

TO: Full House and Senate Committee Approps Chairs and Rankings. CC Subcommittee Approps Chairs and Rankings.

Dear Chairs and Ranking Members:

The undersigned organizations are writing to express our strong concern over the rescission of the statutorily mandated inflationary increase to the Vocational Rehabilitation (VR) State grants program that was included in general provisions section of the Further Consolidated Appropriations Act, 2024. Unfortunately, the rescission of these funds comes six months into a fiscal year when the vast majority of States were expecting and budgeting for the statutorily mandated inflationary increase for this program. While we understand that FY 2024 funding is finalized, we urge the Committees not to utilize this rescission in the FY 2025 appropriations cycle.

The Vocational Rehabilitation State grant program provides formula grants to States agencies to help individuals with disabilities secure competitive integrated employment and support the workforce needs of businesses— meeting them with qualified candidates. Over one million individuals with disabilities receive services annually through this program. Unfortunately, many states are unable to serve all individuals in need of services and must give priority to those with the most significant disabilities. To ensure state agencies have the resources they require to meet the needs of individuals with disabilities, the statute for the VR State grants program guarantees an annual inflationary increase in program funding. This makes sure that state agencies have the resources to cover increased annual costs. While a minority of state agencies are not able to utilize all the Federal funding they receive (and must relinquish such funds), the vast majority fully utilize such funding. Many agencies also seek additional funding (from funding that is relinquished by the minority of agencies) to expand their ability to serve individuals with disabilities in their state. Of the 78 state and territory agencies that participate in the program, only agencies in 19 states relinquished funds in FY 2023 and 13 agencies sought additional funding to further enhance services in their states for individuals with disabilities.

While the U.S. Department of Education has sought to help states in the past that relinquish funds to better utilize the resources they receive under the program, this mid-year rescission comes at an unfortunate time. According to the Bureau of Labor Statistics, 2023 marked the highest recorded percentage of individuals with disabilities who were employed since data was first collected in 2008. Despite this progress, the rate of employment for individuals with disabilities is still 33 percent lower than for those without disabilities. Notwithstanding this recent progress in the employment rates of individuals with disabilities, the rescission effectively reduces funding for many states seeking to keep this momentum going to improve employment outcomes.

While we understand the FY 24 funding for VR State grants is set, we urge you to not rescind the annual inflationary increase for this program in FY 25 and future years. The resources provided to state agencies are too valuable and too few already if we are to prioritize bringing individuals with disabilities more fully into the workforce. Should you have any questions, please contact Tonia Ferguson, Council of State Administrators of Vocational Rehabilitation (CSAVR), at [tferguson@csavr.org](mailto:tferguson@csavr.org) and Alex Nock, representing PACER Center (Minnesota), at [anock@pennhillgroup.com](mailto:anock@pennhillgroup.com).

Sincerely,

**The Undersigned Organizations**