Below are the responses regarding my testimony, on behalf of the Council of State Administrators of Vocational Rehabilitation, before the Committee on Ways and Means, Subcommittees on Social Security and Human Resources during the September 23, 2011 hearing on Work Incentives in Social Security Disability Programs.

1. In your testimony you noted that one-quarter of consumers helped by State Vocational Rehabilitation (VR) agencies who subsequently become employed are Social Security Disability Insurance (SSDI) beneficiaries or Supplemental Security Income (SSI) beneficiaries. How do State VR agencies use the money they receive through cost reimbursement from the Social Security Administration (SSA)?

   In FFY 1992 the Rehabilitation Services Administration (RSA) determined that Social Security Reimbursement (SSR) funds should be identified as a source of program income. Consequently, on December 6, 1991, RSA issued Policy Directive 92-04 which identified SSR funds as a source of program income. PD 92-04 also identified Federal Regulations at 34 CFR 361.63 which provide a definition of program income, and specifies that such income must be used for the provision of vocational rehabilitation services.

2. What percentage of the SSA's cost reimbursements is allocated towards helping existing or future SSDI beneficiaries or SSI recipients return to work, as compared to the other 75% of consumers assisted by State VR agencies?

   The Rehabilitation Act of 1973, as Amended provides a presumption of eligibility for vocational rehabilitation services for beneficiaries. Specifically the Act states that "an individual who has a disability or is blind as determined pursuant to title II or title XVI

of the Social Security Act (42 U.S.C. 401 et seq. and 1381 et seq.) shall be considered to be an individual with a significant disability under section 7(21)(A); and presumed to be eligible for vocational rehabilitation services under this title(provided that the individual intends to achieve an employment outcome….unless the designated State unit can demonstrate by clear and convincing evidence that such individual is incapable of benefitting in terms of an employment outcome from VR services due to the severity of the disability. The Federal regulations at 34 CFR 361.42 also provide guidance on the expectations for the provision of clear and convincing evidence.

While we cannot determine the exact percentage of SSA beneficiaries who are served specifically by cost reimbursement funds, it is reasonable to conclude, based on the restrictions on the use of cost reimbursement and the presumption of eligibility for VR services for SSA beneficiaries that this population has a priority for services by State VR agencies, whether it be specifically with cost reimbursement or Title 1 funds.