
Economic Stimulus: What it Means for Employment of People with Disabilities

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On February 17th, President Barack Obama signed the American Recovery and Reinvestment Act into law. While this \$797 plan is intended to improve the economic well-being and job prospects of all Americans, does that include people with disabilities? APSE, a national organization dedicated to ensuring the growth and improvement of integrated employment opportunities for individuals with disabilities, has taken a close look at the economic stimulus package, and found a number of provisions that could potentially be of real benefit to maintaining and increasing employment for individuals with disabilities.

In looking at the economic stimulus package, it is helpful to take a broad view. Funding will be used to invest in a broad range of industries and businesses, with the goal of creating or saving 3.5 million jobs over the next two years.

While much of this article focuses on provisions specific to people with disabilities and workforce development, it is important to recognize that a major portion of infrastructure funds will be spent outside these areas. While in an ideal world, these other job creation efforts would be directly connected with VR and workforce development, there actually may be little, if any connection. Therefore, in determining how the economic stimulus might benefit the employment of people with disabilities, and where to get engaged in this effort, it is important to not focus exclusively on these areas.

Here are some of the key aspects that are particularly relevant to employment of people with disabilities:

Additional VR Funding: The economic stimulus plan includes \$540 million in funding for state public vocational rehabilitation (VR) programs, to provide additional assistance to people with disabilities to find and keep employment. Given that the federal allocation of these funds was \$2.8 billion in 2008, this additional \$540 million (which must be spent over the next two years) represents a major influx of funding into the VR program. A state match, which is usually necessary for this type of funding, is not required. The economic stimulus plan also includes \$140 million for Independent Living, under the VR funding provisions.

General Employment and Training: In addition to funding for employment assistance specifically for people with disabilities, the stimulus plan also includes major influxes of funds into employment and training programs overseen by the US Department of Labor (DOL). These services are primarily delivered via each state's Workforce Investment and One-Stop Career Center System, and can be utilized by people with disabilities.

Youth Services: A major component of these general workforce development funds that could particularly benefit individuals with disabilities, is \$1.2 billion in additional Workforce Investment Act (WIA) youth services funds. Approximately 15% of individuals currently using these funds are individuals with disabilities, who are highly eligible for WIA Youth Services (primarily because their income rather than their family's income is used to determine eligibility). While youth services funds are typically available for young people ages 14 to 21, funds under the stimulus plan may be used for individuals up to the age of 24. Congress has also emphasized using these funds for summer employment, with the goal of creating up to 1 million summer jobs, although the funds can be used for youth services throughout the year. Strong consideration should be given regarding how these funds can be linked with transition efforts. The youth services staff at your local Workforce Investment Board should be able to provide assistance on these funds can be accessed.

Other Labor Funding: In addition to the major increases in WIA youth funds, the stimulus package provides \$500 million for WIA Adult Employment and Training Programs, and \$1.25 billion for dislocated worker programs (about 5% of individuals served by these programs identify themselves as having a disability). There are also a variety of other DOL programs receiving economic stimulus funds that are of potentially significant benefit to individuals with disabilities including \$750 million in competitive grants for worker training and placement in high growth and emerging industry sectors, \$400 million in Employment Services funds to assist unemployed individuals to connect with employment and training, and other similar funding allocations.

Increases in Medicaid: Included in the stimulus plan is an \$87 billion increase in the Federal government's share of Medicaid spending, through December 2010. This should be of significant benefit to people with disabilities, given that health care and other supports for many people with disabilities (including employment supports) are funded through Medicaid.

Encouragement of contracts with disability-owned businesses: The stimulus package includes a provision that businesses owned by people with disabilities should receive specific consideration when contracts for economic stimulus

funds are issued.

Expansion of WOTC: The economic stimulus package includes expansion of the Work Opportunity Tax Credit (WOTC) to include disconnected youth and unemployed veterans. The WOTC, which provides a tax credit to employers who hire from specific groups, is often used as a financial incentive by job developers. Many individuals with disabilities already qualify for the WOTC under a number of categories. However, this expansion is likely to result in further WOTC coverage for people with disabilities.

Funding for IDEA: Beyond the provisions specific to employment, the stimulus package includes significant funding for education, including \$11.3 billion in Individual with Disabilities Education Act (IDEA) Part B Funds. These particular funds can be used in part to support individuals in transition from school to employment. This is a major expansion of these funds, more than equivalent to the total of \$10.9 billion that was allocated in 2008. This funding, combined with other funding of IDEA in the stimulus package, puts the federal portion of IDEA at the highest level it has ever been.

Additional Provisions

In addition to these employment related funds and provisions, the bill contains a number of other disability-related provisions, of possible interest to providers of supported employment. These include the following:

- **One-time SSI/SSDI payment:** Individuals with disabilities on either Social Security Disability Insurance (SSDI) or Supplementary Security Income (SSI) will receive a one-time payment of \$250, with payments to go out by late May.
- **Improved SSA infrastructure:** Funds have been allocated to improve the efficiency of the Social Security Administration, with \$500 million in funds designated to reduce the growing backlog of Social Security disability claims, and another \$500 million designated for replacement of the SSA National Computer Center.
- **Changes in Medicaid regulations delayed and halted:** In 2007, the Centers for Medicare and Medicaid issued a number of proposed regulations that would have had a major impact on a variety of Medicaid funded services, including reducing the availability of Medicaid-funded Rehabilitation Services, which support day programs for many individuals with significant disabilities. The economic stimulus plan delayed or halted the implementation of these regulations, including directing the Secretary of Health and Human Services not to issue final regulations on the proposed changes to Rehabilitative Services with the intent of ensuring these regulations are never implemented.

There are also a variety of other provisions in the economic stimulus package to help support individuals who are out of work, such as the expansion of unemployment benefits, additional food stamp funding, etc., all of which may be of assistance to help individuals during the economic downturn. It is also important to note while the economic stimulus package will result in a major influx of funds into states, some of these funds may not be used for program expansion, but simply to replace funding that has been lost due to state budget cuts.

Next Steps - Monitoring and Advocating: While passing the American Recovery and Reinvestment Act was a major undertaking, the work has only begun. In order to ensure that the stimulus act benefits people with disabilities in terms of jobs and economic empowerment, and the expansion of integrated community employment, it is important to keep a close eye on how funds are being used, and become engaged in the process of how funding decisions are being made.

Here are some suggestions for how to get involved:

- Contact your state public vocational rehabilitation program, and find out their plans regarding use of the influx of public VR funds. Ensure that these funds are being used to promote integrated employment, and support individuals with most significant disabilities.
- Contact your state and local workforce investment board, workforce agencies, and local One-Stop Career Center, to find out their plans for the influx of workforce development funds. Advocate that people with disabilities should benefit from these funds.
- Find out your state's plans for increases in Medicaid funds, and advocate their use for people with disabilities, particularly for employment related support.
- Contact your state department of education and determine plans for allocation of the major increase in IDEA funds. Advocate for using a portion of these funds for improved transition services resulting in integrated community employment.
- Monitor your state's allocation and use of funds at <http://www.recovery.gov/>. States are required to file specific documentation and reports regarding how they are using economic stimulus funds, which are detailed on this site. Provide feedback to the federal government via this site regarding how funds are being used.
- Find out who has oversight of the economic stimulus funds in your state, and get in touch with them to learn about plans for allocation of funds. Ensure that people with disabilities and the cause of integrated community employment are represented in all aspects, beyond those specific to people with disabilities and workforce development.

Additional sources of information:

- Stimulus plan funding allocations for each state for Department of Education funded programs (VR, IDEA, etc.) can be found at: <http://www.ed.gov/about/overview/budget/statetables/recovery.html>
- The US Department of Labor's Information Related to the American Recovery and Reinvestment Act is at: <http://www.cbpp.org/1-22-09bud.htm>
- The Center on Budget on Policy Priorities has a series of summary materials on the stimulus package including state summaries: <http://www.cbpp.org/1-22-09bud.htm>

The US Conference of Mayors has ongoing updates on all of the aspects of the stimulus package:
<http://www.usmayors.org/recovery>

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