



LEAD CENTER

Provider Transformation Issue Brief

Transforming Employment Services from Sheltered Work to Competitive, Integrated Employment for all Job Seekers with Disabilities

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Why Provider Transformation is Important to Employment First

In order to address poverty, it is essential to address the issue of income. That means, at least in part, getting people into and keeping them in the labor market.¹

President Franklin D. Roosevelt's State of the Union Address, given to Congress on January 6, 1941, proclaimed that there are four fundamental freedoms that people "everywhere in the world" should enjoy:

- Freedom of Speech
- Freedom of Religion
- Freedom from Want
- Freedom from Fear

Seventy-five years have passed since FDR's address was given, and today people with disabilities across the United States and throughout the world still experience predominately low socioeconomic status and are unemployed. Their freedom from want is jeopardized by lack of access to jobs that pay living wages, and they must often rely on some form of Social Security or other government public assistance benefits that may be enough to subsist upon but not enough to secure a standard of living that most of their peers without disabilities strive to achieve.

According to the American Community Survey (ACS) data and the Census report "*Income and Poverty in the US*" (2014),² 14% of all Americans live below the Federal poverty line. However, people with disabilities experience a rate of poverty that is over twice the national average, at 28.5%. Unemployment and poverty are strongly equated and it is an almost insurmountable challenge for individuals and families to escape poverty without jobs that pay living wages. The percentage of working age people without disabilities who are employed is 75.36%, while only approximately 35% of people with disabilities are working³. It is clear that President Roosevelt's call to secure freedom from want for people everywhere as a fundamental human right has not yet become a reality for the vast majority of Americans with disabilities. ODEP's Employment First Initiative is an important step in helping to reverse this trend.

¹ Rio, John and Shaheen, Gary (2006). *Presentation on Housing and Employment for People who are Homeless*. Cohio Conference, Dayton, OH.

² <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>

³ <http://employmentfirst.leadcenter.org/>

ODEP's Employment First Initiative and the Criteria for Performance Excellence

ODEP established the Employment First State Leadership Mentoring Program (EFSLMP) in October 2011 to address the employment gap between individuals with disabilities and individuals without disabilities.⁴ Employment First is a framework for systems change that is centered on the premise that individuals with disabilities are capable of and should achieve full participation in competitive integrated employment.

EFSLMP core states selected by ODEP to participate in the initiative receive training and technical assistance (T/TA) in *Capacity Building, School-to-Work Transition, Rate Reimbursement and Restructuring, and Provider Transformation*. Provider Transformation extends beyond shifting agency employment services away from segregated, sheltered work programs and towards competitive integrated employment and encompasses the array of attitude changes, financing, services and staffing that are necessary for agencies to support competitive integrated work. Nationally, approximately 256,000 people are employed in entities that have 14(c) certificates. Approximately 7 million people with disabilities are working and only approximately 35% of all people with disabilities are employed.⁵ The percent of working people with disabilities who work in sheltered work/subminimum wage is approximately 3.7%.⁶ Of particular importance to state and federal policymakers is ODEP's promotion of a data-driven approach to systems change. The national Employment First Web-based Data Portal displays data from a number of national databases, updated on a continual basis that provides a comprehensive picture of the employment, education and economic status of people with disabilities nationally and by state, augmented with links to policy and practice-related resources.⁷

The focus of this Issue Brief is on how ODEP assists the EFSLMP states in achieving provider transformation to increase the number of people with disabilities working in competitive integrated employment, and reduce states' reliance on segregated, sub-minimum wage work.

ODEP articulated criteria for achieving cross-systems change as a pillar of Provider Transformation in its *Criteria for Performance Excellence*.⁸

These facilitators of cross-systems change include:

- Demanding change among target populations;
- Developing evidence-based practices and evolving models in service delivery;

⁴ <https://www.dol.gov/odep/topics/employmentfirst.htm>

⁵ <http://employmentfirst.leadcenter.org/>

⁶ <https://www.dol.gov/whd/specialemloyment/>

⁷ <http://employmentfirst.leadcenter.org/>

⁸ Lead Center. (n.d.) *Employment First Technical Brief #3: Criteria for performance excellence in employment first state systems change & provider transformation*. Retrieved from http://www.leadcenter.org/system/files/resource/downloadable_version/Employment_First_Technical_Brief_3_0.pdf

- Advancing the legal and policy landscapes;
- Maximizing efficiencies through goal alignment and resource coordination across systems; and
- Demonstrating improvements in desired outcomes via rigorous performance measurement.

In alignment with the National Baldrige Model’s Criteria for Performance Excellence,⁹ ODEP provides T/TA that helps states to:

- Improve leadership;
- Assist in strategic planning;
- Maintain a focus on customers, the workforce and operations aligned with the transformation goal;
- Focus on results; and,
- Ongoing measurement, analysis, and knowledge management.

In order achieve these results, top-down systems change strategies, combined with community-based, capacity-building activities, initiated by key stakeholders are necessary.¹⁰

ODEP’s investment in the EFSLMP is focused on helping states address the following key elements necessary to realign employment services, as shown in Figure 1.¹¹



How ODEP’s Investment Helps States Overcome Challenges to Provider Transformation

Achieving the goals of provider transformation is a complex process that targets improvements in policies, partnerships, and programs in order to produce better individual, competitive integrated employment outcomes. ODEP’s strategy in implementing EFSLMP is equivalent to

⁹ <http://www.nist.gov/baldrige>

¹⁰ IBID, page 7.

¹¹ Lead Center. (n.d.)

a “force multiplier” effect, where T/TA is delivered in different methods—from general to specific assistance—and with different frequencies that facilitate states’ efforts to transform work centers. The following briefly describes ODEP’s EFSLMP knowledge transfer initiatives.

Vision Quest: A Vision Quest (VQ) is specifically targeted T/TA by one subject matter expert (SME) to a particular EFSLMP state. The state selects the topic and, unlike more generalized knowledge transfer methods, including webinars, the VQ is delivered both in-person and virtually to state EFSLMP leadership and partners so that T/TA addresses real-time issues that states face.

Communities of Practice: Through its contractor EconSys, ODEP convenes all EFSLMP states in Communities of Practice (CoPs). CoPs are “*groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly.*”¹² These webinar discussions allow a wider range of states to receive information, exchange knowledge, and share best practices on EFSLMP priorities.

ePolicyWorks: ePolicyWorks, a Web-based repository also maintained by EconSys, is ODEP’s central repository for documents produced by its SMEs and by EFSLMP states.¹³ Tabs are arranged by subject matter and type (e.g., produced by SMEs, ODEP resources, produced by state leaders) and offer materials and information exchange on topics relevant to the EFSLMP.

Provider Assessment Process: A primary tool related to provider transformation is the Provider Self-Analysis Document.¹⁴ This tool is of primary importance to states and provider organizations and is, in essence, an “agency self-discovery” document that facilitates internal analysis of the agency’s readiness, resources, and orientation to transformation; it is also a template for strategic planning. It is based upon the *2015–2016 Baldrige Excellence Framework: A Systems Approach to Improving Your Organization’s Performance*.¹⁵

In summary, ODEP’s investment approach to facilitating provider transformation are complementary and delivered nationally, state-specifically, and “on-the-ground” with agencies focused on achieving work center transformation.

Addressing Issues Related to Provider Transformation

Transforming sheltered work programs into competitive integrated employment as a component of provider transformation is a multi-tiered strategy that requires involvement of state government and agency executive leadership, state vocational rehabilitation agencies (VR), individuals with disabilities and their families, cross-disability service providers, and the

¹² Wenger-Trayner, Etienne, and Beverly (2015). Retrieved from: <http://www.learning-theories.com/communities-of-practice-lave-and-wenger.html>

¹³ For more information, visit <https://www.epolicyworks.org/incubator/eWorkgroups/efi/default.aspx>

¹⁴ The document is available at: <https://www.epolicyworks.org/epw/>

¹⁵ <http://www.nist.gov/baldrige/publications/criteria.cfm>.

workforce development systems and employers. The following key issues are among those faced by states as they transform sheltered work programs into competitive integrated employment models, with examples of some of the ways that the EFSLMP states of Tennessee and Iowa are addressing these issues.

Issue #1: The Need to Shift Attitudes, Raise Expectations, and Address Fears Related to Provider Transformation

Community rehabilitation providers offer regular schedules of operation, supervised environments, and most usually transportation to and from the work place. Parents and family members of people with disabilities often express how they value these assurances. Participants receive some money for their work, and potentially consider their jobs meaningful and satisfying. Parents and participants often cite that closing work centers may conflict with participants' work preferences.¹⁶ Another prevailing attitude is that people with disabilities may not be able to replace a lost work center job easily or at all within the local economy due to employer demands for skilled workers, or because the competition for lower-skilled jobs is greater than a person with a disability can overcome. And perhaps an even more endemic challenge is the impact of false perceptions about the capabilities of people with disabilities to succeed in competitive integrated employment. However, through early engagement and information sharing with parent and family groups, some states are finding that they are creating new allies for provider transformation rather than adversaries.

The TN EFSLMP is implementing a multi-pronged strategy to influence attitudes and strengthen parent/family involvement. It developed parent coalitions beginning in 2014 to assist with transformation and systems change development, and then handed full responsibility for the effort over to The Arc of TN. Coalitions have provided feedback regarding the Employment and Community First CHOICES program; provided feedback on the WIOA Combined State Plan, CMS Final Settings Rule and advocated with Legislators for improved competitive integrated employment. The TN Department of Intellectual and Developmental Disabilities EFSLMP partner TennesseeWorks developed a monthly e-newsletter in 2014 that now reaches 1,349 stakeholders, including 586 who identify themselves as individuals with disabilities or family members and 493 who identify themselves as educators. In 2014, the EFSLMP also partnered with The Arc and TennesseeWorks to host a series of "Conversations That Matter." The Arc met with families of persons in work centers to address the concerns of their family members about transitioning into competitive integrated employment. They also developed a Parent Expectations Survey to solicit input on parent and family inclusion in transformation efforts with results published in a manuscript that focuses on factors shaping parent expectations for use in widening the effort at changing attitudes.

¹⁶ Shaheen, Gary, Golden, Thomas., Dowse, Patricia., Myhill, William., Hill, Eve., Hoff, David., Thomas, Cynthia., and Kenny, Chip. (2011). *Transformation of Center Based Work into Integrated Opportunities for People with Disabilities in New York State*. Cornell University Employment and Disability Institute/Syracuse University Burton Blatt Institute. Ithaca, NY.

Issue #2: Influencing State Funding Mechanisms to Prioritize Competitive Integrated Employment over Sheltered Work

It is often difficult to disentangle long-standing policies, funding opportunities, and regulations that have historically supported sheltered, rather than integrated employment. These are further entrenched when service coding, data collection and reporting, staff credentialing, and long-standing investments in the “bricks and mortar” of work center facilities stand in the way of shifting to new models. To complicate the issue even more, each state disability services agency serving their particular disability demographic has its own provider, parent, family, and legislative constituencies to answer to,

and disparate policy and funding requirements to meet. Yet, progress is being made in many states that build upon Executive Orders supporting the right to competitive integrated employment for people with disabilities, coupled with improvements to state agency policies, regulations, and funding mechanisms that support integrated employment implementation.

Iowa implemented Medicaid rebalancing of employment services and supports in its waivers and in its Habilitation State Plan. These actions helped the state:

- Rebalance funding and regulations to support competitive integrated employment;
- Changed the service definitions to match CMS guidance;
- Implement a set of capacity-building and staff capacity standards that did not previously exist; and
- Totally change the reimbursement methodology to incentivize individual supported employment over facility-based services.

Issue #3: Building Capacity at the Provider Level to Support Competitive Integrated Employment

While policy and systems-level improvements are a necessary component of transformation, direct support to provider agencies through the provision of ODEP-sponsored T/TA that helps inspire leadership to change their business models is critical to the success of provider transformation. Increasingly, states are having success in facilitating the commitment from long-standing sheltered work providers to do the hard work of realigning their mission, staff capacity, funding, and hard assets (facilities, equipment, etc.) toward a competitive integrated employment model.

SRVS is Tennessee’s largest provider of services for people with intellectual and developmental disabilities. It signed on to the Employment First initiative in 2013 and permanently closed its occupational workshop after 52 years of operation as it transitions to full community-based, integrated employment for the people it supports. The occupational workshop served 110 people prior to EFSLMP, and as of June 16, 2016, 42 of them obtained competitive integrated employment and another 62 are participating in meaningful, employment-focused day activities including employment goal development, and experiential learning leading to more informed integrated, competitive job and career choices.

Issue #4: Building Cross-Systems and Employer Partnerships to Sustain and Grow the Provider Transformation Initiative

While T/TA from EFSLMP is the catalyst for change, the most successful state transformation efforts will be those that focus on improving state, local, and constituency partnerships with a focus on blending and braiding funding and expertise to grow and sustain competitive integrated employment opportunities for people with disabilities. The right to competitive integrated employment for people with disabilities is a core, readily translatable, and values-based goal that can bring partners to the table. A number of EFSLMP states, encouraged by Workforce Innovation and Opportunity Act's strong focus on assisting people with disabilities, including young people with disabilities transitioning from school to work, are forming new cross-sector partnerships that are necessary for successful transformation from sheltered to competitive integrated employment.

Summary

ODEP's EFSLMP efforts to prioritize competitive integrated employment over sheltered work and to transform work centers into competitive integrated employment models as a core element of provider transformation is still a relatively young effort. However, the growing evidence is that through ODEP's investment, EFSLMP states such as Iowa and Tennessee are making great strides in ensuring that any person who wants to work, no matter their disability, can do so at jobs and careers in typical, integrated, community employment settings that pay the Federal minimum wage or more—ensuring that people with disabilities truly can enjoy freedom from want.

Iowa has developed a strong, multi-agency coalition focused on implementing transformation by leveraging broad, cross-sector resources and expertise. Their partnership includes the following state partners:

- Iowa Vocational Rehabilitation Services (IVRS);
- Iowa Department of Human Services (IDHS) state agency divisions serving people with intellectual and developmental disabilities and people with mental illnesses;
- The state Medicaid agency;
- The Developmental Disability Planning Council;
- The Department of Education;
- The Department of Workforce Development;

It also includes these stakeholders:

- Iowa Association of Community Providers;
- Representatives of Iowa's Money Follows the Person (MFP) demonstration project;
- Iowa APSE
- Family members, and;
- Representatives of the state's Partnerships in Employment project (PIE).