William E. Kiernan, Ph.D.

Director and Research Professor

Institute for Community Inclusion

University Center on Developmental Disabilities

University of Massachusetts Boston and Children's Hospital Boston

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Chairman Harkin, Ranking Member Enzi and distinguished Members of the Committee, thank you for the opportunity to testify today. I am William E. Kiernan, Ph.D., Research Professor and Director of the Institute for Community Inclusion, a University Center for Excellence in Developmental Disabilities located jointly at the University of Massachusetts Boston and Children's Hospital Boston.

The ICI is one of 67 such centers that make up the Network of University Centers of Excellence in Developmental Disabilities and are part of the Association of University Centers on Disabilities (AUCD). Our center has worked extensively in supporting the employment of persons with disabilities and has been involved in supporting postsecondary opportunities for youth with developmental disabilities under the work of the Consortium to Enhance Postsecondary Education for Individuals with Developmental Disabilities funded by the Administration on Developmental Disabilities, expanding employment options for persons with disabilities served by state public Vocational Rehabilitation and Developmental Disability agencies in several states and enhancing the capacity of the local One-Stop Career Centers supported by the Local Workforce Investment Boards (LWIBs) of the state Departments of Labor. I am pleased and honored to have been asked to comment on the identification of successful strategies to increase workplace participation for persons with developmental disabilities and to explore barriers that may limit those opportunities

I have organized my verbal presentation around the three questions that were sent to me by the Committee. Additionally, I am submitting written testimony including some more specific suggestions as to areas where policy as well as practice changes could be made to support increased workforce participation by persons with developmental disabilities of all ages.

I would like to begin my written presentation with a brief overview of employment status of persons with disabilities nationally and consider some of the challenges and opportunities that can influence the workforce participation of these individuals. Following this I will address each of the Committee's questions.

Current Status of Employment of Persons with Disabilities

Over the past decade it has become more apparent that there will be a shortage of workers to meet employer demands. Even given the current economic downturn, with the declining birth rate as well as the aging of the current workforce, most industries are realizing that their growth will more likely be limited in the long term by the declining labor supply and not the economy in general. A recent report published by the Federal Reserve Bank of Boston (November 2010) notes that in the New England region while there are 10% more workers than there are positions to fill in 2010, there will be 15% more jobs to fill than workers available in 2018. About one third of these jobs will be entry level or lower skilled jobs, those that would be suitable for young workers or workers without considerable employment experiences such as persons with

developmental disabilities. These positions can serve as the gateway to career development for persons with disabilities in the coming years.

The aging of the workforce will also be a factor in the employment of persons with disabilities in the future. By the year 2018 the cohort of workers over the age of 55 will increase to 23.9 percent of total workforce, the largest single age group in the labor market. Additionally, in that same time period there will be more than 50.9 million jobs either replaced or created with the vast majority, two thirds replacement positions, creating an excess of demand over supply for the workforce of 2018 (http://www.bls.gov/oco/oco2003.htm#Labor%20Force). The service occupations will have a replacement need in excess of 7.6 million in this ten year period. While it is difficult to predict the level of acquired disability resulting for the normal aging process, the older workforce will mandate that employers look to accommodations for these workers to both maintain productivity as well as maintain a workforce in general. The accommodations that will most likely be effective will be those that will also have applicability to persons with intellectual and developmental disabilities.

Interesting enough the approaches to supporting the current older worker as well as the reengagement of the retired older worker are more similar than dissimilar to those utilized in accessing the untapped labor pool of workers with disabilities. Workplace modifications and accommodations that are universally applicable to the diverse workforce of today, older workers, workers with disabilities and immigrant workers, offer promise for employers to have a qualified workforce in the coming years.

However, when considering the workforce of today and the current impact of the recession there are some considerable areas of concern that must be addressed. Despite the somewhat more optimistic projection of the future that were just presented, there are populations where the labor force participation rate is and has been quite low as in the case of persons with intellectual and developmental disabilities where eight out of ten are not in the labor market. Coupling the apparent declining labor supply with the low labor force participation rate for persons with disabilities (nationally 34.9% of working age adults with any disability and 23.9% with a cognitive disability were employed in 2009 compared to 71.9% for working age adults without a disability as reported by the American Community Survey), there are some clear inconsistencies in both expectation and perception of this current and potential labor resource.

The US Bureau of Labor Statistics reported the unemployment rate for people with disabilities, meaning those who are not working and are actively seeking work, for December 2010 at 14% compared with 9% for people without a disability. Additionally, during the same period only 21% of all adults with disabilities participated in the labor force as compared with 69% of the non-disabled population (December 2010 Current Population Survey). Correspondingly, for those individuals with disabilities who are employed their earnings are considerably less than the earnings for persons without disabilities. According to the 2009 American Community Survey, on average people with any disability earned 30% less from work annually than average amount earned by

people in the general population and people with a cognitive disability earned less than half what the general population earned from working.

In considering the impact of unemployment for all persons, the consequence is often a life in poverty. Again as noted in the American Community Survey (2009), only 13.4% of those persons without a disability live in households below the poverty threshold while 26.5% of those having any type of disability live below the poverty threshold. For person with intellectual disabilities who are receiving SSI that percentage rises to 42.3% living below the poverty threshold. Data collected by the Institute for Community Inclusion at the University of Massachusetts Boston in its annual data collection report (*StateData: the National Report on Employment Services and Outcomes 2009*) estimates only one in five persons with intellectual and developmental disabilities served by the state Developmental Disabilities agencies received integrated employment services in 2009 (N=114,004) (Butterworth, Smith, Hall, Migliore & Winsor, Winter, 2011). Close to 80% were served in facility-based and non-work settings (Butterworth et. al., 2011). There has yet to be a year since the start of this data collection effort in 1988 that more persons with developmental disabilities have been served in competitive integrated employment than sheltered and non-work settings. In fact, the percentage of persons with intellectual and development disabilities in competitive integrated employment served by state Developmental Disability agencies has shown a decline over the past ten years (from 24.7% in 2001 to 20.3% in 2009). In line with the stagnant growth in the percentage of persons with developmental disabilities served in integrated employment, those states able to report the allocation of funds for day and employment programs noted a reduction in the percentage of total funds allocated to integrated employment from 2001 (16.6%) to 2008 (11.6%), a 30% reduction.

There has been considerable discussion about the status of earnings and wage payments for persons in competitive integrated employment as well as sheltered employment. Data on earnings collected in 27 states through the National Core Indicators project (NCI, 2008-2009) report that the average weekly earnings of those consumers served in facility based work settings was $29.00 per week while for those in competitive integrated employment the average weekly earnings were nearly 4.0 times that, or about $111.00 per week. Those individuals with developmental disabilities served in supported individual and group placement earnings were somewhat less at $97.00 and $69.00 respectively. It should be noted that most work about 15 to 17 hours per week.

When considering the rates of labor force participation nationally, the percentage reported has the effect of masking the variances that exist across states. The ICI data collection of state Developmental Disability agencies has consistently shown great variability from state to state when reporting the percentage of persons served in integrated employment, from 4.5% to 86% at an individual state level. This variability is reflective of how states have embraced the concepts of employment and the priority that is placed in policies, procedures and practices within an individual state. It should also be noted that this variability across states is not just within the state Developmental Disability agencies but also the Vocational Rehabilitation agencies even thought the

Vocational Rehabilitation system has a strong national base legislatively and programmatically.

Challenges and Opportunities

Over a period of several year when the focus was on care and protection the expectations of the public were that the goal of any service was to support and 'hold from harm' persons with disabilities. With the emergence of the self advocacy movement and the growing emphasis upon self determination and consumer directed services, there is an increasing interest in hearing what persons with disabilities are expecting for themselves. In a number of studies it is clear that persons with disabilities are anticipating that they will work and want to work. Data from the National Longitudinal Transition Study (NLTS2) note that 86% of students with disabilities who are of transition age definitely believe that they will work in their adult years. When adding in those that feel they will 'probably work' that percentage moves to 96%.

Similar research findings (Migliore, Grossi, Mank & Rogan, 2008) report that for those individuals who were in sheltered workshop settings 63% indicated that they would prefer to be employed outside of the workshop. Again when adding in those who thought they might want to work outside of the workshop that percentage moves to 74%. In contrast to these data, eight out of ten staff employed in facility based programs felt that such programs are needed for persons who have difficulty or are unable to maintain employment (Inge, Wehman, Revell, Erickson, Butterworth & Gilmore, 2009). These inconsistencies between expectations and perceptions challenge programs to maintain a 'presumption of employability' for all persons served and also to have a sharper focus on competitive integrated employment as the primary or preferred outcome. This lack of focus on employment was noted in research conducted by the ICI when reporting how employment staff was spending their time on the job. The predominance of their time (more than two thirds) was spent in workshop supports, non-work supports and travel with slightly more than one percent spent in job development. This time allocation can be reflective of the lack of emphasis on employment as the goal for those served in many sheltered workshop settings (now frequently referred to community rehabilitation programs).

While the message from consumers with disabilities is clear, practices seem to be inconsistent with that message; persons with disabilities are expecting to work, those that are exiting school as well as those in sheltered setting, yet many of our practices and plans do not reflect these wishes. As will be seen later the adoption of practices such as 'employment first' and the expectation that competitive integrated employment is the primary or preferred outcome are strategies that states are beginning to embrace more aggressively as they plan supports and provide services to and with persons with disabilities.

The inconsistencies noted above have lead many state Developmental Disability agencies to consider adopting an employment first policy. This policy is an outgrowth of the State Employment Leadership Network (SELN) efforts with its 20 state members. For many

states the adoption of employment first comes with a change in the way that they provide or purchase services and supports, their relationship to service providers and their development of policies and procedures that presume that employment is the primary or preferred outcome.

Employment first has evolved over the past five or more years and has been defined as:

> …..policies, procedures and practices that embrace the presumption of employability focusing resources and efforts on supporting access to and maintenance of integrated employment by persons with disabilities, including those with the most significant disabilities.

Employment first has a set of guiding principles (see attachment A) that provide a broad framework for states and organizations that seek to embrace employment. It should be noted that employment first is a gateway to employment but that the outcome of employment first is increased labor force participation rates for persons with disabilities such that they are earning wages in a competitive integrated employment setting. Competitive integrated employment, as an outcome, reflects work that:

-is compensated by the company at the minimum or prevailing wage,
-provides similar benefits to all,
-occurs where the employee with a disability interacts or has the opportunity to interact continuously with non-disabled co-workers,
-provides opportunities for advancement, and
-is preferably full time.

The adoption of employment first as the guiding strategy and competitive integrated employment as the primary or preferred outcome at a state level will require that state agencies be clear about what types of services they are seeking to purchase or provide for their consumers, that the current service providers are prepared to seek and support persons with intellectual and developmental disabilities in finding and maintaining employment and that the documentation of the services provided is consistent with the principle and guidelines associated with employment first. Changes in expectations, practices and outcomes measured are essential if we are to see an increase in the level of labor force participation for persons with intellectual and developmental disabilities.

The following section will address some of the successful strategies for implementing competitive integrated employment, consider some of the barriers that exist for persons with disabilities and also some of the policies that should and could be considered to see an increase in the labor force participation rates for persons with developmental disabilities.

Question 1: What are successful strategies for implementation of competitive integrated work settings for persons with intellectual disabilities?

In considering some of the successful strategies for implementing competitive integrated work for persons with intellectual disabilities it is useful to look at persons with disabilities

who are transitioning from school to work and adult life, those who are currently in sheltered employment or facility based non-work settings and those that are employed in typical work settings but could be considered as underemployed.

A. Transition from School to Postsecondary Options and Employment:

In the past five year there has been a considerable increase in the level of effort in supporting students to move from school to employment. Research for more than three decades has shown that those students who have an employment or work experience while in school are more likely to be engaged in work after they leave school (Hasazi, Gordon & Roe, 1985). Studies have documented that work experiences and internship experiences have served to provide students with solid experience in the area of developing the soft skills to employment as well as developing a better understanding of their role in the workplace upon graduation. More recently there has been a recognition that there is a need to be more expansive in our perception of transition and to consider that the final years of eligibility for students with intellectual and developmental disabilities can be more dynamic including the continuation of learning in postsecondary settings such as two and four year institutions of higher education (Grigal & Dwyre, 2010).

The growing recognition that students with intellectual disabilities can learn from and effectively participate in postsecondary settings as part of their transition process has lead to considerable interest in several states in engaging Institutions of Higher Education in offering courses and learning experiences in these academic settings either as part of or after the completion of their eligibility for IDEA (Grigal, Hart, & Migliore, 2010). Over a fifteen year period the percentage of student with intellectual and developmental disabilities in postsecondary settings has increased from 8 to 28% (Newman et al., 2010). In 2010 the Higher Education Opportunity Act funded 27 model demonstration programs serving students with intellectual disabilities in postsecondary settings in 24 different states. There are some emerging data that are indicating that for those students with intellectual and developmental disabilities who participated in postsecondary education there was a greater labor force participation rate upon leaving the setting (Migliore, Butterworth & Hart, 2009). Additionally the earnings of those students with intellectual and developmental disabilities who participated in these programs were 73% greater than those youth who did not participate in postsecondary education (Migliore et. al., 2009).

This early effort while showing some promise has also shown that the expectation for student with intellectual and developmental disabilities are more likely to be considered for sheltered and non-work programs by schools in their transition years. The NLTS wave 4 data using 520 students with intellectual and developmental disabilities reports that the most frequent employment goal was competitive (46%) followed closely by supported employment (45%) and then sheltered employment (33% four times greater than other students with disabilities) and only 25% considering postsecondary education. Additionally, 73% of parents in a study conducted by Griffin, McMillan and Hodapp (2010) reported a lack of information or guidance from schools about postsecondary education for their children. Training of secondary and transition personnel about options for postsecondary is important (Grigal, Hart & Migliore, 2010).

There are some brighter signs that postsecondary education is becoming more established with more than 250 Institutions of Higher Education in 37 states reporting that they offer

programs for student with intellectual and developmental disabilities. More than half of these are in four year schools with about 38% in two year institutions and the remainder in vocational technical schools. The Think College website www.thinkcollege.net , a site that reports on activities for students with intellectual and developmental disabilities in postsecondary settings, averages over 5000 hits a month and serves as a clearinghouse for postsecondary education related resources.

In addition to the postsecondary options in transition there is an opportunity to reorganize the final four years of education for students with intellectual and developmental disabilities capitalizing upon the resource that exist in Education, Labor, National Service and Vocational Rehabilitation. With the anticipated passage of WIA, transition from school to employment and adult life will become a core area of responsibility for the public Vocational Rehabilitation system. The additional stimulus monies available to several state agencies (Education, Labor and the public Vocational Rehabilitation Agency) were focused, in part, upon the youth population and assuring that these youth enter and remain in the workforce. These highly focused resources are of short duration but are of sufficient magnitude that they can significantly impact how transition from school to work and adult life is addressed in selected communities. Though the stimulus money is of limited duration, the issue of transition is not and the additional resources through the Workforce Investment Act, the Rehabilitation Act, the Edward M. Kennedy Serve America law (expanding volunteer services and service leading to employment) and the recently published Higher Education Act regulations (creating opportunities for students with intellectual disabilities to complete their entitlement to education in a postsecondary setting) can become part of an expanded strategy for establishing a comprehensive transition service at the state level.

As was noted earlier there is clear evidence to show that students with disabilities who have an employment experience in school are more likely to be employed in their adult years. Additionally, with the focus on youth in WIA and the addition of transition from school to employment and adult life, now part of the Rehabilitation Act, there is a significant opportunity to revise the way services and supports are provided to youth with disabilities as they exit school. The integration of service leading to employment (the Edward M. Kennedy National Service law), the options for completing education entitlement services for some youth with disabilities in a community college, college or university setting, the use of training resource through community colleges can all serve as a platform to revise the transition process so that students with disabilities upon exiting school are directed toward employment and not non-work options in their adult years. One of the relative strengths of WIA has been the percentage of young people with disabilities utilizing the WIA funded youth services and better integration of such services with transition activities would be of major benefit.

Partnership agreements including schools, the public Vocational Rehabilitation agency, One Stops, Community Colleges, Universities and community rehabilitation providers can lead to a more robust transition planning process and the development of programs and services that link postsecondary settings with community colleges and volunteer services that may lead to employment for youth with disabilities.

B. For those in Sheltered Settings or in Non-work Programs

The primary day and employment delivery system in most states is the Community Rehabilitation Program (CRP). These programs are typically not for profit entities that frequently provide a range of services and supports to persons with disabilities. Many of these CRPs offer employment and training services including non-work facility based and community based services as well as sheltered employment and integrated employment (see Appendix B for definition of these terms). The ICI has for more than twenty years collected data on the employment services and supports provided to persons with intellectual and developmental disabilities nationally. These data show that on average the CRPs serve somewhat over 170 (67% serving less than 200 individuals) persons with disabilities with most (about 80%) persons with intellectual and developmental disabilities (Inge et. al, 2009). About one in five persons served are in integrated employment settings with the remainder in facility based work and non-work as well as community based non-work settings (Butterworth et. al., 2011). In a current study of CRPs nationally, the ICI has identified a potential list of 12,307 CRPs and has randomly selected 4,000 to survey. Of this number and as a result of our initial outreach it has been determined that about 25% of the original list are programs that no longer exist or are not providing employment services. Given this we are anticipating that there are about 9,250 CRPs nationally. Once this study is completed, in several months, added details of the nature of CRPs and the services and outcomes provided will be available.

The primary purchaser of the CRP services is the state Developmental Disability agency. In response to the interest on the part of the state DD agencies to see an increase in the number of persons served entering integrated employment many states are adopting the guiding principles of employment first. Twenty state DD agencies now belong to the State Employment Leadership Network (SELN), a joint program of the ICI and the National Association of State Directors of Developmental Disability Services (NASDDDS). This annual membership organization allows the 20 member states to focus their interests and learn from each other as to effective policies, procedures and practices that each of the members is doing that might be able to be adopted by a member state. The training and technical assistance provided by ICI and NASDDDS as well as the policy efforts are focused around increasing the labor force participation rates for persons served by the state DD system.

As a result of the SELN activities over the past six years, a number of practices have been identified that support increased employment emphasis at the state level. Through the provision of technical assistance to the CRPs more effective services leading to competitive integrated employment are being encouraged. Other efforts of the SELN address issue of state policies and contractual language that should be adopted to encourage changes in the provision of services by CRPs. SELN has adopted a framework for employment including: (1) mission and goals, (2) identification of champions for employment at the state and local levels, (3) funding mechanisms and contracts with providers emphasizing employment as the preferred outcome, (4) training and technical assistance, (5) collaboration and outreach to other employment and training stakeholders, (6) flexibility in use of funds and (7) data collection and reporting (Hall, Butterworth, Winsor, Gilmore, Metzel, 2007). It is adherence to these seven areas that has assisted the member state in moving toward a more concentrated focus on employment as the primary or preferred outcome for the clients served.

Several states are now changing the outcomes of the services that they are purchasing and expecting that the contractors (in most instances CRPs) will be able to provide services to clients that will lead to integrated employment and not a continuation of facility based work and non work services. States are offering training and technical assistance to these providers to change the way that they have been offering services and assisting the programs to convert their services to meet the contractual interests of the state DD agency. In addition to the training and TA offered some states are exploring incentives and differential reimbursement structures for competitive integrated employment outcomes. What is apparent is that the clearer the message about the outcomes the clearer the realization of the desired outcome.

C. Those in Employment but not Full Time or Needing to Change

As the data have shown for those individuals who are in competitive integrated employment the earnings while at or above the minimum wage are often low in total as the number of hours worked is in the 15 hour per week range typically. There is a growing interest in encouraging accessing jobs that are closer to full time and also supporting job advancement for persons who are currently served in competitive integrated employment. Job placement for many persons with intellectual and developmental disabilities is not the end of a process but the beginning of the career. There will be occasions when assistance will be needed to advance in a job, increase hours, change jobs, adapt to workplace changes in tasks or structures or just for a job change. The strategy for accessing those services should not be a reapplication but rather a continuation of services and supports without interruption or delay. For those individuals who are eligible for Vocational Rehabilitation services post employment services would be available immediately and prior to the time of crisis. For those in the DD system similar services should be available. Such services may be able to be funded through waivers, state resources, VR or employment and training resources. The need for rapid response and immediate support is essential.

As in the case of the pathway to employment being facilitated by postsecondary opportunities this same pathway may be an avenue to job advancement for persons with intellectual and developmental disabilities. Postsecondary options can be self funded, funded though VR or even funded through the place of employment. These options should be considered as we look at how to support the individual with a disability in developing his or her career path.

Question 2: Barriers to Employment: What are the barriers to employment for persons with disabilities?

The barriers to employment can be systemic in nature and/or unique to the individual. As has been noted earlier there are some clear indication that the current high unemployment rates have made the employment of persons with disabilities more challenging. What has also been noted is that the national demographics are all pointing to a shortage of workers in the coming decade.

One of the systemic barriers to employment is the strategies that have and continue to be utilized to find jobs for persons with disabilities. While studies have documented that the family and friend network is a very effective strategy in finding employment for persons without disabilities, this network is not utilized as often for persons with disabilities. Additionally, with the massive changes in technology the advertisement of job openings is more often through the internet than word of mouth or print. The capacity to search electronically all Web pages and create lists of job openings sorted by knowledge, skills and abilities is already in use in some labor sectors. The reliance on cold calls, personal network and print searches are no long the primary ways that employers utilize to identify or reach potential employees, they are using the internet and on line job systems. It is crucial that the job developmental efforts of the employment and training systems (public and private) embrace the technology that exists and more aggressively match individual interests and skills to labor market demands.

There are a number of other barriers to employment that according to Migliore et. al., 2009) can be grouped into seven categories (1) long-term placement, (2) safety, (3) work skills, (4) social environment, (5) transportation, (6) agency support, (7) disability benefits and (8) systems of service. This list outlines many of the challenges that persons with intellectual and developmental disabilities face when considering employment. However, it should also be noted, as was stated earlier, expectation can play a significant role in employment. For some individuals the expectation of employment as a realistic outcome, particularly those who are responsible to the transition process and the employment and training activities, can seriously impact employment outcomes. Other challenges are the limited expertise among staff in schools and CRPs in understanding effective practices in indentifying employment options, making job matches and supporting individuals using natural supports as much as possible. There is a considerable training and technical assistance effort that is needed at both the school and adult service levels.

As noted by Migliore et. al., 2008 some of the concerns about safety and consistency in work schedules are among the top tier of concerns for families. In certain families where both parents are working or in those settings where the individual with intellectual and developmental disabilities is residing in a community residence there are concerns about working second shifts, part time employment and job transition that can cause providers to discourage employment. Parental concerns about harassment, bulling and risks to independent travel can all raise concerns and apprehensions on the part of families. Another major concern is the loss of friends and the apprehension about meeting new people and making new friends for persons with disabilities when entering work.

Some of the more systemic concerns include work skills and the perception that the tasks will be too difficult. Often when there is a problem with the skills and tasks required this is reflective of an inadequate job match. When job accommodations and job modifications are made seldom is the level of work skills an issue for persons with a disability in the work setting. In some instances there may be occasions when job tasks will change or new technology or procedures are introduced and as a result there will be

some need for training and retraining but in many instances this can be accomplished by the company and in others with the assistance of an employment training specialist.

A common concern involves transportation and the lack of adequate transportation for persons with intellectual and developmental disabilities to get to employment. A number of studies have considered this barrier and while it is present do not feel that this was a primary concern for many (West, Revell & Wehman, 1998). Often the issue of transportation is the identification of local resources, either public or private that can assist. In some instances the issue of transportation may restrict some job areas but this appears to be less of a challenge for those in urban and suburban areas.

Agency support reflects both a lack of flexibility in providing necessary supports as well as limitations in the skill level of the personnel who are to provide supports. There have been a number of studies identifying the level of expertise of staff in the employment support areas. As was noted earlier for many there is not a great deal of time spend in the job development process and many staff feel uncomfortable in being the sole source of support for the consumer in a work setting. This issue is tied more to the lack of skills training expertise on the part of the staff as opposed to availability of staff supports.

The fear of loss of benefits has been often raised by staff, families and consumers. While there are a number of work incentives that are available (Plans for Achieving Self Sufficiency [PASS], Impairment Related Work Expenses [IRWE], 1619(a) and 1619(b)) not all of these apply to all SSA beneficiaries. The inconsistency in SSDI and SSI benefits and incentives has long served to make the decision to consider employment complex for many. In addition to the cash and health care benefits, concerns about loss of housing, food stamps and other benefits must be dealt with. The attempt to utilize benefits counselors has begun to address some of these concerns but there remains a great deal of misunderstanding of the availability of benefits and the impact that earnings will have on individual benefits.

Question 3: What policy conclusions should we make toward the goal of increasing employment?

Policy considerations are necessary not only at the federal level but the state and local levels as well. The following offer some suggestions as to policy changes that could be considered that would enhance the labor force participation by persons with development disabilities.

A. At the Federal Level

With the passage of the Workforce Investment Act and correspondingly the Vocational Rehabilitation Act, the role of transition for students with disabilities will clearly be a focus for VR. The emphasis on facilitating the movement of students with disabilities into employment and away from sheltered work or non-work programs will be reinforced by the decision more than ten years ago by VR to not count sheltered employed as an outcome for the rehabilitation system. The engagement of VR in the schools and the

creating of a more effective relationship between VR and schools will be essential as VR assumes more of the responsibility for transition. Identification of effective collaborations between VR and education and the development of model demonstration to replicate those practices in a select number of states will be an effective way of scaling up the VR role in the transition process.

Both youth and adults with developmental disabilities can benefit from the programs available through the US Department of Labor, Employment and Training Administration. The considerable investment in youth services through summer employment and part time work while in school can play a central role in providing youth with intellectual and developmental disabilities an opportunity to have a real work experience. Such an experience can offer a chance for the student to develop more specific work interest and a better understanding of how he or she relates to co-workers and managers in a real work setting. For the adult with intellectual and developmental disabilities having access to the resources at the One Stop can offer a link to labor market information and job openings that may not be available through other programs. The involvement of the youth with One Stops can also be part of the transition process from school to work. Data show that youth with disabilities who participate in ETA youth programs perform as well as youth without disabilities. Increasing the access to and enrollment in these programs by youth with intellectual and developmental disabilities can serve to expand employment options for such youth.

While the Corporation for National and Community Service (CNCS) has its primary focus national service and volunteerism, with the passage of the Edward M. Kennedy Serve America law, the opportunities for national services have expanded considerably. CNCS has and continues to support increased access to national service by persons with disabilities through the National Service Inclusion Project at the Institute for Community Inclusion. A second project, Next STEP, supported by CNCS, is demonstrating how national service can be a pathway to employment for persons with disabilities. The opportunities to learn through national service are many. The skills acquired through national services match what research tells us are factors that contribute to success in employment for persons with disabilities. National service can and should be an option for those students who are transitioning from school to employments as well.

The state Developmental Disabilities agencies have relied heavily upon the reimbursement for services provided through the Centers for Medicare and Medicaid Services (CMS). Through the use of waivers states have been able to encourage the development of supported employment services for persons served through the state DD systems. Some states have aggressively embraced the presumption of employability and the adoptions of policies, procedures and practices that reflect that employment should be the focus of the services offered to all consumers. The challenge in many states is the need to create additional incentives for the community rehabilitation providers to focus more attention and effort on assisting persons with intellectual and developmental disabilities in entering and remaining in employment. Through an enhanced reimbursement rate to state agencies reflecting an increased rate of reimbursement for persons who are served in integrated employment, initial data are showing that

considerable savings to the state as well as CMS can be realized over a ten year period for one individual served ($42,000 for the state and $18,000 for CMS per individual over a ten year period—see Appendix C). Incentives provided to states through an enhanced Federal Financial Participation rate can yield increased employment rates as well as saving to both the state and CMS.

Continue to dedicate resources in Higher Education that will support the accessing of postsecondary education leading to employment by students with intellectual and developmental disabilities. In 2010 the US DOE funded 27 model demonstration programs and a national technical assistance center involving 24 states as part of the development and expansion of postsecondary education for students with intellectual disabilities (authorized by the Amendments in the Higher Education Opportunities Act (HEOA) of 2008). Such a nascent program must be clearly identified, developed and not merged into a larger program as proposed by the President's budget. Should this attempt to increase the postsecondary opportunities for student with intellectual and developmental disabilities be placed within a larger program the focus of the program on student with intellectual disabilities will most assuredly be lost.

This effort has also been supported by the Administration on Developmental Disabilities in their support of Think College a project that provided mini-grants to University Centers on Excellence in Developmental Disabilities (UCEDDs) to support state level strategic planning, development and implementation of postsecondary education options. Ongoing and cross agency support of this effort and an identification of Institutions of Higher Education currently or interested in supporting postsecondary options for student with intellectual and developmental disabilities supports a more comprehensive transition as well as work preparation effort for these students.

Consistency with Social Security Work Incentives and streamlining the Ticket to Work incentives: There are clear inconsistencies at the federal level regarding the expectation of persons with disabilities to become part of the labor force in their adult years. Some of these are reflective of the eligibility determination processes for Social Security Benefits as well as health care benefits. The criteria for eligibility for cash and health care benefits are closely tied to the documentation that the applicant is not able to work and will not be able to work over an extended or perpetual period of time. Once the determination of eligibility for benefits is made, it is highly unlikely that individuals with disabilities will consider work given that the consequence to having earnings above Substantial Gainful Activity (SGA) may or are perceived to place those benefits in jeopardy.

While SSA has attempted to support return or entry to work for beneficiaries, the complexity of rules relating to benefits for the individual are considerable. Compounding this fact is that there are different rules for those on Supplemental Security Income (SSI) and those on Social Security Disability Insurance (SSDI). Many attempts have been made to have the use of work incentives and the rules that guide their use be consistent across all beneficiaries. Such a policy change would create a great deal more incentive for the SSDI beneficiary to consider return to work. The role of the Ticket, a concept

with merit but again complex in its implementation, should also be streamlined so that providers and others interested in supporting the return to work for persons with disabilities could benefit from the payments available through the ticket.

B. At the State Level

Not all policy change will occur at the federal level. At the state level there is a clear need to have a consistent message that there must be a presumption that persons with disabilities can work. States are now developing policies, procedures and practices that place the focus of services and supports on employment first and that the services and programs provided should have as their primary or preferred outcome competitive integrated employment. The end result of employment first will be an increase in the labor force participation rate for persons with intellectual and developmental disabilities having wages that are at or above the minimum wage, benefits that are consistent with other workers in the place of employment, provide opportunities for interaction on a continuous basis with co-workers without disabilities, have a potential for advancement and employed preferably full time. The adoption of the employment first guidelines at the state level will influence the nature of the services purchased by the state DD agency and also send a clear message to the provider system as to what outcomes are desired. As was noted earlier changes in reimbursement rates, reporting requirements and data collection can serve to reinforce the states adoption of employment first as the base of its practices and programs.

For many states the delivery system for day and employment services is the not for profit community based organizations, typically referred to ac community rehabilitation providers. Many offer a range of services and are seeking ways to increase the employment rates for the persons served. Currently for those in facility based programs earning are extremely limited. In states that have been successful in adopting employment first or a similar policy they have also coupled this effort with supports for training and technical assistance to these providers. For some CRPs the adopting of an employment focus is a considerable change in the way that they do business. For those interested in changing or converting their service from a facility based service to an employment and training service leading to placement in a competitive integrated jobs, training of staff, changes in practices and development of new staff roles and areas of emphasis is essential. Resources at the federal level to support program conversions can facilitate the adoption employment first polices and assist the provider system in changing how they provide services.

An area for considerable change at the state and local level is in the area of transition from school to employment and or postsecondary education to employment. For many students the final years of school are often colored by watching classmates graduate, continuing the same or similar curricula and little discussion about roles in adult life including community living and employment. The process of transition must be one that involves many resources, begins early and builds upon the inclusive educational experiences that many students with disabilities have now in school. The period between the adult eligibility for services and the educational entitlement to services is often a time

of concern for both the student and the family. The redefining of the final four years of entitlement to include options that prepare the student to enter the workforce may include an experience in a more age appropriate postsecondary setting, real work and or volunteer experiences and a focus on developing some employment and job skills while in school; in the summer and also in the transition years. Transition should be viewed as a multiyear planning and learning process, one in which the student will gain more experience about employment, independence and also experience a sense of accomplishment. As was noted many students who are nearing the end of their high school experiences are anticipating entry into the labor market. The preparation for this should be a restructuring of the transition planning and implementation process so that resources at the postsecondary level (two and four year institutions of higher education as well as technical schools), national service and part time employment can be part to the learning and serve as the gateway into employment. The goal of transition should not be into a non-work or segregated setting but, as the student has experienced, an inclusive setting that has the option for employment, earnings and social inclusion as the end of the transition effort.

As was noted in Commissioner Lewis testimony 'what gets measured gets done, what gets measured and fed back gets done well, and what gets rewarded gets repeated'. Data collection at the state level can serve as both a way of documenting progress as well as providing information to consumers, families, state agencies and others about the outcomes of programs that are serving persons with intellectual and developmental disabilities. Data collection is essential to documenting and measuring change and also indentifying practices that are effective. It is crucial that states be able to document outcomes of services and to report on the rates of labor force participation by persons with intellectual and developmental disabilities served at the local, state and national levels.

What is clear in a number of studies noted in this testimony as well as in other studies is a critical need to train staff in the schools to be more effective at transition planning and in the community rehabilitation providers regarding strategies for job development, job analysis, job modifications and on-site supports. The level of skill in the personnel who are charged with identifying, accessing and supporting persons with intellectual and developmental disabilities is limited. Most pre-service training efforts at the teacher preparation levels do not address issues of transition and transition planning and in the adult services most job development and employment training specialists have little if any initial or on-going training. If we are to be successful in supporting persons with disabilities in accessing and maintaining employment then staff skill level must be increased. Training in transition planning and transition services for educators should be incorporated into pre-service training as well as professional development training for educators at the secondary levels. Some states are identifying transition training competencies and moving toward certification or credentialing in transition planning for educators.

At the community rehabilitation provider level, training of staff at a state and program level is essential in the areas of job development, job assessments, employment

customization and job supports. The pending development of a College of Employment Supports that will parallel the College of Direct Support Professionals at the end of this year will serve to increase the capacity of staff in community rehabilitation programs who are charged with assisting persons with intellectual and developmental disabilities in entering employment. This training should be considered as a service that is supported through training monies in Vocational Rehabilitation, DOL Employment and Training, the Administration on Developmental Disabilities and CMS.

Engaging employers in both the training and hiring processes, while not a public policy issue, can be an effective way of addressing both the employer's future workforce needs as well as to access the natural environment of the workplace for training. Employers can serve as a training resource offering internship and apprenticeship options for persons with intellectual and developmental disabilities. Utilizing the natural setting of the workplace as a training environment can create a very strong training experience for persons with disabilities. Employers in many industries have used the natural setting as a training environment through apprentice and internship opportunities for persons without disabilities. Similar strategies can be used to train persons with disabilities in natural work settings.

Technology has played a role in facilitating a stronger match between a job and an individual with a disability. Technology from a labor market perspective is playing a more central role in job development and applicant and employer matching. The traditional approaches of job development, identification of labor market needs and linking clients to a potential job has been highly labor intensive and not reflective of the way employers seek employees. The use of a real-time demand data system will create immediate matches of the knowledge, skills and abilities (KSA) of the job applicant to the KSAs as presented in the job postings. The capacity to identify all job openings in a designated area (local, sub-state, state, regional or national) on a daily basis will assure that the industry demands are current. The ability to sort experiences, interests and preferences of the clients served and the matching of those to the needs on the demand side has not been done to date. The development of the strategies as well as the implementation guidelines, policies and practices can be done on a national level and will facilitate adoption at local, state and national levels and thereby streamline the job development process for providers and persons with disabilities.

Conclusion

The challenges are many as are the opportunities but it is clear that our expectations and practices need to be realigned and the approaches to supporting persons with intellectual and developmental disabilities, and for that fact all persons with disabilities, will yield gains not only for the individual and the public sector but the employer as well. The changes in the labor market in the next decade offer a significant opportunity for persons with disabilities to take their rightful place as employees and contributing members to society in the same proportions as do those without disabilities.

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Appendix A: Employment First Guiding Principles

Employment first has evolved over the past five or more years and has been defined as:

> …..policies, procedures and practices that embrace the presumption of employability focusing resources and efforts on supporting access to and maintenance of integrated employment by persons with disabilities, including those with the most significant disabilities.

Appendix A

EMPLOYMENT FIRST PRINCIPLES

Employment First: is a service delivery strategy regarding the use of public funding for persons with disabilities, including persons with the most significant disabilities, which effectuates on a systemic basis the principles set out below. The strategy supports the primary or preferred employment outcome of competitive, integrated employment for persons with disabilities including those with the most significant disabilities. The strategy includes the issuance and implementation of policies, practices, and procedures promulgated through federal and state statutes, regulations, and/or operational procedures, including policies, practices, and procedures requiring that systems have a statutory responsibility to provide services that align their reimbursement practices, policies and guidance to incentivize, encourage and fund services and supports that lead to competitive, integrated employment.

The **Employment First** strategy shall be implemented consistent with the following principles:

1. Disability is a natural part of the human experience that in no way diminishes the right of individuals with disabilities, including individuals with the most significant disabilities, to achieve the four goals of disability policy—equality of opportunity, full participation, independent living and economic self-sufficiency.

2. Self-determination and informed consumer choice are essential elements in all programs and service options.

3. Work for pay (employment) is a valued activity both for individuals and society. Employment provides both tangible and intangible benefits. Employment helps people achieve independence and economic self-sufficiency. Employment also gives people purpose, dignity, self-esteem, and a sense of accomplishment and pride.

4. Work is physical or mental effort directed toward production of goods, the provision of services, or the accomplishment of a goal.

5. All individuals, including individuals with the most significant disabilities, should enjoy every opportunity to be employed in the workforce, pursue careers, and engage actively in the economic marketplace.

6. Individuals with disabilities, including individuals with the most significant disabilities, should be empowered to attain the highest possible wage with benefits and be employed in the most integrated setting appropriate, consistent with their interests, strengths, priorities, abilities, and capabilities.

7. Individuals with disabilities, including individuals with the most significant disabilities, should enjoy a presumption that they can achieve competitive, integrated employment with appropriate services and supports.

8. Employment-related training services and supports should be provided to assist individuals with the most significant disabilities to become employed with a priority for competitive, integrated employment.

9. Based on information from the employment marketplace, employment-related training services and supports should target areas of present and future workforce growth. Input from employers is critical to effectively direct employment-related training and services.

10. Service providers are expected to use best, promising, emerging practices with respect to the provision of employment-related services and supports.

11. Technical assistance should be available to service providers for the purpose of expanding and improving their capacity to provide supported employment, customized employment, and other services and supports that will enhance opportunities for competitive, integrated employment consistent with best, promising and emerging practices.

12. Supports should be provided for as long as needed with a focus on use of natural occurring supports as much as possible.

13. There is a need for a seamless system of services, supports and funding involving all agencies responsible to provide services if we are to increase options for competitive, integrated employment. The seamless system must include the establishment of infrastructures and resource allocation (staff time and funding) that reflect the preference for competitive, integrated employment.

14. Exploitation of workers with disabilities is abhorrent and workers should enjoy meaningful and effective protections against exploitation.

Appendix B: Definitions of Day and Employment Services

Integrated Employment
Integrated employment services are provided in a community setting and involve paid employment of the participant. Specifically integrated employment includes: *competitive employment, individual supported employment, group supported employment, and self-employment supports.*

- Competitive and individual supported employment refers to individuals who work in an individual job, typically as an employee of the community business.
- Group supported employment refers to groups of individuals who work in integrated job settings typically as part of an enclave or mobile work crew. In general group supported employment applies only for group sizes of 8 or fewer.
- Self-employment refers to small business ownership that is controlled or owned by the individual. It would not include a business that is owned by an organization or provider.

Community-Based Non-Work
Community-based non-work includes all services that are focused on supporting people with disabilities to access community activities in settings where most people do not have disabilities and does not involve paid employment of the participant.

- Activities include general community participation, volunteer experiences, or using community recreation and leisure resources. The majority of an individual's time is spent in the community.
- This service category is often referred to as Community Integration or Community Participation Services.

Facility-Based Work
Facility-based work includes all employment services which occur in a setting where the majority of employees have a disability.

- These activities occur in settings where continuous job-related supports and supervision are provided to all workers with disabilities.
- This service category is typically referred to as a Sheltered Workshop, Work Activity Center, or Extended Employment program.

Facility-Based Non-Work
Facility-based non-work includes all services that are located in a setting where the majority of participants have a disability and does not involve paid employment of the participant.

- These activities include but are not limited to: psychosocial skills development, activities of daily living, recreation, and/or professional therapies (e.g., occupational, physical, and speech therapies). Individuals may participate in community activities, but the majority of an individual's time is spent in the program setting.
- Continuous supports and supervision are provided to all participants with disabilities.

This service category is also referred to as Day Activity, Day Habilitation, and Medical Day Care programs.

Implication of Enhanced FFP Rate for Integrated Employment Outcomes for States

The following outlines possible implication for an enhanced Federal Financial Participation rate of 90% of costs incurred for states as consumers enter and remain in integrated employment as opposed to the annual estimated 50% FFP. There are a number of simple assumptions made for purposes of illustration. These assumptions include: (1) the average cost of facility-based employment on an annual basis is $10,000 (no adjustment taken for annual increases in this figure) and (2) there is on average a $2,000 annual reduction in the cost of supporting an individual consumer in integrated employment until this reduction reaches a minimum of $2,000 annually. There are no estimates made on the return on investment (ROI) through taxes paid or reduction in Social Security payments as a result of earnings. These measures will clearly increase the net savings in public resource should they be included. The totals presented reflect the savings per individual.

Years	Facility Based annual costs***	Integrated Employment Annual Costs**	Cost Savings*
1	$10,000	$10,000	0
2	10,000	8,000	$2,000
3	10,000	6,000	4,000
4	10,000	4,000	6,000
5	10,000	2,000	8,000
Sub totals	**50,000**	**30,000**	**20,000**
CMS (90%FFP for IE only)	**25,000**	**27,000**	**(2,000)**
State	**25,000**	**3,000**	**22,000**
6	10,000	2,000	8,000
7	10,000	2,000	8,000
8	10,000	2,000	8,000
9	10,000	2,000	8,000
10	10,000	2,000	8,000
Sub totals	**50,000**	**10,000**	**40,000**
CMS (50% FFP)	**25,000**	**5,000**	**20,000**
State	**25,000**	**5,000**	**20,000**

Years	**Facility Based annual costs*** **	**Integrated Employment Annual Costs** **	**Cost Savings***
10 Yr Total	**100,000**	**40,000**	**60,000**
CMS	**50,000**	**32,000**	**18,000**
State	**50,000**	**8,000**	**42,000**

*Amount of reduction in costs between costs of integrated employment and facility based employment based on one individual entering and remaining in integrated competitive employment

**Total costs to CMS and States utilizing a 90% FFP rate. This rate is used for years one thru five only. The regular FFP rate (estimated on average to be 50%) is utilized in years six through ten.

***Average annual costs of facility based employment with no enhanced FFP rate. No annual adjustment in costs from year to year are taken here