

January 16, 2015

Advisory Committee on Increasing Competitive
Integrated Employment for Individuals with Disabilities
U.S. Department of Labor
Suite S-1303
200 Constitution Avenue, NW
Washington, DC 20210

Dear Committee Members:

Thank you for the opportunity to discuss issues related to increasing competitive integrated employment for individuals with disabilities. SourceAmerica® worked closely with Congress on the Workforce Innovation and Opportunity Act (WIOA) and also looks forward to working with the Advisory Committee on Increasing Competitive, Integrated Employment for Individuals with Disabilities (the Committee). The Committee's purpose is to prepare findings, conclusions and recommendations for the Secretary of Labor on:

1. Ways to increase employment opportunities for individuals with intellectual or developmental disabilities or other individuals with significant disabilities in competitive, integrated employment;
2. The use of the certificate program carried out under section 14(c) of the Fair Labor Standards Act (FLSA) of 1938 (29 U.S.C. 214(c)); and
3. Ways to improve oversight of the use of such certificates.

The work of the Committee is critically important and, in many ways, coincides with programs, studies, or recommendations that SourceAmerica has undertaken or made over the past several years.

As you may be aware, SourceAmerica is a national leader in creating job opportunities for a skilled and dedicated workforce: people with significant disabilities. We are one of two AbilityOne authorized enterprises that facilitate the AbilityOne Program for the Federal government. We accomplish this in concert with a nationwide network of more than 1,000 community nonprofit agency partners with whom we fulfill contracting service and products needed by the Federal government, commercial businesses and government contractors. Our network provides training to people with significant disabilities, assists them in identifying employment choices, and then enables them to be successful at work. In FY2014, our network employed more than 125,000 individuals with disabilities; nearly 45,000 through the AbilityOne Program, where the average wage was \$12.30. Additionally, our network placed in excess of 24,000 individuals with significant disabilities into community employment opportunities outside of their organizations. SourceAmerica does not represent the U.S. AbilityOne Commission®, an independent federal agency.

What SourceAmerica Believes

SourceAmerica fully supports the findings of the Americans with Disabilities Act which describes the nation's goals regarding individuals with disabilities to ensure equality of opportunity, full participation, independent living, and economic self-sufficiency. The work of this Committee will bring us closer to achieving these goals. We further believe that disability is a natural part of the human experience and in no way diminishes a person's right to fully participate in all aspects of society. We believe in robust person-centered planning, as no two individuals, whether we consider skills and abilities or desires and dreams, are the same. We believe that truly informed choice is paramount; that individuals must have effective and meaningful opportunities from which to choose; and that individuals must be served in the most integrated setting appropriate for them consistent with their needs, choices

National Office | 8401 Old Courthouse Road, Vienna, VA 22182 | Phone: 571-226-4660

and desires. We also firmly believe, consistent with Congress' repeatedly expressed precept, that a range or spectrum of options must be available given the diversity within the community. This key tenet of disability policy was reinforced by the United States Supreme Court through *Olmstead v. L.C.* as the Court highlighted the importance of a range of options consistent with an individual's desires. SourceAmerica's activities, actions and recommendations are guided by these beliefs.

With regard to the three areas that the Committee has been asked to evaluate, SourceAmerica offers the following for the Committee's consideration:

1. Increasing employment opportunities for individuals with intellectual or developmental disabilities or other individuals with significant disabilities in competitive, integrated employment

SourceAmerica has invested significant resources researching, demonstrating, and piloting multiple methodologies/initiatives to assist individuals who historically have not participated in competitive, integrated employment to join that segment of the workforce.

Pathways to Careers

The Pathways to Careers initiative relies upon state-of-the-art employment strategies to enable people with significant disabilities (including those with the most significant disabilities) to have an informed choice of competitive, integrated, full-wage employment options that match their individual skills, interests and abilities across a broad range of community settings. The initiative primarily focuses on achieving this goal for individuals with intellectual/developmental disabilities (I/DD), individuals with autism spectrum disorders (ASD) and individuals with serious mental illness/psychiatric disabilities (SMI). By design, it seeks to accomplish three major objectives needed to achieve the overall goal:

- Remove (minimize) existing barriers and disincentives to full participation in the workplace for individuals receiving Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits and related Medicaid and Medicare benefits;
- Create an incentive for private, nonprofit and public employers to hire and retain individuals with significant disabilities; and
- Improve and expand ongoing employment supports for individuals with significant disabilities, including those with episodic or recurring disabilities, and provide assistance with employment retention and career development.

The traditional idea of a model is a plan or strategy which is set and inflexible. The model is then "tested" and validated (or rejected) based on pre-determined, measured outcomes. While the Pathways initiative may reach a point where it is appropriate to formally test one or more models which incorporate both individualization and flexibility, at present, the Pathways approach is an evolving experience rather than a model. Its design is continually being refined to address the needs of the individuals with significant disabilities that are encountered and successfully served. The approach is to develop a model that fits all of the individuals who need and wish to be served rather than to start with a predetermined model and try to find individuals for whom it can prove successful. All Pathways participants volunteer to participate in the initiative which is premised on a "zero exclusion" philosophy that assumes that each participant can be presented an informed choice of employment options that includes integrated, competitive and full wage employment in the community.

The philosophy of the Pathways operational approach is characterized by principles of individualization and flexibility, informed choice and transparency. Each participant's skills and interests are identified through an in-depth "discovery" process which, in turn, supports the selection by participants of 8-12 week paid internships which provide experiential learning opportunities for participants in a wide range of jobs and work settings, important information for expanded discovery and an empirical basis for employer decisions to offer, or not offer, permanent

employment. An individualized employment support plan shows the potential costs, if any, of ongoing employment supports and the Employer Payroll Tax Adjustment (EPTA) provides employers with the ongoing financial resources to meet any identified employment support needs. There are five major operational components of the Pathways initiative: (1) “expanded discovery” and internship matching; (2) integrated employment and mental/behavioral health services; (3) paid internships and individual employment support plans; (4) the EPTA; and (5) ongoing, post-employment career support. Together, these operational components form a systematic approach that enables widespread replication.

Mathematica Policy Research has partnered with SourceAmerica and is evaluating the Pathways initiative. They have been involved from the beginning in the development of the information systems that are being used continuously to collect and analyze pertinent data. One of the key components of the overall evaluation plan is a cost savings analysis designed to assess the extent to which the employment outcomes of Pathways participants are likely to result in cost savings to state and federal governments.

Franchise Partnership

SourceAmerica has undertaken an initiative to partner with businesses to offer franchise, employment, and training opportunities to people with significant disabilities. The diversity of jobs created by these franchise opportunities ranges from owner/president through middle and operating management, supervisors, and direct labor positions. This initiative offers the potential for people with significant disabilities to build wealth through small business ownership and executive management in addition to traditional employment. In the past year, our franchise partnerships have created 40 new jobs for people with disabilities in competitive integrated employment. SourceAmerica has negotiated with national franchise companies to create employment opportunities including:

- Papa Murphy's Pizza
- Subway
- Link Staffing Services
- UPS Stores
- Auntie Anne's
- BookKeeping Express
- Coffee Beanery
- DOMA Document Solutions
- Five Star Painting
- Brain Balance Achievement Centers
- Auto-Lab Complete Car Care Centers
- National Maintenance Contractors
- Milex Tune-Up Brake
- IKOR Service

Quality Work Environment (QWE)

The Quality Work Environment (QWE) initiative is an AbilityOne program-wide framework used to identify, implement and share employer best practices. SourceAmerica has worked with over 220 community rehabilitation programs (CRPs) to assess current best practices and provide resources and support to agencies that wish to implement new employer best practices focused on enhancing wages, increasing work of choice, offering access to community resources, and providing supports and flexibilities in the workplace. Through QWE, participating agencies have worked to improve opportunities for thousands of employees with disabilities across the country including 85 percent (over 36,000) of all AbilityOne employees.

Through these initiatives, SourceAmerica has taken the lead in efforts to modernize programs and policies that increase competitive integrated employment opportunities for individuals with disabilities while ensuring that an array of options remain in place for those who remain unsuccessful in competitive integrated employment. If replicated on a larger scale, these concepts could yield the type of results that this Committee is tasked with exploring. SourceAmerica would be very pleased to provide the Committee with more detailed briefings on these and other initiatives in which we are engaged.

2. Use of the certificate program carried out under section 14(c) of the Fair Labor Standards Act (FLSA) of 1938 (29 U.S.C. 214(c))

SourceAmerica has been very public in our support of a wide range of employment options for individuals with disabilities, including employment through Section 14(c) of the Fair Labor Standards Act. Census data shows that there are 9.4 million people with significant disabilities in the U.S. who could work given the appropriate opportunity and support. Yet, nearly 80 percent of people with significant disabilities do not have jobs. If an individual has the ability and desire to engage in competitive, integrated employment then every effort must be made to support them in that choice. This is not only a legal requirement, but equally important, a moral obligation. For those who do not have the capacity to meet commercially acceptable productivity standards, regardless of how creatively jobs can be structured or restructured, there must be job options that embrace the dignity, socialization, and independence that paid work brings to all individuals. Section 14(c) enables hundreds of thousands of individuals with the most significant disabilities to be paid for their work commensurate with their abilities. SourceAmerica supports that choice but also suggests that the Advisory Committee consider options to supplement a sub-minimum commensurate wage without placing the economic responsibility or burden for such a supplementation on the employer.

3. Improving oversight of the use of 14(c) certificates

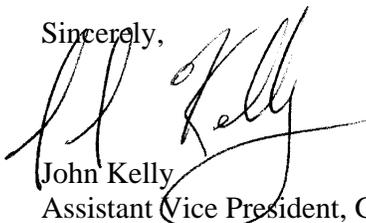
SourceAmerica was pleased to see Congress reaffirm the importance of employment options created through Section 14(c) of the Fair Labor Standards Act in WIOA. The direction to seek ways to improve oversight is also entirely consistent with recommendations put forth by SourceAmerica over many years. There is a critical need for increased funding for the Wage and Hour Division of the U.S. Department of Labor who are tasked with oversight. There is a need for much harsher penalties for those that willfully violate the law and, in doing so, exploit individuals with disabilities. There is a critical need for increased training as well as greater data collection and recordkeeping to ensure that 14(c) is being used properly, and only used in instances where it is warranted and appropriate.

In conclusion, SourceAmerica strongly supports the creation of this Committee and its assigned tasks which are consistent with the work SourceAmerica has been seeking for years. SourceAmerica stands ready to support this Committee as it takes on these challenging issues. We are prepared to provide greater details regarding our initiatives and programs as well as affording access to members of our national network who have successfully transitioned away from 14(c), those who have tried and been unsuccessful, as well as those who utilize 14(c) as it was intended and continue to believe it to be a critical tool in their toolbox. We urge the Advisory Committee to consider these issues thoughtfully and completely as its recommendations may have dramatic impact, for the good or bad, on the lives of millions of Americans.

SourceAmerica looks forward to continuing to work with the Advisory Committee, the Administration, and the disability community to find solutions through a variety of strategies - including the AbilityOne Program – to increase employment opportunities for individuals with disabilities.

Thank you for considering our statement. Please contact me at jkelly@sourceamerica.org or 571-226-4691 should you have any questions.

Sincerely,



John Kelly
Assistant Vice President, Government Affairs and Public Policy