

State Leadership and Innovation in Disability Employment

Committee on Health, Education, Labor and Pensions

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Written Testimony

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Good morning Chairman Harkin, Ranking Member Alexander, and Members of the Committee. My name is Mike O'Brien and I am the State Director of the Oklahoma Department of Rehabilitation Services. I am extremely grateful to the Committee for having the opportunity to share with you today some innovative practices we have implemented in the Oklahoma that I believe could be of benefit to other states. Some of these practices we created and others we borrowed from other partners because they were effective. I would like to share innovations in four areas in particular: transition services to students with disabilities, helping people navigate disability benefits and choose work, working with business, and inter-agency and public-private partnerships.

I have been a rehabilitation practitioner for more than 35 years. My professional experience has included work as a rehabilitation counselor in the public and private sector, vocational evaluator, university professor of rehabilitation counseling and special education and director of two state vocational rehabilitation agencies (Washington and Oklahoma). I hold an earned doctorate in occupational and adult education and am nationally certified as a rehabilitation counselor and vocational evaluation specialist. Currently, I am president-elect of the Council of State Administrators of Vocational Rehabilitation. I have been fortunate to see vocational rehabilitation from many sides and am confident people with disabilities will be served well through the on-going and future efforts in the public program.

I was very excited to return home to Oklahoma in December of 2008 as the Director of the Department of Rehabilitation Services. I had previously worked in the agency and with many of the state partners. I believed there was an opportunity to move the organization forward because of the potential for interagency cooperation and

business partnerships that existed in Oklahoma. However, we were facing our worst performance year as an agency; we were mired in long waiting lists and needed to change how we did business. In Oklahoma we are an independent department and do not report to a parent agency. This gives us greater flexibility for innovation and rapid change. This makes us peers with all other agencies and creates the capacity for full partnership on equal ground. Since returning I have had the strong support of Governor Fallin, the Governor's Workforce Board (as a voting member), and many agency partners. Governor Fallin has encouraged the agencies to partner on issues for people with disabilities. During that first year we only achieved a little over 1600 successful closures (successful placement in a job for at least 90 days); however, since that time we have had two of our best three years ever and last year achieved over 3,000 closures. We have been able to achieve success with a discrete population and limited resources (in Oklahoma, there are about 580,000 people with disabilities and we can serve 15-17,000 at any given time). Below are several innovative projects that have helped increase employment of VR consumers with disabilities in Oklahoma. I have also identified several concerns and hopes I have for the future.

Working with Business and Industry

It has become more and more evident that perhaps the most critical partner to successful innovations serving people with disabilities is the business community. Employers must be seen as a full partner that not only hires the consumers we serve, but helps the agencies clearly understand local business needs. We recently did a small study looking at what kind of jobs our consumers were getting. We worked with the state workforce board to make sure we had a clear understanding of what industries

were the growth sector industries and where future jobs would likely be. We discovered a disconnect between some of the jobs we were preparing people for and where the opportunities for these jobs actually existed. Many of our clients were being placed in service industries, customer service, food service, cashiers and clerical positions. When we looked at the Oklahoma labor market, the current and future job openings were in medical fields, the energy industry, technology and manufacturing. These jobs pay better, but employers have specific training needs for people to move into these jobs. By reviewing this information we have now made some changes in our practices. We have local business advisory boards being established. We have also looked at our career planning activities and initiated training that we think will help the local counselor align career planning with local job opportunities.

Serving Transition Age Youth

Transition is particularly important. Research reported by the National Collaborative on Workforce and Disability for Youth¹ suggests that if students have positive experiences early on and are provided with work based experiences (paid or unpaid) while still in school they are likely to experience reduced dropout rates, increased school attendance and more likely to go to college or to work, compared to their peers. Work based learning experiences are particularly important for students with disabilities. Students participating in these experiences are more likely to be competitively employed than their peers and earn higher wages. If they are able to achieve better wages they will be less likely to use Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI).

¹ Engaging Youth In Work Experiences: An Innovative Strategies Practice Brief located at <http://www.ncwd-youth.info/innovative-strategies/practice-briefs/engaging-youth-in-work-experiences>

We believe that having a statewide coordinator of transition services helps our agency improve employment and post-secondary outcomes for students with disabilities. There are four transition programs in Oklahoma that I would like to highlight. In federal fiscal year 2007, Oklahoma had 1080 paid work experiences for transition age youth. By 2011, with the support of ARRA funds, this number had risen to 1861 paid work experiences. Even during 2012, after ARRA funds went away and the agency had extensive waiting lists, there were 1244 paid placements. These occurred because our statewide coordinator had managed to create contracts with local school districts across the state that resulted in high school students with disabilities obtaining paid employment (typically 10 hours per week at \$7.25 per hour during the school years with additional employment opportunities in the summer). These jobs occur in a variety of settings including partnerships with local businesses. Students are paid through agreements with local schools, career technical centers or through temporary employment agencies.

Another successful program focusing on this population is TechNow. TechNow is an innovative program that begins working with students during 9th or 10th grade. This program is a partnership between vocational rehabilitation, career technology centers and local school districts. It is an effort to help transition students think about jobs in technology related fields and in business. Students are taught marketing, sales and other skills. They learn to operate current business software to develop these skills. As part of this program students create banners, brochures, cereal boxes, cars and other projects. They then market the products in a statewide competition. Local businesses

sponsor the competition and work with the students. Although TechNow has operated since 1999, our agency has only been a partner for four years.

Three years ago we established a pilot project where we became a primary partner in the project. Our main reason for increasing VR's involvement in this program was based on the project's graduation rates exceeding 94% since the inception of the program. In a state by state report from the Department of Education (2012), graduation rates for students with disabilities vary from a low of 23% to a high of 83% (with more than half below 60%) for students with disabilities.

High school graduation is particularly important when considering the labor market future of students with disabilities. According to a report from the group Advocacy in Action, high school dropouts earn less than high school graduates across their lifetime, perhaps as much as \$270,000 (Goodman, Hazelkorn, Bucholz, Duffy & Kitta, 2011). Graduation rates at TechNow are very promising for students with disabilities. By piloting this project and becoming involved at an earlier age with these students we believe we can connect them to work based experiences while still in school and increase their likelihood of post-secondary training and/or employment. We also believe we can match them to better career opportunities in technology related businesses. Over 400 students have been through this program. Additionally, many students earn scholarships to local career technology centers and area colleges.

A multiagency partnership was initiated about 18 months ago between Oklahoma Department of Rehabilitation, the Office of Juvenile Affairs, a local career technical center, the Oklahoma Commission for Children and Youth, and local one-stop employment center. This project works with juvenile offenders who have disabilities and

who are in a secure facility. VR counselors are able to take applications for this population while they are still in the facility, initiate an individualized plan for employment, provide career counseling, assist with payment of on the job training (OJT) while still in the facility, and then follow up with the students after they are released to their home communities. It is a relatively new program, but all the partners have brought resources to the table. About 50 students have participated in this project thus far. A recent client in the program exemplifies its importance. He was exiting the program and wanted to have a career as a welder but could not get accepted to the training program. He also had housing issues. With the efforts of his rehabilitation counselor he was able to find local housing and get admitted to school. He is currently in training and doing well. If he had not had assistance from VR, he would not have been admitted to training or obtained his current housing. Early results have shown less recidivism for these youth; however, it is too early to make long term projections since this is a population doubly at risk due to disability and legal problems. We believe it has great promise because of the multiple partners working together to wrap services around these individuals.

Project Search is a national program that many agencies across the country are working with to find successful employment for students upon graduation. In Oklahoma we have managed to have success both in urban and rural communities. Project Search exclusively focuses on students with intellectual disabilities and on helping these students become competitively employed. It is a program where students work as interns in a business. Project Search is considered a formal class and students will spend a large share of the school year working in the business. Although it originated in

hospital settings, we have expanded it to other businesses, most recently to Chesapeake Corporation, a major energy provider. Job coaches work with the students to develop skills and good work habits. When a student completes the internship they begin the job search process. Perhaps the most exciting part of this work is that students are exposed to good jobs and career opportunities. Employment rates vary by facility but most have between 60% and 90% success. Often the company where the student interned offers a job to the successful student.

Addressing the Fear of Losing Benefits and Helping People Choose Work

A significant barrier to work for people with disabilities (both adults and students) is the perception about loss of benefits, particularly medical coverage. It has been our experience that many people want to work and will choose work if they understand what will happen with their benefits and can plan effectively. The Social Security Administration (SSA) had a program for several years where there were “Benefit Planners” who worked with beneficiaries to understand implications of going to work. It has since been discontinued. Although it was generally helpful, we discovered many benefit planners helped people to choose work but to earn only enough money so they could retain benefits. This essentially did not position people to get good jobs where they could leave the SSDI/SSI roles. In Oklahoma, we created a benefit planner program; however we made two critical changes from the SSA program. First we try to refer every consumer who receives SSDI/SSI to a benefit planner who will focus on choosing work. The consumer can make a real choice about work rather than earning an amount below the level where they would lose benefits. If the jobs offered consumers are quality jobs, they can choose work. The second change we made was to

ensure that the benefit planners had expertise in other areas, not just social security. Our benefit planners are knowledgeable about social services, veteran's services, housing benefits, etc. When we started this program we had a little over 50 people leave the social security roles, however this past year almost 160 left the roles and we continue to see growth in the program. We are certain it is a model that can be successfully replicated.

As part of our focus on Social Security we have also created a "Ticket-to-Work" team. Ticket-to-Work is a program that can be used by SSDI/SSI recipients to attempt to go to work and leave the roles. Individuals can work with the state vocational rehabilitation agencies or they can work with private providers called employment networks (ENs). Employers, One-stop centers, community rehabilitation providers and a host of others can become ENs. The application process can be overwhelming and we had a very restricted number of ENs in Oklahoma. Our Ticket unit was created to partner with businesses, One-stop centers and others to make it easier for them to become Employment Networks for Social Security's Ticket to Work efforts. We help the business prepare the applications, provide training, work with the potential ENs on the services they need to be able to provide the individual after VR services are completed, so that they can remain stable on the job. The VR case is closed after 90 days of successful employment, but the person does not leave the SSDI/SSI roles until they have had at least 9 months of gainful employment. By partnering with ENs they can follow the individual for a much longer period of time and assist with long term job stability. As an example, we have been able to partner with HERTZ Corporation as an EN. We would like to work with Social Security to partner with other employers in

Oklahoma to become ENs. We continue to help develop other potential ENs. With the longer term follow up, we believe it will ultimately help beneficiaries leave SSDI/SSI roles.

Leveraging Interagency Partnerships

In Oklahoma, the rehabilitation agency is fortunate, because as the agency Director I am a full voting member of the Governor's Workforce Committee. This means that I am at the table with all of the agencies and businesses when programs are developed and decisions are made. We also have representation on every local Workforce Board and every Youth Council. This is not the case in all states. There are states where the vocational rehabilitation agency is represented on the State Workforce Board through their parent agency. We have been able to use board partnerships to increase opportunities for people with disabilities to access employment across the state.

A good example of this partnership is reflected in the statewide Career Pathways initiative and in the specific pilot of Career Pathways in Duncan, Oklahoma. This model is a collaboration between workforce partners (through the Workforce Investment Act), local schools and local businesses. At a statewide level we are affecting policy and helping to develop the model. In this model schools begin a career development process in 6th grade that continues for students through high school. The process includes career guidance, work experiences, career exploration and businesses coming to the school to work with students and the faculty. Exposure to local jobs is provided. The local One-stop Center is a resource and repository of local jobs. Vocational rehabilitation is also at the table. Although this program is for all job seekers, VR is a

key player. I am able to be a part of every policy decision and offer my expertise about disability and related concerns. At the local level, the VR counselor serves on the board but is also a key resource to students and adults with disabilities as they move through their career pathway process. Knowing where the jobs are and what employers expect helps vocational rehabilitation and the schools better prepare job seekers to make career decisions.

A national business model known as The NET (National Employment Team) was started by The Council of State Administrators of Vocational Rehabilitation. The NET is a one-company approach to serving a variety of businesses through the national network of the 80 publicly funded vocational rehabilitation (VR) programs. The NET offers business customers, in the private and public sectors, a designated single point of contact to connect qualified applicants, resources and support services in their local area, multi-state or national marketplace. The NET provides employment supports in all 50 states, the District of Columbia and the territories. Employers across the country have had very positive experiences filling jobs with qualified candidates for employment from the pool of workers available through The NET. At a national level, examples include, the Internal Revenue Service (IRS) that has hired 111 people in 31 states and 556 VR consumers hired with Lowes across the country in FY 2012. On a much smaller scale Oklahoma has had recent hires through The NET with JLodge, Convergys, Pearl Interactive, and Tinker Air Force Base. The Oklahoma VR Agency has also initiated a project with Walgreens as a result of The NET.

Oklahoma VR has additional partnerships with whom we have worked well. There are 25 states that have American Indian Vocational Rehabilitation (AIVR)

agencies. There are 9 tribal programs in Oklahoma and over 80 across the country. We are able to cost share consumer services and other resources to help tribal members with disabilities go to work. To date we have co-served more than 700 clients with AIVR programs in Oklahoma. VR started a new program two years ago with three of the tribal programs. We contract for job placement services, both for tribal members and non-tribal members. Contracting for services that apply to non-tribal members is unique to Oklahoma. Many of the tribes are amongst the largest employers in the state. By working together we have been able to open an entire new area of employment opportunities. By sharing resources and expertise we are able to expand the capacity of both programs. We are also able to increase services to an underserved group of people and create long-term partnerships.

Managing Cases More Effectively

One of the challenges of managing large caseloads and working under an Order of Selection (OOS) (putting clients on a waiting list when there are not enough fiscal or staff resources to serve everyone), is that some applicants for VR services get lost along the way or simply drop off the wait list. The Rehabilitation Services Administration has cited Oklahoma's "Cold Case Unit" as a model to solve this problem. We created a unit in VR whose sole purpose is to find and contact these consumers and to get them reestablished in services or close their cases so that the resources can be assigned to others. The project has been so successful it is now being replicated in at least 5 other states. It has helped us to resolve over 1000 cases. Of these, more than 600 people have been able to restart the rehabilitation process again in earnest. One of the counselors in this unit actually helped save a life. He arrived at the client's home and

saw her small child playing in front of the house and asked to check on her mother. He discovered they were out of food and that the mother had been bedridden for several days. The counselor was able to help her get her medical needs attended to and to get assistance from social services. After her immediate needs were met, the VR counselor was also able to get her involved in training and working towards her employment goal.

There are other innovative programs that are being developed all over the country. We are working with other states on a number of projects...reaching across state lines to jointly solve problems. I am certain that partnerships of all kinds will be what drive innovation for agencies serving people with disabilities. If you look at all of our projects, in every single case, partnership created the success. We will need to reach out more to business and industry, across sister state agencies, schools, and across state lines if we are to continue to have success in helping people with disabilities find work.

Recommendations – Moving Forward

As I look to the future of serving people with disabilities, I am convinced that the public vocational rehabilitation program is the best entity to assure good jobs, career opportunities and bright futures. To achieve Chairman Harkin's goal of increasing the size of the disability labor force by more than 20% by 2015, I believe there are some critical actions that need to happen.

- Transition and early intervention are critical to the long term success of students with disabilities. However, this cannot happen at the expense of serving adults who acquire disabilities. We have dedicated a number of new efforts to transition age youth (many with the help of ARRA funds, which have now had to be

reduced without those funds). If we are to continue to be successful, there will need to be dedicated resources to serve transition students, and schools will need to actually fulfill their obligations to transition students. Additionally because each state is so different in the types of partnerships with schools, businesses and other agencies, I do not believe there can be a single national model. States will need to aggressively develop a model that meets their needs based on state resources and partnerships.

- Our country spends far too much money on maintaining people with disabilities outside the workforce and a very small amount on encouraging people with disabilities to work. If you combine the annual costs of SSDI, SSI, Medicaid and Medicare, we spend roughly \$400 billion on safety net supports and about \$4 billion helping people with disabilities build their skills and go to work. We need an early intervention system with social security that positions people to be referred to vocational rehabilitation at the on-set of disability and that encourages work rather than long-term receipt of income supports. This means that current Social Security Work programs such as Ticket-to-Work need better alignment and cooperation with the public vocational rehabilitation program. We continue to be the most successful program in putting people with disabilities to work. Why not increase our participation? Once people become entrenched in the system, it becomes difficult for them to choose work. It is a much longer discussion, but disincentives have got to be resolved, particularly issues with Medicare and Medicaid, so that people can choose work.

- Every year states return money to the Rehabilitation Services Administration. It is not because the money is not needed; it is because many states cannot meet their federal match requirements. The money is redistributed through a re-allotment process for states that can match the dollars. The problem is that the rules make it difficult for all the funds to be used and this past year money was returned to the treasury. This is money that could have been used to help people with disabilities go to work. There are two considerations that have merit in resolving this problem. The first is to amend the Rehabilitation Act to allow unmatched federal funds to go to supported employment which does not require a state match. Recent data collected by the Council of State Administrators of Vocational Rehabilitation (CSAVR), with just 35 State VR agencies reporting to date, revealed expenditures of more than 80 million dollars of Title 1 VR funds on supported employment. If unmatched federal funding, following a reallotment process, could be targeted to supported employment, more Title 1 funds would be available to serve greater numbers of transition youth. A second alternative for consideration would be to allow unmatched federal funds to be available for various innovation efforts. Projects could be attempted that have the potential to change how VR provides services in dynamic ways.
- When ARRA funds were available the Oklahoma agency was able to serve all individuals who applied for services for the first time in years. There were no waiting lists for services; rather, services were increased, and dramatically greater numbers of VR consumers went to work. The advantage of ARRA funds was that there was no match requirement. For Oklahoma it was \$7,000,000 that

changed VR's whole business. The availability of some funding that does not require state match could make dramatic difference in increasing the number of VR consumers with disabilities who go to work.

- I also believe it is essential that there remain dedicated funding for services for people with disabilities and qualified vocational rehabilitation staff to provide these services. I remain fearful that if vocational rehabilitation is seen as just a jobs program it will have a long term negative impact on people with disabilities. We are not just a jobs program; we are a group of uniquely qualified and dedicated people who make a difference in the lives of people with disabilities seeking employment.
- I believe there must be a renewed focus on career counseling and planning activities at all levels. I think there has to be an expanded focus in IDEA legislation. Effective career planning is a game changer for any job seeker, but is even more important for a person with a disability to get the right job match. Effective career counseling in the schools and resources to provide it is essential; however, it has to be considered as a critical need and may require this Committee's leadership to have this need included in future legislation.

Thank you for the opportunity to provide this testimony and I look forward to any questions or comments you might have regarding its content.