

**ADVISORY COMMITTEE ON  
INCREASING COMPETITIVE  
INTEGRATED EMPLOYMENT FOR  
INDIVIDUALS WITH DISABILITIES**

**Complexity and Needs in Delivering  
Competitive Integrated Employment**

# COMPLEXITY AND NEEDS IN DELIVERING COMPETITIVE INTEGRATED EMPLOYMENT

The subcommittee has organized its work into three major topic areas:

- 1.) Federal funding and programs
- 2.) Fidelity and Outcomes
- 3.) Section 14(c)

# Federal Funding for Competitive Integrated Employment (CIE)

- Currently, Federal funding does not support CIE as a priority despite the emphasis of CIE in several Federal statutes.
- Guidance is lacking from Federal agencies on:
  - models and payment methodologies to incentivize CIE and/or pay for CIE outcomes
  - funding CIE for people with serious mental illness using Medicaid (especially state plan services).
- Varying eligibility requirements and the complexity of blending and braiding funds is a barrier.

# Funding: Recommendations

- To address this, key Federal agencies should conduct a joint review to identify strategies to implement a coordinated approach to promote CIE. These findings should be shared with this Committee.
- Federal agencies should simplify, streamline, or replace current work incentives.
- Federal agencies should issue guidance about:
  - models and payment methodologies to incentivize CIE and/or pay for CIE outcomes
  - funding CIE for people with serious mental illness using Medicaid (especially state plan services)
- Federal agencies should share best practices on how eligibility requirements could be streamlined and simplified, and how funding from multiple agencies could be blended and braided more effectively.

# The Impact of SSI and SSDI

- Real and perceived fears concerning the negative economic impact and loss of services and supports from obtaining a job due to the loss of SSI or SSDI benefits is keeping willing workers with significant disabilities from finding employment and perpetuating poverty.

# SSI/SSDI: Recommendation

- Federal agencies should provide strategies and information to PWSD to reduce the fear of working and empower them with knowledge, skills, and the self-confidence to succeed in our workplaces.
- Need to streamline, simplify, or improve work incentive programs for SSI/SSDI recipients.

# Vocational Rehabilitation

- The VR system faces challenges assisting PWSD in getting employment.
  - Despite the requirement to prioritize PWSD, only 25% of SSI/SSDI recipients get VR services.
  - About 40% of people eligible for VR services have their cases closed before svcs. are initiated.
  - Only 32% of VR closures result in an employment outcome.
- VR systems are uneven, and many have processes and administrative barriers that impact their success in serving PWSD.
  - Complex administrative processes often lead to delays or inappropriate denials of services.
  - Inconsistent knowledge and training of VR counselors about best practices to promote CIE.
  - Barriers for transition age youth include that students are often not engaged until late in the last year of high school or upon exiting and a lack of collaboration between VR & education
  - No uniform definition for states of “most significant disability” for order of selection.
- 14(c) and Vocational Rehabilitation
  - The VR system still refers individuals to Section 14(c) holders that pay sub-minimum wages.
  - Section 511 of WIOA provides an opportunity to promote CIE outcomes for youth with disabilities.

# VR: Recommendations

- **Administrative**
  - WIOA and its regulations should emphasize service with strict time limits aided by accurate information on vendor services.
- **Eligibility & Enrollment**
  - VR should create an expedited process for encouraging SSI and SSDI recipients to apply for, and successfully use, VR services.
  - WIOA should be amended to define the category of individuals with the “most significant disabilities” as those working in segregated settings and/or being paid below the minimum or prevailing wage.
- **School-to-Work Transition**
  - WIOA regulations should require that intervention begin prior to age 14 and include integrated work experience; automatic VR eligibility for any student indicating they are considering segregated employment, and placement in integrated work for a period not less than 24 months with supports.
- **Programmatic**
  - VR counselors need regular training on how to use policies and practices that encourage CIE outcomes.
  - VR agencies should fully fund programs with local education agencies to give youth with disabilities access to CIE experiences before leaving school.
- **Data:** The Rehabilitation Services Administration should provide data and analyze why so many cases of eligible individuals are closed before services can be rendered.
- **VR & 14(c):** VR should create a systemic approach to actively encourage the movement of individuals from segregated work with section 14(c) certificate holders to CIE.



# The Javits-Wagner O'Day (JWOD) Act

- The JWOD program has not been updated in years, operates primarily as a procurement program (rather than a disability employment program), and continues to support low wage employment in integrated settings.
- JWOD contracts are awarded to non-profit community rehabilitation programs (CRPs) who alone decide whether some workers' disabilities make them eligible for employment in the program, worker productivity levels, and number the number of workweek hours that can be accumulated.

# JWOD: Recommendations

- JWOD should be administered as a Federal disability employment programs to encourage CIE outcomes.
- To eliminate conflicts of interest, a workers' eligibility to participate in the program should be based on the SSA definition of disability rather than the CRP's determination.
- Non-competitive JWOD contracts at subminimum wages in segregated settings are not consistent with Federal policies promoting CIE and consideration should be given to transitioning away from this paradigm.

# Fidelity and Outcomes

- A standard Federal definition for both “employment” and of different day services (e.g., day habilitation, day treatment, etc.) is needed.
- On both the Federal and State level, there should be a standard way to track the spending and number of people in different day services, particularly the number of people in CIE.
- Standardized outcome measures, both directly and indirectly related to employment, are also needed by Federal and State governments.
- More information regarding the benefits of supported employment and positive impact on health care costs and social services would be beneficial.

# Fidelity & Outcomes: Recommendations

- The Federal government should define both “employment” and the range of day services for use across agencies. It should base these definitions on existing CMS HCBS definitions and the WIOA definition of CIE.
- States should be required to collect information regarding the number of participants in, and the spending on different day services, and report this data to the Federal government.
- The Federal government should analyze and disseminate this information on both a national and State level.
- Both Federal and State governments should use this data to inform their policies and practices related to improving CIE opportunities for PWSD.

# The Section 14(c) Exemption

- Section 14(c) is outdated and inconsistent with more recent Federal law and policy that prioritizes CIE and sets high expectations for PWSD.
- Sheltered workshops are not effective in transitioning people into CIE.
- Both Olmstead and HCBS setting rules create an opportunity for States to align their day service systems to focus on CIE.
- The Department of Labor's (DOL) process for granting new and renewing section 14(c) certificates does not consider Federal or State-level activities designed to increase CIE opportunities.

# Section 14(c): Recommendations

- Because of the economic and social harm section 14(c) perpetuates, the program should be eliminated following an appropriate phase out.
- CMS should continue its efforts to enforce the HCBS settings rule. It should also develop more active strategies to ensure that pre-vocation services are time limited and designed to promote CIE rather than work in segregated settings.
- DOJ and HHS should continue to make Olmstead enforcement a priority.
- DOL should develop a Federal interagency process to coordinate decisions about the issuance and renewals of section 14(c) certificates (possibly through unified state plans) and enforcement activities.

# Issues for Further Discussion

- The subcommittee has identified a number of issues to discuss further. These include:
  - Other services (wraparound supports, family supports, transportation, case management)
  - Education system issues (discuss overlap with Transition to Careers subcommittee)
  - Workforce investment system issues
  - Unique issues for different disability populations
  - Further details on preliminary recommendations