

## Full Array of Employment Options for Hoosiers with Intellectual and Developmental Disabilities

Employment is a highly valued and expected activity for adults in American society. However, employment for people with intellectual and developmental disabilities (IDD) has not always been the expectation. Hoosiers with disabilities want to work and contribute to the Indiana economy as taxpayers and by earning and spending disposable income. There have been concerted efforts on the federal and state level to address this issue, yet unemployment of people with IDD remains high. According to the 2017 Annual Disability Statistics Compendium, 26.9% of Hoosiers with intellectual and developmental disabilities are employed; this is up from 25.5% in 2015 and 2014 and 24.5% in 2013. Conversely, 79.1% of Hoosiers without disabilities were employed in 2016. Although the number of people with IDD who are employed is increasing, there is still a significant number of individuals who could be participating in the workforce who currently are not. These individuals may need assistance to overcome stereotypes, develop work experience, and become independent. People with disabilities have a wide continuum of abilities and desire a full range of work options to meet their diverse needs. The Task Force is urged to implement recommendations to ensure that Hoosiers with IDD have a full array of employment options and choices to meet their employment needs, goals, and aspirations.

**Recommendation:** Maintain a full array of employment options for people with intellectual and developmental disabilities to ensure choice in meeting vocational needs, preferences, and interests. Encourage and increase the employment rate for people with IDD in the community while maintaining workshops as an option.

### **Vocational Rehabilitation Services**

People with IDD currently have the opportunity to pursue employment through various pathways. The Bureau of Rehabilitation Services (BRS) collaborates with Community Rehabilitation Providers (CRPs) to provide Vocational Rehabilitation (VR) services to assist individuals with disabilities to obtain employment at businesses throughout the state by assisting individuals in addressing the barriers and challenges they face that impede their entry into the workforce. These issues are addressed through various services including job coaching, vocational assessment, training, assessing worksite accommodations, and assistive technology, among other services. Vocational rehabilitation programs are funded by federal dollars as well as state dollars through the Rehabilitation Act of 1973. The State currently appropriates approximately 16 million state dollars each year for VR services, which is matched by Federal funds of \$60 million (78% Federal Match Rate), for a total of approximately \$76 million. BRS projects that approximately 15,000 Hoosiers are eligible to be served by VR annually<sup>1</sup>. For FFY 2015, approximately 18% of individuals receiving VR services had a primary diagnosis of IDD. According to the November 2017 Employment Services Evaluation – Findings Report, the average hourly wage for people with IDD receiving VR services is \$8.83. Average weekly hours worked in their community jobs for the population is 23.4.<sup>2</sup>

### **Background**

<sup>1</sup> 2018 Indiana WIOA State Plan Requested Revisions.

<https://www.in.gov/dwd/files/2018%20Indiana%20WIOA%20State%20Plan%20amendments%20FINAL.pdf>

<sup>2</sup> Employment Services Model Evaluation – Findings Report. November 2017. Public Consulting Group.

<https://www.in.gov/fssa/files/Findings%20Report%20-%20November%202017.pdf>

Beginning in 2006, BRS shifted away from hourly-units of service to the Results-Based Funding model (RBF) in an effort to “tie vendor reimbursements to specific “milestones”, or consumer accomplishments, to promote comprehensive and effective service delivery”. BRS separated the RBF model into two tiers: one intended for individuals with high needs and multiple barriers to employment (Tier 1), and one intended for individuals that would require less intensive services than those in Tier 1 (Tier 2).<sup>3</sup>

In July 2015, BRS implemented a new service delivery model for its Vocational Rehabilitation program known as the Employment Services Model (ESM), which was meant to “inject flexibility into the service structure, eliminate barriers for individuals with the most significant disabilities to receive appropriate services and supports; and ensure that employment plans are tailored to the unique needs of each consumer served.”<sup>4</sup>

On August 1, 2017 the BRS implemented an Order of Selection (OOS) because they lacked sufficient fiscal and staff resources to serve all eligible individuals. The projected annual fiscal deficit for VR services for FFY18 and FFY19 is \$5 million in state funding.<sup>5</sup> In FFY18 and FFY19, BRS anticipates their fiscal and staff resources are sufficient to serve a maximum of 13,400 individuals annually. All individuals who apply to VR continue to be assessed for eligibility; however, eligible individuals are placed into a three-tier priority category system. The categories are category 1, most significant disability (MSD); category 2, significant disability; and category 3, non-significant disability. Eligible individuals in priority categories 2 and 3 are deferred from VR services. Between August 1, 2017 and April 17, 2018, 1,287 individuals were deferred. Individuals in categories 2 and 3 who are deferred are referred to other state and federal agencies for services, such as the Indiana Department of Workforce Development and WorkOne, the Indiana Department of Veterans’ Affairs, Indiana Manpower and Comprehensive Training, and others. However, many of these agencies do not have the experience and training to serve individuals with disabilities, and many already face staffing and capacity issues before they receive these additional referrals. In addition, deferred individuals face significant barriers, such as lack of transportation<sup>6</sup> and absence of needed staff supports, to access these resources. The inability for individuals in priority categories 2 and 3 to receive VR services and obtain employment will likely have long term effects on these individuals who will be left with no choice but to participate in non-employment day activities or stay home. Ultimately, OOS leads to foregone potential productivity, lost opportunities for individuals to be engaged in the workforce, and negative economic impact.

As of June 8, 2018, VR had four VR counselor vacancies statewide. The current counselor-consumer ratio is 1:126. The BRS State Plan states that a counselor-consumer ratio of not more than 1:100 is best practice to maintain efficient caseload management and quality service.

Based on data collected from INARF members who provide Employment Services through VR, our member organizations reported a significant reduction in average monthly referrals since the Order of Selection was implemented. This reduction is having a dramatic negative fiscal impact on providers. The Indiana WIOA State Plan states that the Employment Service Model is a model “based on a consumer-centric, individualized, and flexible outcome-based payment model, blended with an hourly fee-for-service structure for Discovery activities and Supported Employment services.” Additional revisions need to be made to make the model more flexible and meet the needs of the population being served, particularly under Order of Selection.

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<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> 2018 Indiana WIOA State Plan Requested Revisions.

<https://www.in.gov/dwd/files/2018%20Indiana%20WIOA%20State%20Plan%20amendments%20FINAL.pdf>

<sup>6</sup> See discussion of barriers to employment in 2018 Indiana WIOA State Plan Requested Revisions, page 148.

Without modifications to the Employment Services Model and development of a plan and strategies to build sufficient capacity to serve all eligible individuals, the fiscal impact of Order of Selection will continue to be felt for years. Individuals who are deferred will likely be unable to obtain employment without VR services, resulting in foregone income for the individual as well as State tax revenue. Long term decreases in referrals will cause significant harm to the statewide provider network. As a result, some providers might not be able to continue providing employment services, decreasing options and choice of provider for Hoosiers with IDD who are pursuing employment through VR services.

### **Recommendations:**

- Seek an increase in the state appropriation for VR services to address the fiscal deficit, increase staffing resources, ensure appropriate reimbursement rates for providers to cover costs and recruit and retain staff, and allow expansion of Pre-ETS
- Develop a plan to enable BRS to serve all priority categories by 2021, including increased fiscal and staff resources
- Review reimbursement model and rates and modify as needed
  - Increase rates to sufficiently cover the costs of delivering services and the costs for providers to recruit, train, and retain quality employment services staff
  - Revise the model and reimbursement to ensure financial incentives are linked to achievement of desired service outcomes within appropriate timeframes
- Modify the Employment Services (ES) Model to include service activities that are currently not reimbursable, for example, going with an individual to obtain food stamps and SSI.
- Simplify the current model by streamlining authorization, documentation, service delivery, and reimbursement requirements
- Address inconsistencies between VR area offices and between counselors within each office and eliminate delays in service created by the inconsistent application of the process – see recommendations and findings from the U.S. Department of Education Office of Special Education and Rehabilitative Services Rehabilitation Services Administration Fiscal Year 2017 Monitoring Report on the Indiana Bureau of Rehabilitation Services Vocational Rehabilitation and Supported Employment Programs
- Reclassify State VR staff to allow increased pay
- Increase focus on ongoing supports for individuals with high support needs
- Increase accessibility of VR system for individuals with high behavioral health needs
- Implement processes to monitor, communicate, and address provider performance and service delivery issues and provide needed support and correction regarding specific issues
- Identify opportunity to implement Supported Education service (similar to Iowa model)<sup>7</sup>
- Continue to serve transition-aged youth and explore multiple service delivery options
- Increase meaningful collaboration between VR and DWD – leverage DWD relationships with businesses to create innovative trainings, increase integration between VR and DWD systems to allow enhanced on the job training

### **Establishment Projects**

While BRS has identified their own staffing and capacity issues as a challenge, they have also recognized that CRPs face significant challenges in recruiting and retaining Employment Services staff to serve Hoosiers with IDD. On September 14, 2016, BRS issued a Request for Funding (RFF) requesting responses from approved Vocational Rehabilitation Employment service providers that have a demonstrated need to enter into establishment projects in order to increase staff capacity and training for the purpose of increasing the quality of services and

<sup>7</sup> For more information, reference <http://www.easterseals.com/ia/our-programs/employment-training/supported-education.html>

competitive, integrated employment outcomes to VR applicants or eligible individuals. Establishment Project funds were awarded to 47 CRPs to increase staffing capacity and to develop or enhance foundational skills training of new or existing employment service staff members, to improve the provision of employment services and outcomes, including supported employment services for individuals with the most significant disabilities. Although CRPs reported that the funding initially helped with recruitment and retention, the funding was not sufficient to create a significant and lasting impact. INARF members reported that Employment Services staff compensation ranges from \$12 to \$14 per hour (\$24,960 to \$29,120 annually) on average. The average annual wage for Indiana as of May 2017 was \$43,950.<sup>8</sup> With the unemployment rate currently at 3.2%, the shrinking workforce and staff shortages in across industries, and increased competition to recruit staff, staff recruitment and retention continues to be a serious issue impacting CRPs and will continue to be until reimbursement for these important services is increased, allowing CRPs to increase staff compensation to be competitive with other industries.

**Recommendation:** Seek an increase in the state appropriation for VR services and implement revisions to the Employment Services Model as needed to ensure appropriate reimbursement rates for providers to cover costs and recruit and retain staff

### **Pre-Employment Transition Services**

In 2014, the Workforce Innovation and Opportunity Act (WIOA) amended the Rehabilitation Act of 1973 and requires Vocational Rehabilitation (VR) agencies to set aside at least 15% of the State's VR allotment for the provision of Pre-Employment Transition Services (Pre-ETS) to "students with disabilities who are eligible or potentially eligible for VR services." This service provides students the opportunity to have access to meaningful career planning in order to help with the seamless movement from high school to employment or postsecondary training. The five core services of Pre-ETS are job exploration counseling, work-based learning experiences, counseling on post-secondary opportunities, workplace readiness training, and instruction in self-advocacy. Currently, there are 10 Pre-ETS contractors who are collaborating with other providers to deliver Pre-Employment Transition Services in all Indiana counties on a fee for service model. Indiana's annual allocation for Pre-ETS is \$9.5 million. As of June 2018, 5,646 students have received Pre-ETS services. Metrics reported by BRS on September 25, 2017 indicated that a total of 6,877 Job Exploration sessions, 3,612 Work Based Learning Experiences, 12,194 Workplace Readiness sessions, 4,299 Self-advocacy sessions, and 1,733 Post-secondary sessions had been provided.

Although these services are now available in all Indiana counties, they are not yet available in every school. To meet these needs, the 10 contractors have proposed expansions for their programs to provide services to students at additional schools in additional counties. The corresponding budget requests to accompany these expansions exceed the \$9.5 million allocated to these services, which is hindering the growth and availability of these critical services. Additionally, Order of Selection has impacted the availability of Pre-ETS to students. If a student with a disability begins one or more Pre-ETS activities prior to being determined eligible for VR services, he or she may continue to receive any and all Pre-Employment Transition Services even if the student is assigned to a closed priority category under Order of Selection. However, if the student did not begin any of the pre-ETS activities prior to being assigned to a closed category, the student may not receive any individualized VR services, including individualized pre-employment transition services. If the State increased the allocation of fiscal resources for VR, BRS could increase their spending on Pre-ETS and ensure that the services are more readily available to students in counties and schools throughout the state

<sup>8</sup> Bureau of Labor Statistics. [https://www.bls.gov/oes/current/oes\\_in.htm#00-0000](https://www.bls.gov/oes/current/oes_in.htm#00-0000)

where the services currently have limited availability and ensure that all students would have the opportunity to transition to VR services regardless of the Order of Selection and the individual's assigned priority category. Additional funding would also allow providers to deliver services beyond the five core Pre-ETS services and pilot innovations to best meet students' needs and ensure successful transitions for students into post-secondary education opportunities and the workforce.

**Recommendation:** Increase funding for Pre-Employment Transition Services to ensure sufficient funds to serve all transition aged Hoosiers with disabilities and allow expansion of the program

### **Waiver Employment Supports**

Once individuals obtain a job through VR, Extended Services and Workplace Assistance services available through the Division of Disability and Rehabilitative Services Community Integration and Habilitation Waiver (CIHW) and Family Supports Waiver (FSW) help individuals maintain community employment. These long-term supports are key elements to ensure individuals' long term success and job retention. Although DDRS has made changes to increase the flexibility of these services since their inception, more revisions are needed to ensure that these services can provide the necessary supports to ensure individuals retain their employment after completion of VR services. Additionally, individuals receiving waiver services have limited budgetary resources, particularly on the Family Supports Waiver. Long term employment supports are inevitably traded out for the more immediate services to assist with activities of daily living. Indiana's waivers do not include add-ons or incentives to support employment despite the fact that we are an Employment First state. Other states allow budget increases when a job is found or allocations to be added specific to long term employment supports.

### **Recommendations:**

- Broaden the service definitions for waiver services supporting employment to increase flexibility and utilization to support more people working in the community
- Broaden the service definition for Workplace Assistance to include behavioral supports on the job and lower the rate to be even with CHIO so these services could be exchanged if an individual obtains a job while remaining budget neutral
- Broaden the service definition for Extended Services to include program development to allow for off site development of supports needed on the job site and ensure better quality of jobs and less job loss and reentry into VR services.

### **Workshops**

Some CRPs in Indiana also operate workshops, also known as sheltered employment, in which individuals gain work experience and skills while earning commensurate wage corresponding to their productivity levels. Individuals in workshops receive Prevocational Services that prepare them for employment by teaching concepts such as compliance, attendance, task completion, problem solving and safety. Learning skills through Prevocational Services in the workshop can make it possible for them to be employed in the community if they choose. Many individuals employed in workshops are also employed in community jobs. INARF conducted a survey of member organizations who operate workshops. The 20 respondents reported that they serve total of 1,970 individuals. Of those, 105 individuals (5%) also work in a community job at a competitive wage of \$8.23 on average. Individuals are often unable to obtain enough hours in their community jobs to be employed full time. These individuals want and need activities to do during the rest of their day, so they choose to participate in Prevocational Services so they can work with their friends in a workshop setting while learning critical skills rather than attending day services or other activities. Additionally, many people employed in workshops have



previously been assessed and determined not to be eligible for VR services or were not able to successfully obtain or maintain employment using VR services at their current skill level, with the level of supports available to them, or for other reasons. INARF members reported that 649 of the 1,970 individuals (33%) have applied for or received VR services in the last five years, and 112 individuals (6%) had experienced unsuccessful case closures through VR.

Section 14(c) of the Fair Labor Standards Act (FLSA) allows employers to apply for a certificate from the U.S. DOL Wage and Hour Division (WHD) to pay special minimum wages to employees who have disabilities if their disabilities directly impact their ability to perform on the job. The special minimum wage is based on the individual's productivity (no matter how limited) in proportion to the productivity of experienced workers who do not have disabilities performing essentially the same type, quality, and quantity of work in the same region. The WHD monitors employers for compliance with the requirements outlined in the FLSA. According to the U.S. Department of Labor (DOL), 5,258 individuals were employed in sheltered employment in Indiana in 2017<sup>9</sup>. Data compiled in the 2017 Indiana Day and Employment Services Outcome Systems (DESOS) Report<sup>10</sup> compiled by the Indiana Institute on Disability and Community shows that people in sheltered workshops earned \$2.85 per hour, an increase from \$2.44 in 2013 and \$2.52 in 2016. Average hours worked per week in the workshop and off-site group employment has been steady at around 24 hours for several years, and average hours worked in individual jobs has remained at about 20.

Workshops are a critical part of the array of employment options for Hoosiers with IDD, and they should be maintained to ensure that individuals have choice and options to meet their skill-building, training, and employment needs.

#### **Recommendations:**

- Maintain sheltered employment as an employment option for Hoosiers with disabilities
- Require all individuals employed by workshops who are not also employed in the community to be referred to VR for an eligibility determination
- Continue to improve career counseling and information and referral services by identifying and implementing best practices
- Collect demographic data of individuals employed in workshops to better understand the population served and potential differences in transition needs and preferences (individuals new to the workforce, individuals close to retirement, etc.)
- Identify reasons for individuals choosing employment in workshop
- Develop individualized plans to ensure any persons choosing to transition out of workshop employment are engaged in day activities pursuant to their preferences and goals

#### **Broader Systems Issues**

In order to continue to increase the number of Hoosiers with intellectual and developmental disabilities who are employed, the State needs to address barriers to employment and challenges systems to maximize employment opportunities and achieve better outcomes for people with IDD.

#### **Recommendations:**

Encouraging the state to implement policies that:

- Increase the number of Hoosiers with IDD who are employed

<sup>9</sup> U.S. Department of Labor's Office of Disability Employment Policy Data & Resources to Inspire a Vision of Employment (DRIVE) website. [http://drivedisabilityemployment.org/indiana#quicktabs-states\\_big\\_screen=1](http://drivedisabilityemployment.org/indiana#quicktabs-states_big_screen=1)

<sup>10</sup> Indiana Institute On Disability and Community Indiana Day and Employment Services Outcomes Systems Report <https://www.iidc.indiana.edu/styles/iidc/defiles/CCLC/DESOS/DESOS2017finalSeptember.pdf>

- Address barriers to employment identified in the Indiana WIOA State Plan and the statewide plan to support the advancement of competitive integrated employment included in the annual report to the Governor as required by Public Law 68-2017
- Emphasize choice of services and employment options by the person served
- Emphasize work first over non-work activities based on each person's abilities and talents
- Consistent with the Employment First legislation (Public Law 68-2017), encourage individuals, regardless of ability, to pursue community integrated employment as the first choice for work and employment
- Maintain non-community work opportunities such as self-employment and employment in a business operated by a CRP, regardless of whether sub-minimum wages are paid or not, as viable work options
- increase reliable, accessible and affordable transportation for workers to get to and from their jobs throughout the state
- Develop metrics regarding employment of people with intellectual and developmental disabilities and require annual reporting from all state agencies
- Reassess policy implemented by FSSA in 2014 linking Medicaid eligibility with Supplemental Security Income (SSI) eligibility – this creates an unintended barrier to employment
- Incentivize self-employment as an option
- Create disability-owned business designation similar to minority owned business
- For Department of Workforce Development training initiatives, promote inclusion of people with IDD and adjust performance outcomes to ensure inclusion of the population
- Connect to economic development, such as the Indiana Economic Development Corporation, to ensure employers have incentives and support to offer training and jobs to Hoosiers with disabilities
- Educate employers about the benefits of employing people with IDD and the resources that this untapped workforce can bring to our economy
- When state entities issue funding and grants for job development or training, a requirement should be to include people with intellectual and developmental disabilities