KATHLEEN MARTINEZ
ASSISTANT SECRETARY OF LABOR
FOR DISABILITY EMPLOYMENT POLICY

BEFORE THE

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

U.S. SENATE

July 14, 2011

I. Introduction

Chairman Harkin and Ranking Member Senator Enzi, distinguished members of this committee, thank you for the opportunity to testify today and discuss emerging labor market trends for individuals with disabilities, our efforts for addressing these trends, and the Office of Disability Employment Policy's (ODEP) priorities in the coming years. We appreciate your continued support of ODEP's work, and I am honored to appear before this committee.

Based on my experiences as a person with a disability who managed to get off Supplemental Security Income (SSI) benefits, as an advocate, and as ODEP's Assistant Secretary, it is clear to me that the vast majority of the policies and practices that promote the employment of people with disabilities, are just good business practices. Therefore, ODEP's efforts to promote these policies and practices help not only people with disabilities, but also others who have the potential to enter the workforce, if provided with appropriate supports and

flexibilities. And, as you know, each person that finds a job contributes to our tax base and helps to strengthen the economy and our nation's financial future.

II. The need for flexible workplaces

Research shows us that people with disabilities have been disproportionately affected by the recent downturn in the economy. Data available from the Current Population Survey (CPS) indicate that between October 2008 and June 2011, the rate of job loss among workers with disabilities far exceeded that of workers without disabilities, with the proportion of employed U.S. workers identified as having disabilities declining by 9 percent. In addition, their labor force participation lags behind people without disabilities. The most recent data, released in July 2011 by the Department of Labor's Bureau of Labor Statistics (BLS), shows that only 32.8 percent of working age people (16-64) with disabilities are actually in the American workforce. In comparison, the participation rate for people reporting no disabilities is 77.2 percent. Closing this gap would mean millions of Americans who are currently disconnected from the economy would begin earning income, paying taxes, and reducing their dependence on public resources.

Our nation as a whole is graying, and so is our workforce. Older workers are projected to have the highest growth rate in the U.S. workforce for the first quarter of the 21st century. As this population grows, the number of people in the workplace with disabilities is likely to increase too. The number of workers

aged 55 and older is forecasted to increase 43 percent by 2018. In contrast, for those aged 16 to 24, a decrease of 4.1 percent is expected, and for those 25-54, a 1.5 percent increase. We also know that as people age they are more likely to experience chronic illness or the onset of disability; many of these highly skilled and experienced workers will want or need a more flexible work environment if they are to be retained.

A growing number of business leaders recognize that workforce flexibility provides them with a competitive edge. Because workforce flexibility benefits both workers and employers, ODEP launched two initiatives with workforce flexibility at the core. First, this fall, we will implement an employer pilot demonstration project that will focus on using flexible workplace strategies to retain older workers with disabilities who work in the health care sector and in community colleges.

Second, we will collaborate with DOL's Office of Workers' Compensation Programs to focus on identifying strategies that Federal agencies can use to return to work employees who sustained disabilities as a result of workplace injuries or illnesses. OWCP and ODEP plan to offer tailored technical assistance to federal agencies regarding the adoption and implementation of successful return-to-work practices and related disability employment practices.

III. Private Sector Practices and Initiatives

Small Businesses

Our economy relies on the private sector to drive job creation and I know this committee is interested in what is working and what practices should be expanded. ODEP directs much of its energy towards helping private employers employ people with disabilities and we are happy to have the chance today to share what we have learned.

As you all know, innovative small businesses are a critical engine of U.S. economic growth. This includes many minority-owned and operated firms, the numbers of which have grown in recent years at approximately double the rate of all firms in the U.S. economy. (Census Bureau's 2007 Survey of Business Owners)

This provides a real opportunity to improve employment outcomes for people with disabilities. ODEP therefore created the Add Us In Initiative, which focuses on increasing the capacity of small businesses to effectively include people with disabilities in their workforce.

We are working with grantees in different parts of the country to create replicable models that can be used by small businesses and their associations to reach out to ensure that youth and adults with disabilities have access to a broader range of employment opportunities. We expect to add three more grantees to this initiative this fall. We are also working to train and set up national and local networks of experts skilled in connecting small employers with the underutilized talent pool of people with disabilities.

Technology

In addition to our work with small businesses, we are also making progress helping private employers use technology to improve their workers' productivity. Access to technology is *the* great equalizer for people with disabilities who are looking for a job or trying to advance in their professions and in today's workplace. It's not optional; it's a necessity.

To harness the promise of the technological revolution, ODEP focuses on promoting universal design in information technology, and increasing the availability of assistive technology for use in the workplace to benefit workers with disabilities. To advance these twin goals we have funded a contract that enables ODEP and the Assistive Technology Industry Association's Accessibility Interoperability Alliance (ATIA/AIA) to work together to improve the accessibility of *emerging* technologies, such as Web 3.0 and 3D Internet technologies.

This fall we will take what we have learned and develop and implement a comprehensive plan to make workplace technology accessible. A primary area of focus will be the identification and validation of core competencies required to certify professionals involved in the field of accessibility. We will also conduct research into how Assistive Technology Act funding is being used to support employment. We will also develop technical assistance to enable states to use it more effectively.

Customized Employment

I know that a key priority for your committee is getting the best return on investments in the workforce. One way to achieve this is to find effective approaches that can be replicated and scaled by employers with different workforce needs. Within ODEP, we have found a way to do so through "Customized Employment."

We believe Customized Employment works because it is not a *program,* but rather a set of *universal* principles and strategies specifically designed to support both sides of the labor force: supply and demand. For the job candidate, the process considers the whole person–his/her skills, interests, abilities-- as well as the conditions necessary for successful employment. For employers, customized employment allows a business to examine its specific workforce needs–both ongoing and intermittent–and fulfill those needs with a well-matched employee. For example, a large department store hired Scott, a job seeker with a disability, after his personal representative, Shaina, negotiated a new way for the store to handle merchandise delivery. Originally, store clerks unloaded and repackaged new merchandise. Shaina suggested that the department store hire Scott to perform this task instead. The employer agreed and Scott began working for the store. Scott's customized job freed up other clerks to spend more time serving customers. As a result, sales increased. This is not an unusual result. Customized employment has had similar positive outcomes when used with

disabled veterans, the homeless, and recipients of Temporary Assistance for Needy Families (TANF).

IV. Federal efforts to reduce barriers to employment

In carrying out its mission, ODEP partners with other agencies and offices within the executive branch on strategies that improve employment outcomes for all, including individuals with disabilities. It is an honor to serve in an Administration that understands that universal design practices benefit job seekers and employers.

Improving the Workforce System

For example, thanks to the vision and leadership Chairman Harkin has provided, ODEP has been working extensively over the last year with the Employment and Training Administration (ETA) on the Disability Employment Initiative (DEI). This initiative provided more than $21 million to nine states (Alaska, Arkansas, Delaware, Illinois, Kansas, Maine, New Jersey, New York and Virginia) last year, and this year we expect to add another six to ten more states as grantees under the program. The goal of this Initiative is to improve education, training, and employment opportunities and outcomes for youth and adults with disabilities who are unemployed, underemployed, and/or receiving Social Security disability benefits. To meet this goal, DOL is providing technical assistance to grantees and to the workforce system to expand the capacity to serve those with disabilities. In addition to coordinating with a broad range of state agency

partners as needed to create systems change, the grantees must connect with the Social Security System. To date, all sites are in the process, or have already become, employment networks—meaning that they can provide employment-related and supportive services to Social Security beneficiaries under the Ticket-to-Work program—which prior research suggests may improve long-term employment outcomes.

ETA and ODEP are also committed to evaluating grantees to make sure taxpayers are well served by their investments and so that other stakeholders can learn from what works. In addition, through a combination of on-site evaluations and an on-line survey, ETA and ODEP, with the assistance of DOL's Civil Rights Center, are conducting an independent review of One-Stop Career Centers throughout the system to assess the extent to which they are accessible to people with disabilities.

Improving Transition Outcomes by Reframing the Youth Conversation

A simple and ground-breaking concept—that youth with disabilities are youth first—has reframed the conversation and is the hallmark of ODEP's youth transition efforts. The *Guideposts for Success* framework, the central point from which ODEP's youth work is based, reflects key educational and career development interventions that make a positive difference in the lives of all youth, including youth with disabilities. *The Guideposts* have been widely used for strategic planning and policy development across federal, state and local levels,

and are also woven into ODEP's ongoing work. Moreover, the contents of the *Guideposts* have been incorporated into the proposed Rehabilitation Act reauthorization. *Guideposts* for youth from specific populations have also been developed to meet the needs of youth with learning disabilities, with mental health needs, and those in foster care.

The success of ODEP's youth policy work hinges on its ability to frame challenges in a positive light and in the context of broader youth policy applicable to all youth. For example, many employers assert that today's youth lack the soft skills needed in the workplace. Consequently, this past year we developed a tool to help all youth acquire the soft skills employers demand. We called it "Skills to Pay the Bills" and tested it with youth, including those with disabilities, throughout the country. The feedback was overwhelmingly positive. The youth and the instructors who delivered the training liked the interactive approach used in this classroom-based tool. This year, we will expand our outreach to youth by developing games and applications as a way to get this information regarding soft skills to an even broader group of youth.

In order to serve youth effectively, including those with disabilities, research tells us that youth service professionals need to have certain knowledge, skills and abilities. Using a universal design approach, we developed eight training modules that are being used by workforce professionals across the country, thereby improving service delivery to all youth.

Last month, ETA and ODEP issued guidance to the public workforce system on, "Increasing Enrollment and Improving Services to Youth with Disabilities." The guidance provides information and resources on promising practices and successful strategies that promote the enrollment, education, training, and employment outcomes of youth with disabilities. The resources and successful strategies included in this guidance can further assist the public workforce system to expand capacity and adopt practices for effectively serving this population. The ultimate goal is to better assist youth with disabilities and enable them to become economically self-sufficient through training, educational opportunities, and jobs with career pathways. The Department continues to provide technical assistance to state and local workforce systems to provide better outcomes for youth with disabilities.

Making the Federal Government a Model Employer

ODEP is also focused on making the Federal Government a model employer of people with disabilities. The President demonstrated his personal commitment to this goal when he signed Executive Order 13548 last year. The Executive Order requires the hiring of an additional 100,000 people with disabilities within the Federal Government over the next 5 years. It calls on all executive departments and agencies to create goals and action plans for increasing the numbers of people with disabilities hired and to improve retention and return to work of Federal employees with disabilities. The Order also requires Federal agencies to

work together to develop and implement action plans, which include performance targets and numerical goals, to improve their hiring of people with disabilities. A senior-level official must also be designated to ensure accountability and to report progress on their plans to the President, the Office of Personnel Management (OPM), the Office of Management and Budget (OMB), and the public.

We have been working closely with OPM, OMB, and the Equal Employment Opportunity Commission in implementing the Executive Order. Our work has included assisting several Federal agencies in the development of their plans, and helping OPM design model recruitment and hiring strategies and training programs for human resources professionals across the Government. We have also developed a network of federal practitioners and a resource toolkit to assist them and their agencies in implementing the Executive Order.

In addition, we can improve the hiring of people with disabilities by helping Federal contractors see the value of accommodating a diverse workforce. Last year, ODEP worked closely with DOL's Office of Federal Contract Compliance Programs (OFCCP) to issue an Advance Notice of Proposed Rulemaking (ANPRM) seeking input from the public on ways to strengthen its regulations requiring federal contractors to take affirmative steps to employ and advance in employment qualified individuals with disabilities. In the near future, a Notice of Proposed Rulemaking (NPRM) will be issued seeking additional comments from

the public, and the submission of substantive comments once the NPRM is issued. The potential impact of revising the Section 503 regulations could be significant given that nearly one in four American workers are employed by a company that is either a federal contractor or subcontractor.

V. Conclusion

Like many other people with disabilities, I was on taxpayer supported benefits, after having being funneled to work in a lock factory and having my case closed by a staid bureaucracy. I stand before you today, however, as a prime example of what can happen when people with disabilities are given the opportunity to work and access to productivity tools.

In closing, I wanted to give you another example of how ODEP's programs can change the lives of individuals and contribute to our nation's financial future. I want to tell you about Joe, the owner of Poppin' Joe's Kettle Korn, who has autism and Down syndrome and uses an augmentative speech device to communicate. Previously considered unemployable, Joe developed a business plan with his parents and ODEP's Start-Up USA grant. In addition to having a goal of $100,000 in popcorn sales by 2012, Joe now has several part-time employees. He is now a taxpayer and rents his own home.

There are many more individuals like Joe. Improving employment outcomes for people with disabilities is a significant and complex undertaking, but one that holds great potential to improve the lives of many and strengthen our economy.

Thank you again for this opportunity to testify and I would be happy to answer any questions you may have