



SECTION 503 FOCUSED REVIEWS

FISCAL YEAR 2020

Annual Report

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Message from the Director of OFCCP

The Office of Federal Contract Compliance Programs (OFCCP) is pleased to have designed the award-winning Section 503 Focused Review Program with our disability inclusion partners at the Office of Disability Employment Policy (ODEP). We highly encourage contractors to review this report and reach out to OFCCP and ODEP to seek compliance assistance and subject matter expertise in the area of Section 503 compliance and disability inclusion.

The Section 503 Focused Review Program is dedicated to achieving the full inclusion of individuals with disabilities in all aspects of employment. Individuals with disabilities make up approximately 25 percent of the population and deserve full inclusion. It is essential that our country uses the skills and talents of all workers, including individuals with disabilities.

The commitment to disability inclusion encompasses the following:

- The 25,000 companies that are federal contractors proactively recruiting individuals with disabilities, including through disability inclusion programs.
- Contractors consistently exceeding the seven percent utilization goal.
- Employees feeling fully comfortable in self-identifying as having a disability without fear of retaliation.
- Chief Executive Officers and senior executives of contractors encouraging applicants and employees to seek accommodations if they have disabilities, with applicants and employees having confidence they will be readily granted, where appropriate, through centralized accommodations systems without excessive red tape or retaliation.
- Contractors annually assessing systemic hiring, compensation, and promotion practices to ensure individuals with disabilities are treated equitably and with equal opportunity in hiring, pay, and advancement.
- Contractors ensuring welcoming and accessible workplaces, in full compliance with the Americans with Disabilities Act and Section 503, and partnering with internal stakeholder groups (such as Employee Resource Groups) to ensure contractors meet these objectives.
- Contractors having a mental health wellness program and fully accommodating employees relating to mental health.
- Contractors having comprehensive disability inclusion programs with experts in disability accommodations who provide guidance on accessibility and accommodations for all disabilities, including all physical, intellectual, developmental, and psychiatric disabilities; and being inclusive and supportive of neurodiversity. For example, to accommodate people who are neuro diverse, contractors may develop an Autism at Work Program. As a parent of children on the autism spectrum, including a daughter with an intellectual disability, I know how important it is to be in an environment that is inclusive and accessible, where accommodation requests are welcomed and always handled with expertise and efficiency. Every workplace should be this way as well, and the Section 503 Focused Reviews seek to achieve that goal for today's workforce, and tomorrow's.
- Contractors adopting all of the OFCCP best practices dedicated to full disability inclusion.

Through accomplishing these goals, the Section 503 Focused Review Program seeks to increase the labor force participation rate (21 percent for individuals with disabilities compared to 68 percent, generally), decrease the unemployment rate (typically double the general unemployment rate), and eliminate the significant wage gap (more than 30 percent) for individuals with disabilities in employment.

OFCCP is pleased to report that the first round of focused reviews were a resounding success, with most contractors stepping up, adopting best practices, and demonstrating strong commitment to affirmative action and non-discrimination based on disability status.

In this report, OFCCP provides a comprehensive description of the goals of the Section 503 Focused Review Program, the guidance provided in anticipation of the reviews, the results of those reviews, and what was learned from the reviews that will be helpful in ensuring full compliance going forward. OFCCP will also recognize those contractors reviewed that had the best Section 503 compliance programs with certificates of merit. We highly encourage contractors to reach out to OFCCP and ODEP to receive compliance assistance and gain the benefit of our expertise in Section 503 compliance and disability inclusion, respectively.

I am proud of the tremendous work done by OFCCP and ODEP through the Section 503 Focused Review Program to ensure more accessible and inclusive work environments for individuals with disabilities. It is my hope that this report will be an invaluable resource and guide for contractors in achieving the full inclusion of individuals with disabilities in all aspects of employment, which will ensure compliance with the law as well as greater productivity and growth in the American workplace.

Sincerely,



Craig E. Leen
Director

Executive Summary

The Office of Federal Contract Compliance Programs (OFCCP) administers and enforces three equal employment opportunity mandates: Executive Order 11246, as amended (Executive Order); Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 793 (Section 503); and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212 (VEVRAA). Collectively, these laws require affirmative action and prohibit federal contractors and subcontractors from discriminating based on race, color, religion, sex (including pregnancy), sexual orientation, gender identity, national origin, disability, or status as a protected veteran. Additionally, the Executive Order prohibits federal contractors and subcontractors from taking adverse employment actions against applicants and employees for asking about, discussing, or sharing information about their pay or, in certain circumstances, the pay of their co-workers.

OFCCP enforces its regulations in large part through varying types of compliance evaluations. In 2018, OFCCP implemented a comprehensive initiative seeking to ensure compliance with equal employment opportunity and nondiscrimination regulations for all protected groups. As part of this initiative, OFCCP committed to conducting future compliance evaluations focusing on a particular authority or segment of employment enforced by OFCCP.

The first such "focused reviews" under this initiative centered specifically on Section 503, and the agency has completed the inaugural phase of those reviews. In those Section 503 Focused Reviews, OFCCP reviewed policies and practices of the contractor related solely to Section 503 compliance. The review included interviews with managers responsible for equal employment opportunity and Section 503 compliance (such as the ADA coordinator) as well as employees affected by those policies. OFCCP also evaluated hiring and compensation data, as well as the handling of accommodation requests, to ensure that contractors were not discriminating against individuals with disabilities.

This report provides background information leading up to the launch of the Section 503 Focused Review Program, results of the inaugural phase of Section 503 Focused Reviews conducted to date and lessons learned during those reviews, recognition for contractors that have earned a Certificate of Merit, and insights into the future of the program.

Background

EMPLOYMENT DISPARITY FOR INDIVIDUALS WITH A DISABILITY

Individuals with disabilities are employed at far lower levels than individuals without disabilities. The Bureau of Labor Statistics (BLS) reported in March 2020 that the employment participation rate of individuals with disabilities in 2019 remained significantly less than half of those without disabilities, 20.8% versus 68.7%. The unemployment rate for individuals with disabilities remains twice the amount of those without disabilities, 7.3% versus 3.5%. This data has remained consistent from 2009 to 2019, and shows a consistent disparity in the labor participation rate of individuals without a disability versus individuals with a disability.

Year	With a disability Unemployment Rate	Without a disability Unemployment Rate	With a disability Labor Participation Rate	Without a disability Labor Participation Rate
2009	14.5%	9.0%	22.4%	70.9%
2010	14.8%	9.4%	21.8%	70.1%
2011	15.0%	8.7%	20.9%	69.7%
2012	13.4%	7.9%	20.6%	69.4%
2013	13.2%	7.1%	20.3%	68.9%
2014	12.5%	5.9%	19.5%	68.7%
2015	10.7%	5.1%	19.5%	68.5%
2016	10.5%	4.6%	20.0%	68.5%
2017	9.2%	4.2%	20.6%	68.6%
2018	8.0%	3.7%	20.8%	68.4%
2019	7.3%	3.5%	20.8%	68.7%

Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Unemployment rate for people with a disability declines to 7.3 percent in 2019 on the Internet at <https://www.bls.gov/opub/ted/2020/unemployment-rate-for-people-with-a-disability-declines-to-7-point-3-percent-in-2019.htm> (visited January 07, 2021).

SECTION 503 RULEMAKING

OFCCP has been actively addressing this disparity, investing significant resources in the past decade, starting with an overhaul of the agency's regulations implementing Section 503. In 2010, the agency published an Advance Notice of Proposed Rulemaking (ANPRM) in the *Federal Register*, requesting public comment on specific inquiries regarding potential ways to strengthen the Section 503 affirmative action regulations, which, at the time, lacked specific, measurable affirmative action requirements. The agency followed the ANPRM with a proposed rule in December 2011, and ultimately, a Final Rule to completely replace the former regulations with new regulations intended to improve the labor participation of individuals with disabilities. The new regulations became effective in March 2014.

The final rule strengthened the affirmative action provisions for federal contractors in a number of ways, including but not limited to the following:

- A new 7% utilization goal for individuals with disabilities to be used as a benchmark against which a contractor can measure representation of individuals with disabilities in its workforce;
- A requirement to collect applicant and hiring data for individuals with disabilities compared to total applicants and hires, a metric that can be utilized when assessing the effectiveness of a contractor’s outreach and recruitment efforts;
- A requirement to assess the effectiveness of outreach and recruitment efforts every year;
- A modified requirement to invite applicants and employees to voluntarily self-identify whether they are an individual with a disability, with contractors required to extend the invitation to employees at minimum every five years with at least one reminder during the intervening years; and,
- A new form developed by OFCCP for contractors to use for the invitation.

Following the 2014 effective date, OFCCP began conducting compliance reviews and noted the need for extensive technical assistance in addition to the types of violations occurring under the new regulations. OFCCP also began to record how many of the reviewed contractors had met the 7% goal. The resulting numbers indicated that further action was necessary to improve employment opportunity for individuals with disabilities.

FOCUSED REVIEW PROGRAM

After consideration of not just Section 503 but all of the laws OFCCP enforced, the agency implemented a comprehensive initiative seeking to enhance compliance with its laws. OFCCP determined that a portion of its future scheduling lists would include focused reviews related to each of the three authorities that OFCCP enforces: Executive Order 11246, Section 503, and VEVRAA. Announced in Directive 2018-04 [**Focused reviews of contractor compliance with Executive Order 11246 \(E.O.\), as amended; Section 503 of the Rehabilitation Act of 1973 \(Section 503\), as amended; and Vietnam Era Veterans' Readjustment Assistance Act of 1974 \(VEVRAA\), as amended**](#), focused reviews involve OFCCP going onsite and conducting a comprehensive review of the particular authority or employment aspect at issue.

Focused reviews are also part of the agency’s commitment to efficiency in compliance evaluations. As opposed to standard compliance reviews, focused reviews are restricted to one or more components of a contractor’s organization or aspects of a contractor’s personnel practices. They allow the agency to allocate its resources on particular areas that may not otherwise receive dedicated focus, and bring attention to best practices to assist with compliance in these areas. Compared to standard compliance reviews, these reviews conclude quickly, resulting in cost savings for the agency while protecting workers.

Specifically, each focused review involves (1) a topic relating to an area of OFCCP’s jurisdiction that would be benefitted by more focus from the agency, (2) compliance assistance and training materials related to the topic, (3) a list of best practices to improve equal employment opportunity in that area, reviews that include a virtual onsite (or physical on-site where appropriate) focused on that topic, and (5) a report where the best performing contractors are recognized, best practices are detailed and supported, and noncompliant practices are identified so they can be discontinued.

SECTION 503 FOCUSED REVIEWS

Based in part on a concern that contractors were not fully complying with the Section 503 regulations, OFCCP chose to implement Directive 2018-04 first with the Section 503 Focused Review Program. In FY 2019, OFCCP selected 500 corporate headquarters establishments for Section 503 Focused Reviews. In FY 2020, OFCCP released a supplemental scheduling list that identified an additional 250 establishments for Section 503 Focused Reviews. Scheduling these contractors for focused reviews will continue into FY 2021.

Along with establishing the reviews themselves, OFCCP developed a comprehensive training program and implementation plan to provide contractors and workers with needed resources. It launched a Section 503 Focused Review Landing Page to provide guidance for contractors and workers. The agency also worked closely with ODEP and the Veterans Employment and Training Service (VETS) to identify best practices and other contractor resources. OFCCP provided comprehensive Section 503 focused review training in FY2020, and intends to expand future focused review training throughout FY 2021.

DISABILITY UTILIZATION GOAL

An overarching objective for the Section 503 Focused Review Program is to improve the number of contractors who exceed the Section 503 utilization goal. OFCCP established an aspirational utilization goal of 7% employment of qualified individuals with disabilities for contractors covered by Section 503 written AAP requirements. For each establishment, contractors with more than 100 employees must measure the representation of individuals with disabilities in each job group (as established by Executive Order 11246 AAP), while contractors with 100 or fewer employees have the option to measure the representation of individuals with disabilities within the entire workforce. Either way, contractors must evaluate the utilization of individuals with disabilities as part of every AAP annual update.

The disability utilization goal serves as an objective that should be attainable by complying with all aspects of the AAP components required by OFCCP. The purpose of the goal is to provide contractors a yardstick against which they can measure the success of their efforts in outreach to and recruitment of individuals with disabilities. More specifically, contractors should use the goal to measure the change in the representation of individuals with disabilities in their workforce.

Failure to meet the goal is not a violation of Section 503 and does not lead to a fine, penalty or other sanction. Additionally, a contractor's determination that it failed to meet the disability goal does not constitute either a finding or admission of discrimination in violation of the regulations. When the percentage of individuals with disabilities in one or more job groups, EEO-1 categories, or workforce as a whole (as appropriate, for smaller contractors) is less than the utilization goal, the contractor must take steps to determine whether and where impediments to equal employment exist. This includes assessing existing personnel processes, the effectiveness of its outreach and recruitment efforts, the results of its affirmative action program audit, and any other areas that might affect the success of its affirmative action efforts. After conducting this assessment, the contractor must develop and execute action-oriented programs to correct any identified problem areas.

Section 503 Focused Reviews in Practice

Section 503 Focused Reviews include a comprehensive review of a contractor’s policies and procedures as they relate solely to Section 503. The review includes interviews with managers responsible for equal employment opportunity and Section 503 compliance as well as employees affected by those policies. OFCCP also seeks to evaluate hiring and compensation data during the reviews, as well as the handling of accommodation requests, to ensure that contractors are not discriminating against individuals with disabilities in employment.

Generally, Section 503 Focused Reviews follow a systematic process that includes:

- Selection and scheduling, using a scheduling letter approved by the Office of Management and Budget (OMB);
- Providing contractors compliance assistance materials and information designed to promote transparency and foster open communications;
- Desk audit, focusing on the contractor’s Section 503 AAP and supporting documentation;
- On-site review, to conduct interviews with managers and employees and to ensure implementation of the contractor’s policies and practices;
- Off-site review of information supplied by the contractor during the on-site; and
- Findings and resolution.

SELECTION AND SCHEDULING

Contractors are selected for compliance evaluations based on OFCCP’s neutral selection process. Although the specific methodology for a given scheduling period may change based on situational details, the basic methodology generally remains the same. OFCCP’s website has a more detailed description of the [selection methodology used for the inaugural Section 503 Focused Reviews](#). When a district office schedules an establishment for a Section 503 Focused Review, based on the applicable scheduling methodology, that establishment receives a formal Section 503 Scheduling Letter and Itemized Listing approved by OMB.

The Section 503 Focused Review Scheduling Letter and Itemized Listing specify the documents and data related to Section 503 that a contractor must provide to OFCCP when scheduled for a Section 503 Focused Review. These items include the contractor’s Section 503 AAP and the documentation and information required by [Subpart C of 41 CFR 60-741](#), including but not limited to the contractor’s utilization analysis of the representation of individuals with disabilities, evaluation of outreach and recruitment efforts, and the applicant and hire data described in [41 CFR 60-741.44\(k\)](#). The letter provides the contractor 30 days from receipt to submit the AAP and supporting documentation.

COMPLIANCE ASSISTANCE

Once the contractor receives the Section 503 Focused Review Scheduling letter and Itemized Listing, an OFCCP compliance officer assigned to the compliance evaluation provides the contractor initial compliance assistance materials and information designed to promote transparency and foster open communications. This information includes the following:

- [DIR 2018-08, Transparency in OFCCP Compliance Activities](#), which addresses OFCCP’s commitments to provide transparency to contractors and other stakeholders.

- The [What Federal Contractors Can Expect](#) brochure that provides general expectations for interactions between contractors and OFCCP.
- Information on and link to the [Contractor Compliance Institute](#), a site for contractors to learn how to ensure their organization is in compliance with its Equal Employment Opportunity obligations.
- Information on and link to OFCCP's [Contractor Assistance Portal](#), where companies doing business with the federal government come together to learn solutions to common compliance problems and challenges, and share successful strategies and knowledge. This online portal is also an opportunity to interact with OFCCP.
- [DIR 2018-09, OFCCP Ombud Service](#), which addresses the program developed to facilitate the fair and equitable resolution of specific types of concerns raised by OFCCP external stakeholders in coordination with regional and district offices.

DESK AUDIT

OFCCP begins its desk audit upon receiving the AAP and supporting documentation detailed in the Section 503 Focused Review Scheduling Letter and Itemized Listing. During the desk audit, OFCCP compliance officers assess the contractor's compliance with all elements of the Section 503 written AAP, including whether the contractor conducted the required assessments of its employment policies and tracked appropriate data concerning individuals with disabilities.

Compliance officers also provide assistance identifying ways in which the contractor can exceed the minimum requirements by implementing best practices intended to increase the utilization of qualified individuals with disabilities within their workforce.

ON-SITE REVIEW

Once the desk audit is complete, the compliance officer will prepare for the on-site. Due to the pandemic, since early 2020 OFCCP has successfully conducted all on-site reviews for Section 503 Focused Reviews as well as other compliance evaluations virtually. The agency conducts most virtual on-site functions telephonically or through other electronic platforms such as video conference lines, WebEx, and Microsoft Teams. OFCCP works with federal contractors on the scheduling and logistics for a virtual on-site. Whether in person or virtual, upon scheduling an on-site, the compliance officer follows-up by sending the contractor a letter confirming the on-site dates and providing a list of documents or other information that is needed for the on-site review.

In keeping with OFCCP's commitment to ensure transparency and certainty in all stages of OFCCP's compliance activities, OFCCP posted a [Sample Section 503 On-site Guide](#) and a [Sample Section 503 Focused Review Report](#) on the [Section 503 Focused Reviews landing page](#) to assist contractors in knowing what to expect during the on-site phase of the compliance evaluation. These documents contain information about the types of questions compliance officers will ask, as well as policies and other documentation they will gather during the course of the on-site review.

For example, the [Sample Section 503 On-site Guide](#) outlines information compliance officers should seek to obtain prior to the on-site in order to develop an effective On-Site Plan and ensure that appropriate personnel are available for interview. This information includes:

- The names and titles of individuals responsible for the contractor's reasonable accommodation process.
- The process by which applicants apply for jobs and whether they apply online, must apply in-person, or a hybrid system where applicants can apply online or in person.

- A sample of a blank application including a description of the screening process used by the contractor, which ensures the required self-identification form is being used; and
- Information about flexible workplace policies and disability-related special emphasis groups.

The Sample Section 503 On-site Guide also outlines activities that OFCCP compliance officers perform during the on-site phase, which includes:

- An entrance conference, where OFCCP's mission and the focused review process is explained to the chief executive officer or highest official at the establishment and responsible official(s) for the AAP. Typically, the CEO or Facility Manager, Human Resource Manager and any person(s) responsible for developing and implementing the AAP are present at the entrance conference. Generally during the entrance conference, the compliance officer will provide a summary of the contractor's EEO and AA obligations under Section 503, explain his or her role as a neutral fact finder, give a description of the scope of the on-site review, and reserve the right to return if incomplete or missing information exists;
- A facility inspection, similar to a typical OFCCP compliance evaluation, checking for the "EEO is the Law" poster and supplement, as well as observing facility specific disability access points such as ramps and elevators;
- Accessing employee handbooks and documents necessary to secure a full understanding of the contractor's employment practices and processes, particularly with how they apply to any employment actions, practices or processes that may impact individuals with disabilities;
- Conducting interviews with managers and employees to confirm and verify the contractor's policies and practices, *e.g.*, interviews with disability-related special emphasis groups, reasonable accommodations committees or boards, employees who self-identified as an individual with a disability, employees who requested a reasonable accommodation, short-term disability coordinator(s), individual(s) responsible for outreach and recruitment of individuals with disabilities, and individual(s) who screen applications, among others;
- Reviewing employee files to ensure self-identification forms are maintained separately, that the contractor's storage method for self-identification information have appropriate internal controls, and that the information related to a disability is kept confidential; and
- Reviewing job descriptions to ensure they do not screen out individuals with disabilities and are in compliance with [60-741.21\(a\)\(7\)](#).

OFCCP will not require the submission of personnel activity data other than the data described in [41 CFR 60-741.44\(k\)](#), at the onset of a Section 503 focused review. However, during the review, compliance officers may request this information. OFCCP may also request compensation and promotion data for individuals who identified as having a disability, are known to have a disability, and/or employees who requested a reasonable accommodation. Additionally, based on a review of data in response to the data described in [41 CFR 60-741.44\(k\)](#), OFCCP may find it necessary to request additional applicant flow data for job groups that had applicants with disabilities.

The on-site normally ends with an exit conference. During the exit conference, the compliance officer reviews any tentative findings. The compliance officer should also make it clear that if additional information is needed during the off-site review, OFCCP may find it necessary to make a follow-up on-site visit to the contractor's facility.

OFF-SITE REVIEW

During the off-site phase of the Section 503 Focused Review, compliance officers review all the information collected during the on-site. The objective is to determine if any potential problems identified during the desk audit have been resolved or confirmed and whether any new potential problems arose during the on-site. In some cases, OFCCP may find that it needs additional information or interviews, such as with current or former employees or unsuccessful applicants, to clarify outstanding issues.

FINDINGS AND RESOLUTION

At the conclusion of the off-site review, OFCCP informs the contractor of its findings in writing. If there are no problems, OFCCP issues a notice of compliance, which may include an acknowledgment, recognizing and commending high-performing contractors through the issuance of a closure letter "with distinction."

If OFCCP finds violations during the Section 503 Focused Review, OFCCP notifies the contractor with a Notice of Violations (NOV). The NOV explains each problem, including the regulatory citations, and describes the necessary corrective actions. A NOV is generally resolved with a Conciliation Agreement (CA). A CA is the document used to resolve both technical and major substantive violations identified during a compliance evaluation. In situations where conciliation efforts are unsuccessful, OFCCP may issue a Notice to Show Cause. A Notice to Show Cause is a letter issued to the contractor directing it to show why enforcement proceedings should not be instituted. The Notice to Show Cause requires the contractor to come into compliance within 30 calendar days to avoid the commencement of potential enforcement proceedings.

Section 503 Focused Review Results

OFCCP selected 500 contractors for the inaugural scheduling phase of Section 503 Focused Reviews. As of the end of fiscal year (FY) 2020, OFCCP has completed 170 (50%) of the 341 (68%) Section 503 Focused Reviews scheduled from the FY 2019 scheduling list. OFCCP plans to schedule the remaining contractors on the FY 2019 list before scheduling the 250 Section 503 Focused Reviews on the FY 2020 supplement.

DISABILITY UTILIZATION GOAL FINDINGS

As previously mentioned, contractors establish disability utilization goals either by job groups or workforce as a whole, an option for contractors with 100 or fewer employees. In the focused reviews completed in FY 2020 (from the FY 2019 list), a majority of the contractors who measure utilization by job group met or exceeded the 7% utilization goal in at least one job group. Eight of the contractors with closed reviews from FY 2020 met the disability utilization goal in more than 50 percent of their job groups. However, OFCCP did not identify any contractors that met the 7% utilization goal in all of their job groups. Only 4 contractors with closed reviews from FY 2020 had a workforce-wide goal, and 2 of those contractors exceeded the 7% goal.

OTHER FINDINGS

For the reviews conducted to date, most of the reviewed contractors have benefited from at least some technical assistance to improve areas of concern. Some of the reviewed contractors have also entered into conciliation agreements with OFCCP to resolve violations of their affirmative action obligations (see below). However, to date OFCCP has not found any discrimination or reasonable accommodation violations in the focused reviews.

Below is a list of the top 5 violations that OFCCP has found during the Section 503 Focused Reviews.

1. Failure to conduct appropriate outreach and positive recruitment of individuals with disabilities that were reasonably designed to effectively recruit qualified individuals with disabilities;
2. Failure to invite applicant and employees to self-identify as an individual with a disability;
3. Failure to document the computations or comparisons pertaining to applicants and hires, as described in 41 CFR 60-741.44(k) and maintain this data for three (3) years;
4. Failure to design and implement an acceptable audit and reporting system which measured the effectiveness of its affirmative action program; and
5. Failure to develop and submit acceptable Section 503 AAPs and support data.

OFCCP Section 503 Focused Reviews — Best Practices

In addition to ensuring contractor compliance with Section 503 obligations, OFCCP’s frequent communication with and observation of contractors led the agency to outline successful, inclusive business practices encountered in the workplace. These practices aim to create a holistic approach that cover the various stages of employment, from recruitment and hiring to training and advancement. During a Section 503 focused review, OFCCP provides contractors with suggestions for voluntarily implementing best practices that may assist with their recruitment, hiring, and retention of individuals with disabilities. Additionally, OFCCP encourages contractors to have ongoing engagement with their employees and external organizations, as well as examine their own internal data to see where room for growth exists.

BEST PRACTICES PROVIDED BY OFCCP

The agency’s website contains a dedicated [Best Practices and Resources](#) page that, among other information, includes specific examples of suggested best practices for Section 503 compliance. Some examples of best practices include:

- Centralizing accommodation systems;
- Creating and using accessible online recruiting tools;
- Promoting active Chief Executive Officer leadership;
- Coordinating with state or local vocational rehabilitation agencies;
- Developing comprehensive and welcoming self-identification programs;
- Developing disability inclusion programs;
- Evaluating personnel data proactively;
- Identifying employee resource groups; and
- Employing a Chief Accessibility Officer.

BEST PRACTICES FOUND DURING SECTION 503 FOCUSED REVIEWS

During the review period covered by this report, OFCCP determined the most frequently implemented best practices, provided below.

Reasonable accommodations

- Proactive and anticipatory preparation for accommodation requests
- Centralized systems for tracking reasonable accommodation requests

Alternative work arrangements

- Working from home or remotely
- Flexible weekly schedules, such as four 10-hour days
- Accommodating employees’ medical appointments

Diversity inclusion programs

- Collaboration with advocacy groups and other organizations that provide resources and share knowledge to empower employees and foster organizational growth
- Offering disability awareness training to all employees
- Use of job coaches and practice interviews for employees who self-identify as individuals with disabilities

- Contractors’ use of specific job readiness training programs, where the contractor trains employees to overcome barriers in employment through cognitive thinking transformation, soft-skills development, and professional communication
- Reporting results of diversity initiatives to executive leadership

Based on information gathered during the reviews to date, the vast majority of contactors implemented a small number of best practices, but still fell short of the utilization goal. OFCCP found that, in general, contractors who undertook outreach and positive recruitment activities that were reasonably designed to be effective in recruiting qualified individuals with disabilities had the most success in meeting or exceeding their disability utilization goal.

Such proactive recruitment and hiring practices often include at least some of the following:

- **Enlisting support** from state vocational rehabilitation (VR) agencies, local [Social Security Administration Employment Networks \(ENs\)](#), local disability groups, and placement or career offices of educational institutions that specialize in the placement of individuals with disabilities.
- Incorporating **special efforts to reach students who are individuals with disabilities** while recruiting at educational institutions.
- Participating in **work-study programs for students, trainees, or interns with disabilities**.
- **Taking any other positive steps it deems necessary to attract individuals with disabilities** not currently in the workforce who have requisite skills and can be recruited.
- In making hiring decisions, **considering applicants who are known to have disabilities** for all available positions for which they may be qualified when the position applied for is unavailable.

ANECDOTAL EXEMPLARS

Some contractors showed exemplary practices and initiatives to include individuals with disabilities and provide them with accommodations. OFCCP wishes to highlight several of these exemplars.

One exemplar contractor employs a large number of individuals who are visually impaired. As a result, many of the accommodation requests they receive are for software and equipment for people who are visually impaired. Knowing this, the contractor keeps this equipment and software in stock so that when it receives an accommodation request, that request can be granted quickly and the employee can receive the equipment or software they need immediately without having to order the equipment and wait for it to be delivered. Additionally, a typing test is required for some positions as part of its hiring process. When a candidate takes the typing test, one of the first screens that appears is a form the candidate can complete to request a reasonable accommodation. This practice informs the employees of the availability of accommodations before they take the pre-employment assessment. The contractor also hosts “Lunch and Learn” events, where they invite recruitment organizations to come to their facility. These events provide education for these organizations about the jobs that are currently available and engages with them about their issues or concerns about creating an inclusive workplace. This practice creates opportunities for personal interactions that are more in-depth than emails or phone calls.

Another contractor had multiple programs for individuals with disabilities. These programs included: (a) an organization for disability resources; (b) a visual improvement jobs applicant portal; (c) a global disability inclusion briefing; (d) a “Count Me In” campaign that encourages self-identification; (e) several trainings provided to managers on the reasonable accommodations process; and (f) a just-in-time toolkit for managers to lead a disability-inclusive workforce.

One reviewed contractor installed automatic door openers for individuals with disabilities on every door at the facility, including bathrooms, breakrooms, and entrance/exit doors. The contractor also has strong policies on parental leave, short-term disability, and reasonable accommodations.

Some contractors continued use of employee referral sources even after low hiring periods. When evaluating and assessing their outreach and recruitment activities, contractors did not discontinue using any particular source simply because it had been unable to refer qualified candidates resulting in hires over the past twelve months. These contractors found that an outreach source’s effectiveness over the past twelve months is not necessarily indicative of its historical effectiveness, nor is it necessarily an accurate indicator of whether or not that source will be effective in the future. They continue to reach out to organizations even though that organization may have been in a “low” period during the past year.

Some contractors conducted outreach to campus disability resource centers as part of its recruitment efforts in order to maximize its engagement with potential disability hires. Contractors might also offer diversity awards or scholarships that attract and reward talent to interns and employees with disabilities. This shows the company is willing to give public recognition and support to its employees.

One contractor created a video presentation used in their diversity and inclusion training program that showed various employees in different parts of the business partner teams talking about their experiences and how they are their true selves working for the company. The video featured several employees with disabilities or that had children with disabilities. The employees expressed that the company creates an inclusive work environment in which they do not feel judged, which makes them feel comfortable and productive in the work environment.

DISABILITY INCLUSION PROGRAMS

One emphasis of the Section 503 Focused Review Program has been to encourage disability inclusion programs that help establish a pipeline of skilled applicants with disabilities for companies. These groups may also help to ensure that employees with disabilities are fully included in all aspects of employment, and let employees and potential employees know that the contractor is a welcoming place for individuals with disabilities. There are many organizations that focus on Disability and Inclusion Programs, and OFCCP continues to provide meaningful compliance assistance resources to help federal contractors comply with the laws and regulations it enforces. In addition to the best practices and resources mentioned above and the Department of Labor Resources listed below, OFCCP provides [Disability and Inclusion Program Resources online](#).

DEPARTMENT OF LABOR RESOURCES

Employer Assistance and Resource Network on Disability Inclusion (EARN)

EARN is a free resource that helps employers tap the benefits of disability diversity by educating public- and private-sector organizations on ways to build inclusive workplace cultures. It is funded by ODEP under a cooperative agreement with Cornell University. EARN helps employers

recruit, hire, retain and advance people with disabilities. In addition to hosting webinars and other events, EARN also maintains a website, AskEARN.org, which provides information on: recruiting and hiring; retention and advancement; laws and regulations; creating an accessible and welcoming workplace; and federal contractor requirements.

EARN activities and areas of focus include:

- **Primer on Disability Inclusion:** [EARN's Primer on Disability Inclusion](#) provides a starting point, outlining the what, why and how of creating a disability-inclusive workplace.
- **Dinah Cohen Training Center for Disability Employment & Inclusion:** [EARN's online Dinah Cohen Training Center for Disability Employment & Inclusion](#) offers [webinars](#) and other [resources](#) for employers interested in recruiting, hiring, retaining and advancing people with disabilities.
- **Inclusion@Work:** [Inclusion@Work](#) was developed with input from a range of employers with exemplary track records in disability employment. This framework outlines seven core components of a disability-inclusive workplace, along with a menu of strategies for achieving them.
- **Fact Sheet on Self-Identification of Disability:** In 2014, the U.S. Department of Labor made changes to Section 503 of the Rehabilitation Act of 1973 that require federal contractors and subcontracts to take affirmative action to hire people with disabilities. One way federal contractors can collect information about the number of people with disabilities they employ is through self-identification. "[Do Ask, Do Tell: Encouraging Employees with Disabilities to Self-Identify](#)" offers strategies businesses can use to encourage applicants and employees with disabilities to self-identify in order to meet recruitment and hiring goals.

Job Accommodation Network (JAN)

ODEP's [Job Accommodation Network](#), contractors have access to the most comprehensive job accommodation resource available for those with disabilities. This is the leading source of free, expert, and confidential guidance on workplace accommodations and disability employment issues. JAN helps people with disabilities enhance their employability, and shows employers how to capitalize on the value and talent that people with disabilities add to the workplace by finding practical solutions that benefit both employer and employee. Through its consultants, JAN offers one-on-one guidance for workplace accommodations regarding the Americans with Disabilities Act (ADA) and related legislation, as well as self-employment and entrepreneurship options for people with disabilities. Assistance is available both over the phone and online. Those who can benefit from JAN's services include private employers of all sizes, government agencies, employee representatives, and service providers, as well as people with disabilities and their families.

These are merely some of the resources available for contractors to use in their disability and inclusion programs. Truly successful contractors cultivate effective disability workforce initiative programs into their organizations, like the ones OFCCP has recognized below.

Contractor Recognition

Every organization should set goals and establish a strategic plan in order to achieve them. For successful contractors, those goals are often exceeded. OFCCP has established recognition programs for contractors that have identified particularly effective disability workforce initiative strategies. During a Section 503 focused review, OFCCP compliance officers take note of specific policies, programs, data or other information that demonstrates the contractor under review fully complied with OFCCP's laws and regulations. OFCCP also takes note when contractors exemplify best practices for creating a diverse and inclusive workforce

EXCELLENCE IN DISABILITY INCLUSION AWARD

In July 2019, OFCCP introduced the [Excellence in Disability Inclusion \(EDI\) Award](#). Jointly established by OFCCP and ODEP, the EDI Award recognizes federal contractor establishments who go above and beyond to recruit, hire, retain, and advance individuals with disabilities in the workplace. The EDI Award gives federal contractors the opportunity to be recognized for their disability inclusion efforts as well an opportunity for contractors to showcase programs and best practices for other federal contractors to emulate. Additionally, recipients of this award receive the EDI Gold Award, which gives that specific facility a three-year moratorium from OFCCP compliance evaluations.

On March 11, 2020, [DOL announced CVS and PepsiCo establishments](#) as the 2019 EDI Award winners. The EDI Gold Award recognized a CVS establishment in Acton, Massachusetts, and a PepsiCo establishment in Purchase, New York, with outstanding performance by federal contractors in making their workforce inclusive for people with disabilities. In addition to receiving the three-year moratorium from OFCCP compliance evaluations, the recipients were required to do a Year of Engagement. This entails OFCCP and ODEP overseeing the recipients' involvement in outreach efforts, such as presentations at relevant conferences, webinars, online national dialogues, and additional outreach to other employers.

EDI Award Winners' Disability Workforce Initiative Programs

The CVS and PepsiCo establishments won the EDI Award because of the disability and inclusion programs their facilities created. Together, these two federal contractor establishments have shown what effective disability and inclusion programs can look like and how they can be successfully implemented.

EDI recognized the CVS establishment for its "[Abilities in Abundance](#)" program, which provides training to people with disabilities to compete for a wide range of positions with the organization. CVS believes that skilled, productive workers with disabilities can be brought successfully into the workforce, and can make extraordinary contributions to our economy and our society. The Abilities in Abundance program works to break down the employment barriers people with disabilities face, such as limited access to skills training, and, too often, unfairly low expectations.

EDI recognized the PepsiCo establishment because of its program "[Pepsi Achieving Change Together \(PepsiACT\)](#)," a formal partnership between Pepsi and Disability Solutions @ Ability Beyond, a U.S. non-profit specializing in corporate disability recruiting programs, to be worthy of top honors. PepsiCo created this program in late 2013 and their goal was to attract and hire talent with disabilities across the country, including veterans, to meet their workforce needs. Since its creation, PepsiACT has become a part of Pepsi's overall talent strategy. Filling job opportunities across all career and experience levels, to date, the ACT model has been implemented across nine U.S. cities, with over 1,400 employees hired to date.

CERTIFICATES OF MERIT

OFCCP also plans to recognize contractors by granting Certificates of Merit to recognize their accomplishments in fostering disability inclusion, as the first round of focused reviews draw to a close. Over the course of the focused reviews, both the contractor community and the world in general faced multiple challenges. Despite those challenges, however, some contractors still identified strategies for their organization that worked, and OFCCP will recognize them with Certificates of Merit.

Future of Section 503 Focused Reviews

Although OFCCP has added other types of focused reviews to its current scheduling list, the agency also included 250 Section 503 Focused Reviews in the current list, which are planned to be scheduled in the coming year. The new crop of Section 503 Focused Reviews will incorporate lessons learned from this inaugural phase. In particular, OFCCP will continue to expand compliance assistance in areas related to effective outreach and recruitment, the requirement to invite applicants and employees to self-identify, recordkeeping, and other areas where the agency has already resolved violations through conciliation agreements. The agency also will continue to keep best practices current, and examine the practices used by contractors that met or exceeded the utilization goal for insights into what worked for them.

As needed, OFCCP may also make future revisions to form [CC-305 Voluntary Self-Identification of Disability](#). OFCCP has already updated the self-id form in May 2020 in part because of the feedback the agency received through Section 503 Focused Reviews conducted up to that point. The agency incorporated improved statements of purpose and confidentiality, as well as added a broader list of disability examples in hopes of increasing the response ratio for the form, which in turn should improve contractor ability to accurately track applicants and employees with disabilities. OFCCP also increased the available number of languages it provided the form in, for a total of ten not counting English and Spanish.

OFCCP may also revisit changes it proposed to the OMB-approved Scheduling Letter, which OMB did not approve but which were intended to provide the agency with more information at the desk audit stage to perform initial analyses that can detect compensation disparities and disparities in employment activities such as hiring and promotions. Being able to conduct these analyses prior to an on-site review would streamline the on-site phase and enable OFCCP to focus on all potential issues at once. Getting this information through the scheduling letter will lead to a more effective review that will better enable OFCCP to ensure equal employment and compensation for people with disabilities. In the absence of OMB approval, OFCCP may also provide more training and/or guidance for both compliance officers and contractors in the areas of compensation, promotion, hiring, and reasonable accommodations. On a related note, OFCCP discovered that contractors were unsure what information to provide during these reviews. In accordance with its commitment to transparency, the agency will work to improve clarity in its requests regarding the types of information needed, and to provide additional examples for the benefit of contractors.

Conclusion

After consideration of all of the above, OFCCP believes that the inaugural Section 503 focused review program succeeded in meeting its objectives. The reviews drew contractor attention to the importance of increasing, developing, supporting and empowering their disabled workforce; highlighted continuing areas of concern; and recognized particularly effective contractors and practices. Lessons learned during the reviews also showed OFCCP where it needed to modify the program and improve or increase the information and guidance provided to contractors. The agency looks forward to providing next year's report demonstrating even greater success.

