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Before the

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Thank you Chairman Harkin, Ranking Member Enzi and distinguished members of this Committee for inviting me to speak with you today.

And thank you for the time and attention you are giving to the vital issue of disability employment in America. For a community that so frequently struggles to have its voice heard, these hearings are an important opportunity. I am honored to share my perspective and experience.

The issues affecting the disability community are very close to my heart. When I was governor of Pennsylvania, I worked with a great group of people to create a statewide agenda in support of people with disabilities.

Ensuring that people with disabilities have the opportunity to contribute to society is a noble task. Employment brings dignity and purpose in life. Employment also brings personal independence and freedom. That's why it's so crucial that the staggeringly high unemployment rates among people with disabilities come down.

Because not only are unemployed disabled Americans losing out on the benefits of employment, but our society then loses out on the potential contributions of these great Americans. Their resourcefulness in tackling issues that others do not encounter and their persistence in overcoming obstacles all lead to innovative approaches and a drive that are welcome in any job, in any field.

To shed some light on these issues, I would like to share some of the work being done by the National Organization on Disability (NOD), and for whom I serve as Chairman of the Board of Directors. I would also like to discuss my own experience as the Secretary of the Department of Homeland Security and the work we did to encourage the employment of people with disabilities within that department.

NATIONAL ORGANIZATION ON DISABILITY

NOD was founded in 1981 with the Mission of expanding the participation and

contribution of America's 54 million men, women, and children with disabilities in all aspects of life.

In recognition of what we believe to be the most pressing need for Americans with disabilities, NOD's Board of Directors recently adopted a Strategic Plan focused on improving employment prospects for America's 33 million working-aged Americans with disabilities.

And the need is pressing. Our most recent Kessler/NOD Survey of Americans with Disabilities conducted by Harris Interactive reveals that only two in ten working age Americans with disabilities are employed, versus six in ten of those without. These numbers have remained virtually unchanged for more than 20 years, regardless of the strength or weakness of the overall economy.

To realize our Mission, NOD has positioned itself as an engine for new ideas and proven practices in our field. We begin with small, typically privately funded demonstration projects. Of NOD's many funders, we are particularly grateful to the Kessler Foundation – a leader in devoting philanthropic dollars to the needs of Americans with disabilities. These demonstrations are built as a response to the needs of individuals and businesses, and our use of private funding allows for a degree of flexibility and risk-taking that is not often possible with publicly-funded initiatives.

To ensure that these projects accomplish their goals, each of them includes a built-in evaluation process, which allows us to continuously improve our work, and ensure that we are responding intelligently to new findings.

With the knowledge gleaned from work on the ground, and the evidence gathered through project evaluations, we seek to 'scale up' our small demonstrations. We accomplish this goal either through direct pursuit of sustainable public dollars, or by 'spreading the word' about our work, and influencing policy and practice in an attempt to see the best of our work replicated in larger-scale agencies and service providers.

One of these projects is the Wounded Warrior Careers initiative, which has proven to be a vital source of support to nearly 300 Army Veterans with significant disabilities, and an opportunity for us to learn what can and should be done to support all of our nation's returning heroes.

THE CURRENT STATE OF VETERANS SERVICES

The most recent data from the Bureau of Labor Statistics shows that 530,000 veterans have returned home with injuries from the conflicts in Iraq and Afghanistan. Many of these injuries have led to disabling conditions that will impact the rest of their lives. Over 114,000 have garnered disability ratings of 60% or higher. In previous wars, some of these service members would not have survived. Today, they return home with disabilities ranging from burns and amputations to post traumatic stress disorder (PTSD)

and traumatic brain injury (TBI).

The imperative to expand support to transitioning veterans with disabilities and their families has multiple components: the moral obligation to assist this population; the need to sustain the all-volunteer military; and, the anticipated impact of additional costs that will be borne by local, state, and federal agencies to assist “at risk” veteran families if they do not achieve self-sufficiency.

In response to the transition needs of the most severely wounded warriors, the military has developed important programs to provide Recovery Care Coordinators or Advocates to assist these service members. These programs have improved the transition activities of veterans with disabilities, even as the programs continue to evolve their missions and compete for limited resources. However, the capacities of the nation are not yet fully developed nor engaged to support the full range of our Wounded Warrior’s needs. NOD is proud to be involved in these efforts.

To provide a sense of this rapidly expanding work, take the population of Army Wounded Warriors, which has more than quadrupled since 2006, from about 2,000 to over 8,500 today. When combined with the other military services, including Special Operations Command, there are some 14,000 to 16,000 veterans with disabilities attempting to transition to civilian careers, achieve self-sufficiency, and forge lives of dignity in the wake of their military service. Yet, the most seriously wounded veterans leave the military today with career assistance needs that are still not fully addressed by existing education, employment, and vocational rehabilitation programs.

The veterans we serve face many of the same obstacles to employment that all persons with disabilities face: employer perceptions, low expectations, and inadequate programs to facilitate their movement into the workforce.

It is a great credit to the Army that it sought out allies to explore new approaches to serving transitioning veterans. We further laud this administration for its clear commitment to our nation’s veterans, and this Committee for its interest in continually improving the supports and services we provide to our returning heroes.

However, we continue to send an inconsistent message to our veterans and to their families. Of the 268 Veterans that NOD currently serves, 40% were given a disability rating of 100% which, in the terminology of the Department of Veterans Affairs, means a person who is not expected to ever work. Of that group, 1/3 are currently pursuing post-secondary education – graduate level education, in some cases – and another 1/3 have joined the workforce.

Beyond its obvious impact on the veteran’s earning potential, telling a veteran that he or she ‘cannot work’ has implications to their recovery, their health and their long-term well-being. As our evaluation has shown, the veterans NOD serves who are pursuing or

have attained education and careers perceive their own health as better, and they have a more positive view of the future, regardless of the severity of their disability. When we tell a returning veteran that we do not believe they will ever work again, we are not only robbing them of their potential income, we are robbing them of their hope, their health and their well-being.

The most seriously disabled veterans urgently need intensive career planning and mentorship so they can move into training, education, or work, and achieve self-sufficiency as contributing members of their communities. And the impact of their ability or failure to do so extends beyond the veteran population – in the case of the Army, over 70% of these wounded warriors are married, 65% have children under 18. Moreover, these veterans have little familiarity with civilian labor markets and employment. Often they have never held a civilian job, prepared a resume, or been interviewed for civilian employment. As a result, these veteran families are an “at-risk” population that requires assistance in navigating paths to civilian careers.

THE NOD WOUNDED WARRIOR CAREERS DEMONSTRATION PROGRAM

In order to better address the needs of veterans with severe disabilities, in early 2007 the Army entered into a Memorandum of Understanding (MOU) with NOD. Under this MOU, NOD is providing career counseling and employment placement support to veterans in North Carolina, Texas, and Colorado through a three-year demonstration program funded by a consortium of national and local funders who contributed a total of five million dollars, with leadership support from the Ford, Robert Wood Johnson, Mott, Kellogg and Bob Woodruff Foundations. In North Carolina, we are grateful to the Cannon, Z Smith Reynolds, and Duke Foundations. In Texas, we appreciate the support from the Dallas and Meadows Foundations. And in Colorado, the El Pomar Foundation has been a significant supporter. After about two years of operations, over 68% of the 268 NOD Careers program participants have entered into education, training, or work.

This pilot project was established at three sites to demonstrate innovative transition support for veterans with disabilities that can accelerate and ease their reintegration and return to self-sufficiency. The program includes an analytical and best practices evaluation that is designed to identify enduring changes that are needed in the services and support to transitioning veterans.

The service model, which NOD and the Army developed after focus groups with more than 200 veterans and family members, is intensive, high touch, and characterized by long-term career counseling and mentoring to veterans with disabilities and their family members. NOD’s Career Specialists, with expertise in workforce development (and many with a background of military service), work directly with veterans and family members. We connect the veterans we serve to a wide range of service providers, therapists, employers, schools, government agencies and others offering career support. We further work closely with the Army’s Advocates to ensure that our services are well-coordinated, and offer the widest possible range of supports to the veterans we

serve.

To the best of our knowledge, we remain the only program of this kind to offer comprehensive, wrap-around services that respond to the specific needs of each veteran – and each family – that we work with. Among our most important findings is that we should not – we *must* not – be alone in this effort.

Strong Congressional support for the Wounded Warrior Careers program has led to legislation in the House Defense Authorization Act that would apply key elements of the program model on a larger scale. Similar legislation is expected in the Senate Defense Authorization Act. However, since NOD's role in that program is not assured, NOD is committed to continuing to produce best practices and lessons learned that can serve as innovative concepts for adoption by relevant federal, state, and local organizations. We welcome support from Congress that ensures NOD's best practices are implemented by the Department of Defense, as intended by Congress.

WOUNDED WARRIOR CAREERS PROGRAM OUTCOMES

We believe the outcomes of the Careers project are a clear demonstration of its value. Midway through the demonstration, 68% of our program participants are in education, training or jobs – a figure that is twice the rate of wounded veterans who do not receive our services. Other significant findings include that about 70% of those employed have stayed in their job longer than 12 months and veterans in the program report a high level of satisfaction with the program and its services. (Refer to Attachment I for a more complete listing of early quantitative and qualitative outcomes.)

Further, this work comes with a considerable cost savings; in fact, our work is far less expensive than doing nothing at all. When weighed against the cost of unemployment and lost productivity, the \$3,000 to \$4,000 (on average) that we are spending per veteran per year in this program is a cost-effective investment for the American taxpayer. The dignity and financial self-sufficiency that comes with pursuit of a career is a powerful deterrent to homelessness, substance abuse, domestic abuse, unemployment, and crime, all of which bring considerable societal costs.

VETERAN-RELATED RECOMMENDATIONS

Based on these outcomes, and the work we have conducted in the field, I would like to offer the following recommendations to this Committee as it considers how best to serve our nation's wounded veterans:

1. Veterans require ongoing and flexible support –sometimes over the course of multiple years – support crafted to the specific needs of the veteran and their family, and which meets their evolving circumstances. We have learned that for all veterans, but particularly those with significant injuries, the return to civilian life and career is not an event, but a process. Our services must support that process over time.

2. We should foster a focus on career-related employment that begins as early as possible in the veteran's process of return. In VA hospitals and rehabilitation centers, we often see posters that encourage veterans with disabilities to aspire to play sports again – we ought to also let them know that they can and should aspire to the careers of their choosing. Pursuant to this, no matter how we classify the services an individual might require, we must *never* send them the message that they cannot work.
3. Veterans should have access to career planning with clear steps toward success that are driven by the goals, interests and ambitions of the veteran. Veterans rarely have access to a long-term support in this regard.
4. Service models should include the veteran's family. Families often play a key role in the veteran's transition and can be a source of inspiration and support, if we in turn provide them with the support they need through the course of the veteran's process of return.
5. We must have a provision for flexible emergency funds that assist the veteran in financial crisis, and can meet discreet but crucial support needs in the course of the veteran's career planning process.
6. Services and supports must address the unique demands of TBI and PTSD; these often hidden disabilities pervade every aspect of many veterans' lives, and, if not addressed, can undermine their every attempt at success. Support to veterans with TBI and PTSD means ensuring a robust network of mental health services, available throughout the country. Currently, our nation's infrastructure for mental health services for veterans and civilians is inconsistent from state to state, and entirely absent in many areas.
7. We must provide ongoing support for veterans in education and employment. Veterans consistently report that having someone to 'check in' can be both helpful and reassuring as they acclimate to educational and career placements.
8. We need a better and more consistent system for translating military experience to civilian qualifications and credentials, that captures all of the talents, skills and aptitudes that are developed in one of the most demanding jobs in the marketplace.
9. We must provide support to the schools and businesses that train, educate and hire veterans. Businesses want to hire veterans; providing hands-on training and support to both the veterans, and schools and businesses is essential to their long-term success.

Recognizing the importance of this last recommendation, I would like talk with you about the work NOD is currently doing to support the many major corporations who have dedicated themselves to the principle of including the talent of Americans with disabilities at all levels of their operations.

In your last Hearing on this subject, you heard from Randy Lewis, Senior Vice President at Walgreens, who has emerged as a leader in a new way of demonstrating that

businesses can and should take full advantage of every kind of talent available to them in their communities. Mr. Lewis is an inspiring leader – so much so that a number of other companies – Lowe’s, Sodexo, Sam’s Club, Aetna and ADP, to name only a few – have taken up his challenge. These companies aspire not only to match Walgreens in hiring, retaining and promoting people with disabilities, but to be even better.

To support these companies in this crucial effort, NOD has staged the Bridges to Business program.

Current Employer Attitudes and Practices

In 2010 NOD and the Kessler Foundation commissioned the survey firm of Harris Interactive to interview officials at 400 small, medium and large companies, on their disability employment attitudes and practices. Among other things, the survey found:

- While most companies have *diversity* hiring policies and programs, less than three in ten include *disability* as a diversity category.
- While 25% of the companies have disability hiring *policies*, only 12% have *programs*;
- Companies report a desire to hire more workers with disabilities, yet their primary recruitment sources are word of mouth and employee referrals. This method of hiring will only replicate the current workforce, rather than diversify it.
- In business, what matters gets measured. And yet our survey revealed that only one in three companies tracked their hiring rates of candidates with disabilities.
- Six in ten companies report a lack of familiarity with publicly funded service providers who source candidates with disabilities.
- When asked why companies don’t recruit more people with disabilities, they say they don’t know where to source candidates.

With these numbers as a backdrop, it’s not surprising that only 3% of new hires have disabilities and unemployment rates are stubbornly high.

NOD’S BRIDGES TO BUSINESS PROGRAM

NOD’s Bridges to Business program is an ongoing initiative to help employers to effectively recruit, hire, train and retain job-seekers with disabilities; and to help agencies that provide job training and placement services to jobseekers with disabilities work more effectively with businesses.

NOD provides the following services to these businesses that seek to hire, retain and promote Americans with disabilities:

1. Training to management and Human Resource staff on disability hiring retention and accommodation practices, and training to general staff about the nature of disability in the workplace.
2. Development of effective partnerships with community-based agencies and organizations that can effectively source and support candidates with disabilities.
3. Goal-setting and measurement practices that help companies establish quantifiable goals for the hiring of candidates with disabilities; typically, NOD sets the minimum goals for this effort at 10% of all new hires.

But our work is not limited to support of businesses. As you have heard from a number of other witnesses, the public workforce development system for people with disabilities is often ineffective in its service both to people with disabilities, and to the businesses that seek to hire them.

What should be a clear and focused support for citizens with disabilities is often a confusing, bureaucratic and disheartening system that traps the individual in dependence on public benefits.

What should be a responsive and dynamic source of well-trained talent for businesses is instead an unresponsive series of agencies that presents countless points of contact, and too few results.

As such, in supporting businesses, NOD has also been called upon to work with the many public and private agencies that ultimately should serve as their source of human resource talent. We provide the following services in support of providers of workforce development services:

1. Training and consultation to build their capacity to be responsive to businesses' hiring and retentions needs.
2. Facilitated partnership building and coordination between multiple agencies and providers, to ensure that they work together to provide more effective referral and services to businesses and career seekers, and a single point of contact for those businesses.
3. Connections to businesses, and a facilitated process of joint goal-setting.

RECOMMENDATIONS FOR BUSINESS SERVICES

Our work with these companies has yielded a number of findings that we believe will be instructive to the HELP Committee as they continue their work on behalf of veterans – and all Americans – with disabilities.

1. All agencies –including Vocational Rehabilitation, the Workforce Investment System, Developmental Disability Services, and various private organizations that contract with these agencies to provide direct services to career-seekers

- with disabilities – must present a business with a single point of contact through which the business can access the widest possible range of talent.
2. Public agencies must recognize businesses as important customers of their systems, equal to the citizens with disabilities that they already serve. It is impossible to provide effective workforce development services to a jobseeker without also providing the high quality services to businesses.
 3. The performance of these agencies and organizations should be measured in part by their effectiveness in serving businesses. We must hold these agencies accountable for the speed with which they respond to a business' job posting, the effectiveness of the training they offer to meet their talent needs, and the satisfaction of their business customers with the services they receive.
 4. To echo Randy Lewis's eloquent testimony before this Committee: businesses need an efficient and effective source of talent, and the certainty that the candidates who are being referred to them are the right match in terms of skills, training and goals. While there are numerous other services and supports required by career-seekers with disabilities, we should structure employment services – and our means for measuring their success – around these basic goals that are essential to the success of both the business and the career-seeker.
 5. Our current system of 'pay for performance' for the community-based providers of services has much to recommend it. It has the potential to inspire excellence in the services these organizations provide, and the kind of competition that ultimately fosters innovation. However, an unfortunate side effect of this system is the extent to which it *discourages* collaboration amongst both public agencies and private providers. Ultimately, this has led to a workforce development system for people with disabilities that is territorial; a system or providers that must compromise the overall effectiveness of its services to businesses and career seekers in hopes of earning the payments they need to survive and thrive. We strongly recommend that the current system of pay-for-performance that is used by so many agencies in their contracts with community providers be tempered with measures that recognize and reward, not punish, collaboration. By this means, we can begin to move toward a system wherein a single agency contact can act as the source of a much wider array of talent to its business customers, and one in which a more diverse range of career opportunities is available to every jobseeker with disabilities.
 6. As we have done in the Workforce Investment Act, we must create a space for the perspective of business in the leadership and oversight of these agencies. This leadership will give these agencies insight in to labor market trends and businesses' hiring needs. It will focus the training and candidate sourcing efforts, and provide local and state accountability to the needs of the business customer.

7. Finally, beyond policy, the members of this Committee, their colleagues in Congress, the Executive Branch and the Federal Government must use their visibility to inspire businesses to commit themselves to hire, retain and promote Americans with disabilities. This does not mean regulation, which only intimidates and frustrates businesses. It means genuine leadership that begins with a clear and forceful call to action, and continues with the Federal Government fulfilling its goal of becoming a model employer of people with disabilities at all levels of responsibility, and in all types of jobs.

DEPARTMENT OF HOMELAND SECURITY HIRING EFFORTS

On this last point, I can offer my personal insight from my time as the Secretary of the Department of Homeland Security. From the beginning, Homeland Security maintained a commitment to being a model Cabinet agency for the 21st century. And part of that commitment is reflected in our efforts to promote employment opportunities for people with disabilities, both those who are highly skilled and credentialed – people to fill jobs at the highest GS and SES levels of this Department– and those who are seeking entry-level positions.

When we had a position to fill, we asked one key question: what does this person have to offer us? If the person had the skills and enthusiasm and determination to help us further our mission, we wanted that person on our team.

And so, it's in that spirit that I'm pleased to talk with you about a major initiative that I led at Homeland Security to make these words of commitment a reality, and to ensure that people with disabilities were given every opportunity to succeed at our Department. I issued a directive to all of the senior leaders of our Department that we must aggressively promote equal opportunity for people with disabilities.

Under this initiative, there were several specific directives. Let me highlight a few:

- Managers at Homeland Security headquarters completed a training course, designed to encourage them to interview and hire applicants and employees with disabilities. The course described the tools available to managers to help them successfully hire qualified candidates and included a panel of employees with disabilities who could talk about the barriers to employment and the steps that can be taken to knock those barriers down.
- Additionally, every office within the Department was directed to engage interns with disabilities. These internships were valuable to both the students who built skills and experience, and the managers who learned how to ensure that people with disabilities have the necessary tools and opportunities to grow and contribute to the organization.
- And finally, every office within headquarters was required to let our equal employment opportunity (EEO) program know about hiring needs in advance. Our EEO program developed a network of people with disabilities who were

available to work, so that when they got advance information about job openings, they were be able to put those resumes on a manager's desk quickly.

One thing to keep in mind is that the headquarters at Homeland Security is relatively small; the majority of the Department's employees are people on the front lines of the war on terror – they are in the field, stationed around the country everywhere from border crossings to airports to seaports.

The initiative I mentioned was aimed directly at Homeland Security headquarters; and since we know that the “one size fits all” approach wouldn't work, we also tasked each component agency under the department umbrella to develop a similarly aggressive strategy for hiring people with disabilities – one that was tailored to their specific circumstances.

These are easy, effective and sustainable steps that can position all Federal agencies to take full advantage of the talent available to them in the American workforce. Further, these steps will allow us to speak with knowledge and authority when we give the same message to businesses.

CONCLUSION

In closing, I am aware that one of your ultimate goals is to address the disability benefits structure in America – a system which currently acts as an overwhelming disincentive to work for most Americans with disabilities. Currently, an individual who relies on Medicaid and Medicare benefits for their health coverage – which, for Americans with disabilities even more than most of us, is of huge importance – will be justifiably hesitant to risk these benefits in search of what must typically begin as entry-level employment. As such, we are asking would-be employees to take a huge risk in the name of a reward that, to most of these folks, seems all too distant.

As we heard from an official representing one of the major federal disability employment programs in a Reconnaissance we conducted in preparation for our employment efforts: “You have to acknowledge at the outset that employment policy in this nation is simply ineffective with respect to people with disabilities. We are at a crossroads because we have created policies that are contradictory and create dependency...Basically, you couldn't purposefully design a system more fundamentally flawed than this!”

There are, of course, a complex system of Waivers and Buy-Ins that exist in many states that is designed to allow Social Security beneficiaries to work without losing their health benefits. However, these resources are often little-know, confusing and, as a consequence, underutilized.

Essential reform will require a system-wide assurance for all career-seekers with disabilities that their health benefits through Medicare or Medicaid will not be

threatened until they have reached an income threshold wherein it is reasonable to expect that they or their employer will be able to replace these benefits directly. Without first removing the pall of fear which hangs over every individual's job search, we cannot reasonably expect to foster the hope, the vision and the drive necessary to begin a successful career.

The cause of these policy barriers, I believe, is rooted in the fact that these systems were originally created with little expectation that Americans with disabilities would ever be anything more than recipients of care; that they could not, in fact, become contributors to our economy, our tax base and our communities. It is not a lack of talent, drive or ambition in Americans with disabilities, but rather this tyranny of low expectation that has led to the opportunity gap between people with and without disabilities In America.

This Committee began its work with a clear message: that Americans with disabilities can and should be contributors, not recipients. I urge you to see that message through, to ensure that we see it repeated in every policy, every agency, and every service we deliver to people with disabilities.

On behalf of the National Organization on Disability, I thank you for your time, your interest, on your vital efforts on behalf of all Americans with Disabilities.