) Accomplishments:** SSA's OIG's semiannual report, which is scheduled to be released at the end of May, will indicate that its efforts resulted in 326 criminal convictions and recovery of more than $9.6 million in fines, judgments, and restitutions. The $9.6 million recovered is more than double the amount recovered over the previous 6-month period. This is the second IG report since SSA became an independent agency one year ago.

- **GAO Final Report, "SSA Disability: Program Redesign Necessary to Encourage Return to Work:"** Conducted at the request of the Senate Special Committee on Aging, this review's objective was to determine why very few beneficiaries who receive Social Security Disability Insurance and/or Supplemental Security Income benefits have left the rolls by returning to work. GAO believes that advances in technology and a trend toward including the disabled into the mainstream have created return-to-work potential. GAO recommends that SSA place greater priority on return-to-work, and that SSA develop a set of related legislative proposals. GAO expects to be asked to testify before the Senate Special Committee on Aging in about two weeks and will release the report shortly thereafter.

- **Signing of the Supplementary Agreement between Canada and the United States:** The SSA has been informed by the U.S. Embassy in Ottawa that the signing of the supplementary agreement with Canada has been scheduled for Tuesday, May 28, in Ottawa. The Minister of Human Resources Development, Douglas Young, is expected to sign for Canada. The U.S. Ambassador to Canada recently resigned, so the Deputy Chief of Mission, James Walsh, is expected to sign for the United States. The primary purpose of the supplementary agreement is to give Canada the necessary legal authority to enter

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

27-Feb-1996 05:32pm

TO: Carol H. Rasco

FROM: Diana M. Fortuna
Domestic Policy Council

CC: Elizabeth E. Drye
CC: Molly Brostrom

SUBJECT: PASS program

GAO's negative report on SSA's PASS program is scheduled to be released tomorrow. Here is probably much more info than you want on it.

As background: PASS was begun in 1972 to let SSI/SSDI recipients exclude income or resources that they use to pursue a work goal. Participants must submit a plan to SSA, and use the excess income/resources to pay for expenses like adaptive equipment, tuition, or transportation.

GAO makes the following points:

o Although the report is quite critical, it does note that the program is small, with only 10,000 participants at a cost of $2.6 million.

o Nevertheless, PASS is poorly designed and managed, with field staff not given adequate guidance on when to approve a PASS plan.

o People can stay on PASS forever.

o There is no evaluation of its effectiveness, and almost no one on PASS leaves the rolls.

o SSA doesn't regulate the fees charged by outfits that prepare PASS plans.

o There is no penalty for noncompliance.

SSA is trying to get clearance from OMB on a legislation package for PASS that would do the following:

1. Prevent someone from getting onto SSI through PASS; i.e., having income or resources that make them ineligible for SSI without the PASS program. In other words, only those already on

SSI could qualify for PASS.

2. Specify that a PASS plan must have a work-related goal that is reasonably attainable and likely to reduce dependence on SSI.

3. Terminate PASS plans for those who don't comply with the terms of their plans.

4. Authorize SSA to regulate the fees of private agencies that prepare PASS plans.

5. Put time limits on a PASS plan of 3 years, or in the case of college, 4 years.

6. Limit an individual to no more than 2 PASS plans per lifetime.

I have told OMB I agree with all but the last recommendation. However, I am told that Comm. Chater feels strongly that they should be limited.

Wendell Primus at HHS and Ellen Seidman of NEC don't like the first recommendation.

It appears unlikely that this legislative package will be cleared in time for SSA to talk about it tomorrow -- and, in any case, it's not clear having such a package would help them that much in their comments to the press anyway. We may let them say that we will propose a legislative package to fix PASS, without giving the specifics.

FACSIMILE SHEET

SOCIAL SECURITY ADMINISTRATION

Office of the Commissioner
1825 Connecticut Avenue, 7th Floor, NW
Washington, DC 20009
Telephone Number: 202-482-7100
Fax Number: 202-482-7105

Date: 5/15/96 Pages: ~~5~~ 6

From: Brian D. Coyne
Chief of Staff
Social Security Administration
Telephone Number: (202) 482-7100
Fax Number: (202) 482-7105

To: Diane Fortuna
Location/Organization:
Telephone Number:
Fax Number: 456-7431

Messages:

RE: Tom Tyree

Let's Talk! Call me after you have reviewed.

Brian C.

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	Sandy Crank to Brian Coyne; RE: Personal (1 page)	05/14/1996	b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Diana Fortuna
OA/Box Number: 12025

FOLDER TITLE:
Disabled Work Incentive Development [Folder 3] [2]

2007-0143-F
db4497

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. letter	Celane McWhorter to Shirley Chater; RE: Personal (2 pages)	03/06/1996	b(6)

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Diana Fortuna
OA/Box Number: 12025

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Dr. Shirley Chater, Commissioner
Social Security Administration
Altmeyer Building
6401 Security Blvd.
Baltimore, Maryland 21235

March 6, 1996

Dear Dr. Chater,

I am writing to express my concern regarding the personal impact of the memorandum sent out to the Social Security Administration (SSA) field offices on February 29th regarding the moratorium on Plans For Achieving Self Support (PASS). As a result of this moratorium, I am in the position of having to choose whether or not to leave my job because of your actions. After having spoken to my local field office they were unable to extend my existing PASS, which expires at the end of March, due to the moratorium. My plans for the future have become uncertain as a result of this action.

I am a thirty-four-year-old college educated man with Cerebral Palsy who uses a power wheelchair. Because my PASS expires at the end of March, this matter has immediately become of critical importance.

I receive Personal Assistance Services such as bathing, grooming, dressing, and driving that offer me basic support needed to remain on the job. Personal Assistance Services are primarily funded by Medicaid in Texas as in most other states. In order to get and keep Medicaid I must maintain my eligibility for Supplemental Security Income (SSI). My PASS plan allows me to maintain this eligibility and ultimately Medicaid. The importance of the link between Medicaid and Personal Assistance Services cannot be overestimated for me. I realize that SSA would never intentionally force me to choose between the supports I need in order to work and the job itself, which will be the result of this moratorium.

I was raised by my parents with the expectation that I would have a job and that I have an obligation to keep working. Please rescind the moratorium

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. letter	To: Dr. Shirley Chater; RE: Personal [partial] (1 page)	03/06/1996	b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Diana Fortuna
OA/Box Number: 12025

FOLDER TITLE:
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leased previously to enable me to work, pay taxes, and contribute to my community.

Thanks for your prompt attention to this urgent matter.

Sincerely,

[003]

(b)(6)