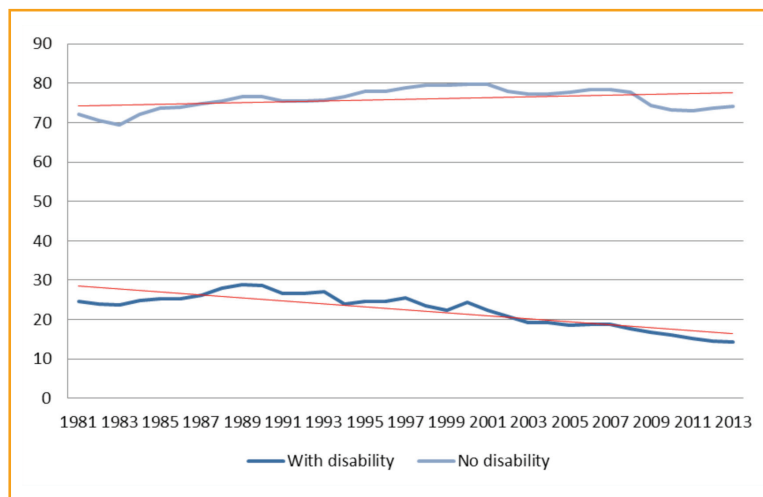


## 2014 EMPLOYMENT OPTIONS FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES IN ARIZONA

Although employment is one of the primary building blocks leading to inclusion, better income, good health and freedom, it remains an elusive goal for many people with intellectual and developmental disabilities (IDD) who wish to work. Equal access to employment for people with disabilities has not improved since the passage of the Americans with Disabilities Act (ADA) almost 25 years ago. The disparity in national employment rates between those with no disabilities and those with disabilities remains large and has grown significantly since the ADA's passage. In 2013, the Arizona gap is significant with approximately 21 percent of workers with disabilities employed, which is 40 percentage points less than the 61 percent of workers without disabilities employed. There has also been an overall decline in employment among people with disabilities in both the United States and Arizona since 1994.<sup>2</sup>

### Figure 1. The Growing Employment Gap<sup>3</sup>

The percentage of men and women, aged 18-64 with and without a work limitation employed in the United States from 1981 to 2013



Societal expectations of what people with significant disabilities can do have relegated them to the workforce sidelines. There have been state and federal initiatives to counteract these preconceptions, but before these initiatives are introduced, it is important to describe the current landscape of workforce opportunities for individuals with IDD.

<sup>1</sup> U.S. Census Bureau, American FactFinder. (2013). American Community Survey 1 year estimate. S1811: Selected economic characteristics for the noninstitutionalized population by disability status.

<sup>2</sup> Nazarov, Z, Lee, C. G. (2012). Disability Statistics from the Current Population Survey (CPS). Ithaca, NY: Cornell University Rehabilitation Research and Training Center on Disability Demographics and Statistics (StatsRRTC). Retrieved September 3, 2014 from [www.disabilitystatistics.org](http://www.disabilitystatistics.org).

<sup>3</sup> Nazarov, Z, Lee, C. G. (2012).

# THE DEBATE BEHIND CENTER-BASED EMPLOYMENT

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Historically, many young people with IDD are placed in what have been called facility- based, or center based, employment, e.g. sheltered workshops. These programs offer skills training, special certificate commensurate wage rate<sup>4</sup> work, prevocational services, group work placements, and recreation and leisure activities in segregated settings with other workers with disabilities.

Proponents argue that these programs provide training sites and a path to employment in the community for those with significant disabilities who are thought not to be able to participate successfully in traditional work settings. They also argue that these facility-based settings allow participants to have pride in their work, and offer them an opportunity to socialize with others and make money. Proponents also point out that these facilities are expensive to operate and need additional financial support, because they pay for personal assistance services for people with disabilities to participate.

On the other hand, critics<sup>5</sup> have argued that sheltered employment is menial, assembly-line work offered to people with disabilities in a segregated setting. Participants are usually paid less than minimum wage, yet these settings are expensive to operate, leaving participants in poverty, and directly contradicting the ADA that allows individuals with disabilities equal access to employment and opportunity. Further, the great majority of participants never leave these prevocational settings once they begin. A recent study found that people with autism who worked in sheltered workshops were paid less when compared with their counterparts in integrated settings, and the majority never leaves the sheltered workshop setting.<sup>6</sup>

Some of these centers will be forced to change in the future. The President has proposed an Executive Order, to go into effect January 1st, 2015, that mandates that no federal contract dollars be paid to workers with disabilities for less than the minimum wage. Further, the number of individual placements in facility-based or sheltered employment settings across the country is dropping as a result of the actions of the Rehabilitation Services Administration (RSA). RSA defines and evaluates employment outcomes for state vocational rehabilitation (VR) agencies across the country, which provide programs and services to help individuals with disabilities obtain and retain employment. In 2001, RSA ruled that placement in facility-based or sheltered employment settings was no longer an acceptable employment outcome for state VR agencies.

But, a separate organization, the Arizona Division of Developmental Disabilities' (DDD), still refers individuals to these settings for various reasons, including the absence of available employment opportunities in Arizona; however, recent efforts by DDD and other state organizations have recognized the value of integrated and competitive employment. They have made obtaining either one of them, and reducing dependence on center-based employment, statewide goals.

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<sup>4</sup> According to the U.S. Department of Labor, a commensurate wage rate is "a special minimum wage paid to a worker with a disability which is based on the individual's individual productivity in proportion to the age and productivity of experienced nondisabled workers performing essentially the same type, quality, and quantity of work in the geographic area from which the labor force of the community is drawn."

Available <http://webapps.dol.gov/dolfaq/go-dol-faq.asp?faqid=359>

<sup>5</sup> Cimera, R., Wehman, P., West, M., Burgess, S. (2011). Do sheltered workshops enhance employment outcomes for adults with autism spectrum disorder? Available <http://aut.sagepub.com/content/early/2011/05/19/1362361311408129.full.pdf>

<sup>6</sup> National Disability Rights Network. (2011). "Segregated & Exploited: The Failure of the Disability Service System to Provide Quality Work."

## WHAT ARE THE OPTIONS UNDER INTEGRATED EMPLOYMENT?

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Integrated employment is defined by RSA as “paid work alongside others with no disability in a community, non-segregated setting.” Additionally, RSA defines competitive employment as “self-employment or work in an integrated setting that is performed on a full- or part-time basis that is at least equal to the higher of the federal or state minimum wage.”<sup>7</sup> There have been various strategies introduced to ensure that individuals are successful in integrated settings, including using supported and customized employment.

Supported Employment individualizes job supervision based-on the individual’s abilities. This is offered either through natural or formal supports. Natural support is the preferred option with on-the-job assistance and role modeling offered by peers, supervisors and colleagues, resulting in no differential treatment based on disability. Formal support is provided by state and federally funded job coaches who provide assistance/training to workers with disabilities while on the job. It is extended to individuals, as well as to groups, in the form of enclaves. Enclaves are groups with disabilities who work together to perform the same job in an integrated setting with the assistance of a job coach. Enclaves are often found in janitorial and food service employment.

### Figure 2. Customized Employment Success Story

*A large commercial real estate business decreased the time it took to complete transactions by restructuring administrative support to manage a central filing room. Josie was an employee with a developmental disability. Her job duties included delivering packages and faxes, creating files for property submissions, routing submissions to the appropriate account manager, collating packets, and selected filing. This allowed other, more detailed administrative tasks to be performed by co-workers. As a result, real estate transactions were accomplished much more quickly, and the business began making more money on each of its real estate transactions.*

**(<http://www.onestops.info/pdf/edge.pdf>)**

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<sup>7</sup> Although this is a definition that RSA uses, a minority of advocates feel that not allowing commensurate wage rates would act as a disincentive for employment for those with developmental disabilities among employers.

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**Customized Employment** is a form of job-carving. The employer focuses on the discrete contributions of the individual in relation to the specific needs of the organization and crafts a position that meets the goals of both parties. This option provides an advantage to job seekers who struggle in the competitive job seeking process. Figure 1 demonstrates how competitive employment can be used to obtain and retain employment.

Although community rehabilitation providers have demonstrated that supported and customized employment lead to successful hiring and retention among individuals with disabilities<sup>8</sup>, national averages reveal that funding has declined in these areas, including in Arizona. Many policy and funding disincentives discourage people with IDD from seeking integrated employment. The federal government continues to spend four times as much on segregated adult day, non-work programs than on supported employment. In fact, only two percent of the costs of the entire disability system are spent on programs that provide employment services.<sup>9</sup> As a result, most are unaware that three out of four people with developmental disabilities spend their days in center or facility-based services where most are only paid a fraction of the minimum wage.<sup>10</sup>

The National Survey of Day and Employment Programs in 2012<sup>11</sup> shows that nationally supported employment has been on the decline since the mid 1990's, and that the percentage of those with integrated employment has been declining since 2001. Further, there is no consistent approach towards employment policy from state to state. In 2012, the percentage of those receiving integrated employment fluctuated greatly – ranging from two percent in Hawaii to 87 percent in Washington.

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<sup>8</sup> Rogan, P. & Rinne, S. (2011). From Sheltered to Integrated Employment. *Intellectual & Developmental Disabilities*, 49, 4, 248-260.

<sup>9</sup> Wittenburg, D., Rangarajan, A., & Honeycutt, T. (2008). *The United States Disability System and Programs to Promote Employment for People with Disabilities*.

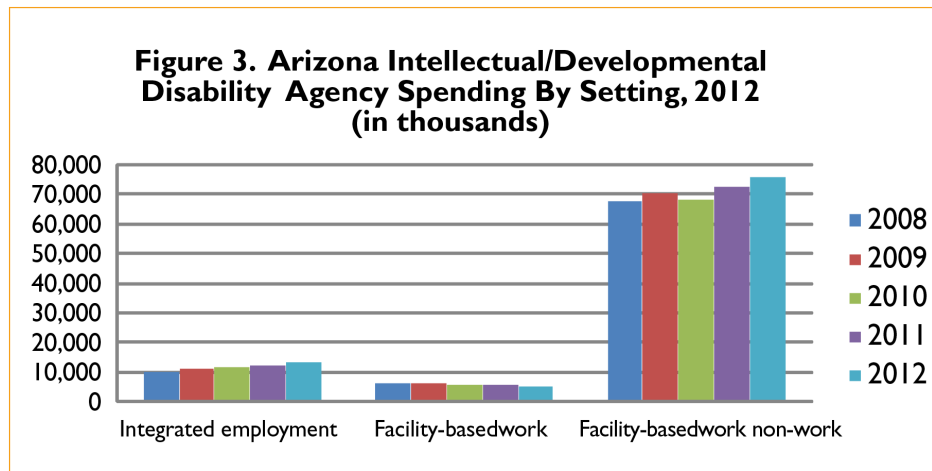
<sup>10</sup> Rogan & Rinne. (2011).

<sup>11</sup> Winsor, J.E. & Smith, F.A. (2014). *State Intellectual Disability and Developmental Disabilities Agencies Services Trends*. DataNote Series, Note 49. Boston, MA: University of Massachusetts Boston, Institute for Community Inclusion.

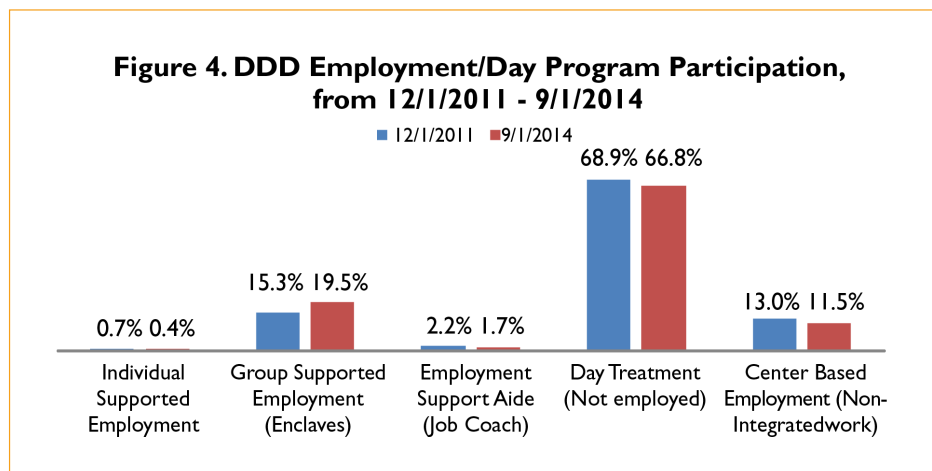
# THE STATUS OF ARIZONA EMPLOYMENT<sup>12</sup>



Arizona statistics from major vocational providers reveal some of the institutional barriers to employment among people with IDD. As an agency, Arizona’s DDD referrals and spending patterns continue to favor facility-based non-work programs over integrated employment (figure 3).



Source: *Intellectual and Developmental Disability Agency National Survey of Day and Employment Services, 2012.*

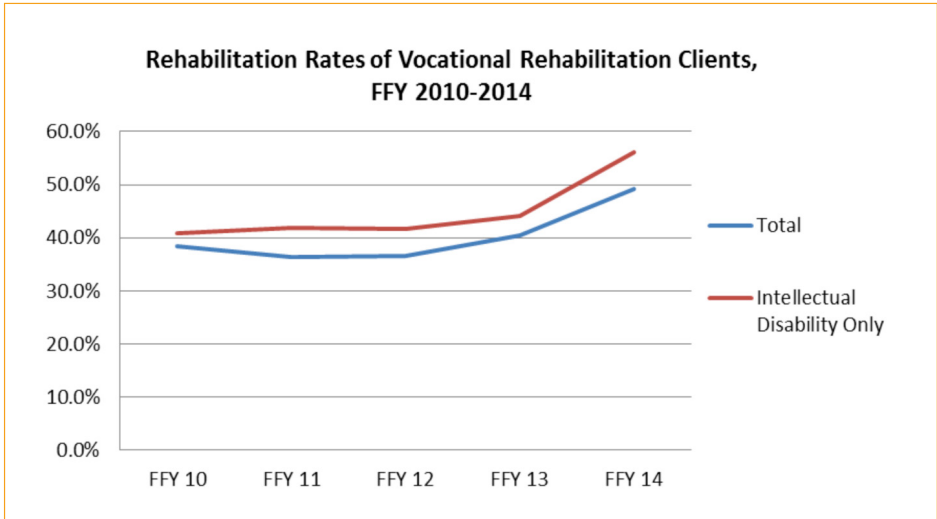


Source: *Department of Economic Security, Division of Developmental Disabilities*

<sup>12</sup> Winsor, J.E. & Smith, F.A. (2014).

In 2014, there are 7,661 people with developmental disabilities who are 18 years and older in the DDD system receiving day and employment services – up 15 percent from 2011. Figure 4 shows that the largest percentage (79 percent) of this population is receiving services in facility-based settings, placed either in day treatment programs or center-based employment. Subsequently, only 20 percent of people with developmental disabilities work in an integrated setting; but not even one-half of one percent of these workers have individualized employment. Although these statistics, overall, still show a priority towards placing and retaining individuals in facility-based non-work options, integrated outcomes have improved slightly.

On the other hand, VR performance in obtaining employment for clients with significant disabilities has significantly improved over the last two years. In 2014, the rehabilitation rates<sup>13</sup> of the 24,385 state VR program clients, previously one of the worst in the country, have increased overall from 38.5 percent in federal fiscal year (FFY) 2010 to 49.3 percent in 2014. For clients with intellectual disabilities only, the increase is even more significant, rising from 40.9 percent in 2010 to 56.2 percent in 2014.



Thus, the need for this program is great; however, since 2008, state funding cuts have constricted the operation of Arizona’s employment programs for people with disabilities. Consequently, Arizona does not receive the state dollars to receive the full federal match to fund these programs. For every state dollar spent on VR programs, the federal government gives Arizona approximately \$4. Thus, there are thousands of individuals with disabilities on a wait list who want to work, but as a result of insufficient funding, the wait list for those with disabilities not considered significant is closed indefinitely.

<sup>13</sup> Rehabilitation rates are the number of successful employment outcomes divided by the number of closures after initiating or completing services.

## NATIONAL MODELS OF EMPLOYMENT

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Federal initiatives are starting to chart a new course in integrating people with disabilities into the workforce. The recent signing of the Workforce Innovation and Opportunities Act (WIOA) offers new opportunities for youth with disabilities to obtain gainful employment. Among the new changes included in this legislation is the explicit mention that individuals with disabilities 24 years and younger must be paid at least the federal minimum wage and be provided pre-employment transition services through school and VR programs that better prepare them for life and work beyond high school.

The Federal Contracts Compliance Programs Office now requires that those who have federal contracts valued at more than \$50,000 and have at least 50 employees are required to fill at least 7 percent of their positions with workers with disabilities and 8 percent with veterans. Additionally, this rule requires these companies to take specific steps surrounding recruitment, training, record keeping and policy dissemination, all designed to increase employment among those with disabilities. Contractors that fail to meet the target and do not show sufficient effort toward reaching the benchmarks could face penalties or lose their contracts.

Further, states are experiencing pressure to expand employment options for people with disabilities. At last year's National Governors Association, Governor Markell released a blueprint for governors from a year-long study on policy recommendations to improve employment outcomes for people with disabilities, called A Better Bottom Line: Employing People with Disabilities. The goal of this study is to integrate people with disabilities into the workforce, while boosting business' bottom lines. The study showed that the supported employment program yields a \$1.21 benefit to taxpayers for every dollar spent. And, according to the Social Security Administration (SSA), SSA disability beneficiaries who are employed through vocational rehabilitation support provide a return on investment of \$7 for every dollar spent.

One of the study's recommendations is to advance integrated employment through Employment First policies, which Arizona is currently developing. An Employment First state prioritizes employment as the first option when designing policies, programs, and investments to support the employment of people with disabilities. Most of these states invest in supported employment to help people with disabilities obtain competitive employment. In 2007, Vermont was the first state to discontinue state funding for sheltered workshops, and Washington State aligned their Employment First policy by adopting "Pathways to Employment."<sup>14</sup> This policy allows for individual choice in employment options and gives everyone the opportunity to pursue competitive employment, regardless of disability.

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<sup>14</sup> Rogan & Rinne. (2011).



Employment First initiatives have spread across 45 states – 26 of these states have it codified in policy and legislation<sup>15</sup>. According to the former Assistant Secretary of the Office on Disability Employment Policy, Neil Romano<sup>16</sup>:

*“Several states have moved forward to implement policies that focus on integrated, community-based employment earning at or above the minimum wage as the first option for individuals with intellectual and other developmental disabilities. Using these ‘employment first’ policies, states are tapping the skills and contributions of these individuals to match employer demand for a reliable, productive workforce through customized employment opportunities. In these employment first states, sheltered employment with sub-minimum wages and non-work ‘day activities’ are no longer acceptable employment outcomes.”*

With these values codified into state policies, Washington reported an 87 percent employment rate for individuals with IDD. Oklahoma and Connecticut report that 50 percent or more with IDD obtained competitive employment.<sup>17</sup> The hope is that the initiatives under Employment First in Arizona will lead to these same positive outcomes. While there is some disagreement among the disability community over whether these initiatives honor choice among people with disabilities in selecting where they would like to work, most support the ideals of integration and equality behind this initiative.

<sup>15</sup> Winsor, K., & Kennedy-Lizotte, R. (2013). Arizona Developmental Disabilities Council: Review of Successful Employment First Strategies. Report by The National Association of State Directors of Developmental Disability Agencies.

<sup>16</sup> Office of Disability Employment Policy Memo, January 15, 2009.

<sup>17</sup> Winsor, J. & Hall, A.C., Butterworth, J., Winsor, J., Gilmore, D., & Metzger, D. (2007). Pushing the Employment Agenda: Case Study Research on High Performing States in Integrated Employment. *Intellectual & Developmental Disabilities*, 45, 182-198.



## ON THE HORIZON IN ARIZONA....

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Recognizing that the employment policy landscape is gradually changing, Arizona has convened an Employment First Strategic Planning Committee to chart a course for how to advance competitive employment opportunities for all working-age adults, including people with disabilities. The Committee is a broad stakeholder group, including families, young adults, state agencies, providers, educators, employers and other policy makers and advocates with a commitment to improving employment outcomes for individuals with disabilities. An introductory webinar was conducted and six community forums were held through the state to develop a strategic plan to guide the state's efforts toward greater integrated employment opportunities for its citizens with disabilities. Stakeholders from this group are placing a priority on obtaining opportunities for competitive employment with youth who are transitioning out of high school and their families, so that today's youth will be employed in tomorrow's integrated settings.

Several initiatives are also underway to support adults, youth and their families to make informed decisions about work or to consider a progressive move into a more integrated working environment and/or increase earnings:

- **Employment Summit for Transition-Age Youth:**

Representatives from the Northern Arizona University and the University of Arizona's University Centers for Excellence in Developmental Disabilities; the Arizona Planning Council on Developmental Disabilities; Rehabilitation Services Administration; Arizona Center for Disability Law; Division of Developmental Disabilities; Arizona Department of Education and the Arizona Employment and Disability Partnership are part of a collaborative work group planning a Summit geared toward promoting employment among transition age youth with developmental disabilities.

- **Disability Benefits 101 Online Tool:**

Many people with disabilities are afraid to consider employment or a progressive move because they are uninformed about the work and healthcare incentives that can assist them to make the transition. The Arizona Disability Benefits 101 online tool is available to support individuals with disabilities to plan for employment, learn how work and benefits go together and make informed decisions about going to work or accepting a job offer.

- **Untapped Arizona:**

An employer engagement collaborative, Untapped Arizona, was created to support the business community in meeting their workforce needs by including individuals with disabilities in their hiring practices. Untapped Arizona has developed a system to connect employers with qualified job seekers with disabilities. Additionally, Untapped Arizona has a network of partners who can provide technical assistance and support to employers pertaining to hiring, legal issues, reasonable accommodations and employee retention.

## CONCLUSION

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While Arizona is heading in the right direction, there is still a long way to go towards achieving widespread integrated employment. State funding policies in Arizona need to prioritize individualized, integrated employment if any gains are to be made in employment and retention. More business leaders supportive of integrated employment should be identified so that best practices for inclusive workforces that include workers with disabilities can be established, and the hiring trend among people with disabilities can be improved. People with developmental disabilities and their families deserve to be presented with more flexible, individualized employment options besides simply staying at home; because everyone, regardless of disability, wants to have an opportunity, or at least the choice, to contribute.