



READY, WILLING, AND ABLE TO WORK

Supporting Employers to Hire Workers with Disabilities

BACKGROUND

People with disabilities are contributing to Wisconsin's workforce in their communities. However, many people with disabilities have difficulty finding jobs, and too often wages are inadequate (in many cases sub-minimum wage) to support independent living while reducing reliance on public benefits.

People with disabilities represent 9% of Wisconsin's workforce. The employment rate for people with disabilities is less than a third than the rate for non-disabled workers. Workers with disabilities annually earn 30% less than workers without disabilities. Overall, 27% of Wisconsin's citizens with disabilities live below the federal poverty line.

Wisconsin employers are demonstrating the benefits of hiring people with disabilities. Walgreens has conducted research showing their employees with disabilities add to the bottom line through increased productivity and reduced staff turnover. Yet Wisconsin employers need supports to overcome misperceptions about liability concerns, to understand the minimal costs of most workplace accommodations and reduce negative assumptions about worker abilities.

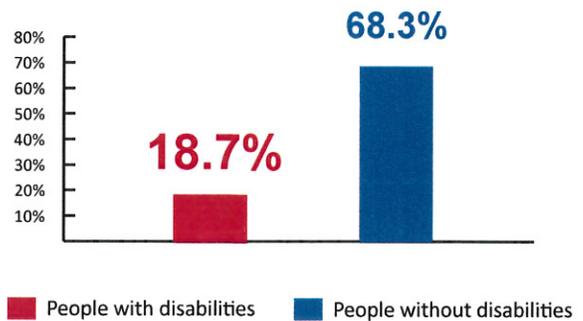
For the 45,000 individuals with disabilities in Wisconsin participating in the state's long-term support system, obtaining employment in integrated community jobs with comparable wages to others is even more challenging. Only 8% of working age Family Care members and 4% of participants in Wisconsin's Self-Directed Support program (IRIS) are working at community jobs with self-supporting wages. Another 11% of long-term support participants participate in facility-based employment, earning on average only \$2.43 an hour.

The Department of Workforce Development's Vocational Rehabilitation (DVR) program successfully supported 3,250 people with disabilities entering the workforce in 2012. DVR provides a specialized service called Supported Employment to people with disabilities to help with accommodations and other necessary supports on the job.¹ Workers with disabilities who received DVR support have an average wage of \$12 an hour, and are projected to earn \$56.4 million annually - a 210% return on taxpayer investment. Yet more than 4,000 individuals are on the program's wait list.

Improving integrated community job opportunities enables people with disabilities to contribute to local economies, more fully participate in their local communities, lifts them out of poverty, and reduces overall reliance on public benefits.

¹ Supported employment is an evidence-based approach to helping people with disabilities participate in competitive work in integrated work settings. Nationally, supported employees generated a monthly net benefit of \$251.34. For every dollar of costs to taxpayers in funding supported employment, taxpayers received an average of \$1.46 in benefits.

EMPLOYMENT PARTICIPATION RATES



LOW EMPLOYMENT RATES: Despite the fact that 80% of people with disabilities say they want to work, **only 18.7% actually have jobs**, compared to 68.3% of people without disabilities.

Source: Bureau of Labor Statistics, December 2013.

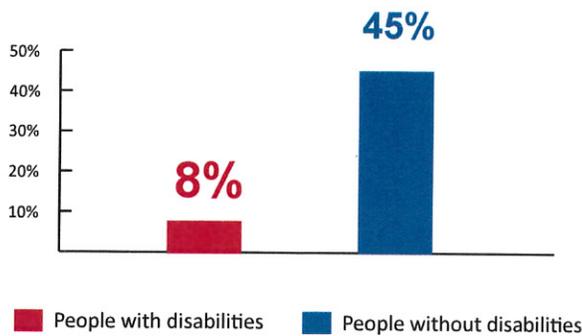
BENEFITS TO BUSINESS

Businesses and employers of all types are looking for skilled workers and are finding them among people with disabilities.

- Businesses are looking for **skilled workers** to fill open positions and have been struggling to do so over the past few years.
- Businesses **report positive outcomes** from employing people with disabilities. Walgreens has experienced a 120 percent productivity increase at a distribution center made universally accessible for employees with disabilities.
- Global companies like Microsoft and Merck have said that they must **employ a workforce that reflects their consumer base**, which includes people with disabilities.

Source: National Governors Association; "A Better Bottom Line: Employing People with Disabilities, A Blueprint for Governors"; 2013.

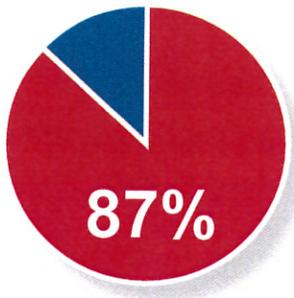
EMPLOYEES ADD VALUE TO BUSINESS



QUALIFIED, COMMITTED EMPLOYEES: Employers realize cost-savings with a more stable, fully-trained workforce. The **turnover rate for employees with disabilities is 8%** in comparison to 45% for other workers.

Source: 2003 Crain's Chicago Business Survey; Washington Mutual, Inc. Study.

EMPLOYING PEOPLE WITH DISABILITIES IMPROVES BUSINESS



ENHANCED BUSINESS IMAGE: Targeting the disability community as a customer and labor source provides a competitive advantage. **87% of customers say they would prefer to patronize businesses employing people with disabilities.**

Source: Siperstein, Romano, Mohler, Parker; "A national survey of consumer attitudes towards companies that hire people with disabilities"; University of Massachusetts, Boston, MA; Journal of Vocational Rehabilitation; 2005.

RECOMMENDATIONS

Disability Rights Wisconsin, People First Wisconsin, and the Wisconsin Board for People with Developmental Disabilities recommend the following policy changes to improve job opportunities for people with disabilities in Wisconsin:

- **Establish performance targets** in state programs that support people with disabilities to continually improve employment outcomes.
- **Require annual reporting** by state agencies on their efforts to improve employment of people with disabilities, including people with the most significant disabilities.
- **Strengthen statewide funding** for employment supports (e.g. benefits counseling, Division of Vocational Rehabilitation's On-the-Job Training, Individual Placement and Supports (IPS) for people with mental illness.)
- **Allow private sector businesses to benefit** from state contracts by changing state use contracting policies to ensure participation by (A) a variety of businesses employing workers with disabilities in integrated settings that pay competitive wage; and (B) supporting small businesses owned by people with disabilities.
- **Develop a business-to-business mentoring** and technical assistance system in which businesses wanting to hire workers with disabilities can connect and consult with similar businesses that are more experienced in hiring and retaining workers with disabilities.

MORE INFORMATION

For more information, including additional recommendations, contact:

- Beth Swedeen at (608) 266-1166 or beth.swedeen@wisconsin.gov
- Lisa Pugh at (608) 267-0214 or lisa.pugh@drwi.org

February 4, 2014

To: Representative Loudenbeck, Chair
Representative Petryk, Vice-Chair
Members, Assembly Committee on Workforce Development

From: Lisa Pugh, Public Policy Coordinator

Re: LRB 3988/2 – workforce training grants; services to enhance employment of people with disabilities

Thank you for the opportunity to provide input to this committee on LRB 3988/2 – a bill to provide workforce training grants, including services to enhance employment of people with disabilities. In addition, thank you for this committee's ongoing commitment to improving employment rates for people with disabilities, including the historic new funding for the state's vocational rehabilitation program which was signed into law last December.

Our organization is very supportive of the Governor's *Better Bottom Line* initiative, announced at the January 22 State of the State address, which is the foundation for this bill. The outline that the Governor put forward is a very positive step to address our poor employment participation rates for people with disabilities, which as you know, hover at just 18% while the general population is employed at a rate of 68%. Considering the fact that many people with disabilities also live in poverty (27%) and rely heavily on public benefits, investing in proven, effective employment supports is a smart decision that both improves quality of life and relieves stress on public systems.

The Governor's bill that targets investments in DWD programs is a clear cut way to improve employment rates. DWD's Division of Vocational Rehabilitation-DVR program which provides specialized supports to people with disabilities looking for employment has a proven track record of a 210% return on investment for public dollars spent.

Disability Rights Wisconsin has contacted many committee member offices about an idea for improvement to this bill. Specifically, we are looking for the initiative to go one step further to strengthen accountability to outcomes. Given the fact that the Legislature recently made a considerable investment in DWD's DVR program, we would like this new investment to be coordinated to ensure **employment outcomes**. The fast track for this legislation in the special session means we did not have time to consult directly with DWD about accountability concerns as they worked with the Governor's office to draft this legislation. Therefore, we are looking for any means achieve strong and transparent accountability toward employment outcomes with this new funding.

Our main concern is that the reports from grantees and the reports from DWD to the Legislature should not just include the numbers of people who participated in employment activities, but **must clearly demonstrate the actual improvement in employment rates** that the training activities are targeted to impact. A strong "employment outcome" definition exists in statute and is already tracked and required to be reported on by DVR. Alignment of these investments is critical to maximize results.

MADISON

131 W. Wilson St.
Suite 700
Madison, WI 53703

608 267-0214
608 267-0368 FAX

MILWAUKEE

6737 West Washington St.
Suite 3230
Milwaukee, WI 53214

414 773-4646
414 773-4647 FAX

RICE LAKE

217 West Knapp St.
Rice Lake, WI 54868

715 736-1232
715 736-1252 FAX

disabilityrightswi.org

800 928-8778 consumers & family

We strongly advise that DWD use a concrete definition of “employment outcome” in their contracts and grant RFPs that clearly emphasizes a level of employment that would have the effect of reducing a person’s reliance on public benefits. DWD has provided us with assurances that this is their intent.

It is our experience that when these assurances do not exist, that we do not get the intended result. Wisconsin lags behind other states in their integrated, competitive employment rates for people with intellectual disabilities. Washington’s rate is 89%; Oklahoma is at 61%; Connecticut at 53% and New Hampshire at 51%. Wisconsin’s Integrated Employment rate is around 20%. These successful states have several core elements in common that should be components of the Governor’s initiative and a consideration in these newly funded grants and the work of DWD and other state agencies:

1. Clear, long-standing policy with committed state agency leadership to ensure disability employment policy remains priority over time.
2. Innovative funding strategies that create clear incentives to support people in integrated/supported employment, that tie funding levels to individual need, and that reward providers who produce the most/best outcomes.
3. Strong case management that actively encourages everyone toward integrated employment, monitors and stimulates progress over time, and ensures judicious use of funds.
4. High accountability of employment service providers to deliver outcomes in cost-effective manner and to actively participate in encouraging people to pursue integrated employment, and to sustain/build on initial outcomes achieved for individuals by increasing employment hours/earnings and actively supporting career advancement.

Through our work with individuals and families who participate in DVR, Project Search, the Walgreen’s REDI initiative and other DWD programs targeted toward improving employment of people with disabilities, we hear directly about both the good and the “needs improvement” parts of programs. We trust that when agencies and programs are held accountable to report real results – not just participation numbers – they will be motivated to fix problems and improve quality.

Thank you for taking this input into consideration.

Contact: Lisa Pugh
608-267-0214
lisa.pugh@drwi.org



Survival Coalition

of Wisconsin Disability Organizations

February 4, 2014

Assembly Committee on Workforce Development
Representative Amy Loudenberg, Chair
State Capitol, Room 415 Northwest
Madison, WI 53707

Dear Rep. Loudenberg and Committee Members:

Thank you for the opportunity to comment on LRB-3988/2.

The Survival Coalition of Wisconsin Disability Organizations supports the Governor's Better Bottom Line initiative. We could not be more pleased that the Administration is focusing on community jobs at competitive wages for people with disabilities. Statewide, we hear from people with disabilities and their families that access to a meaningful job is among the highest priorities for people living with disabilities. A productive job at fair wages is positively linked to better health, reduced poverty, and overall decreased reliance on public supports and programs.

We support investments that will result in integrated employment outcomes for people with disabilities. The recent passage of an additional \$14 million investment in Wisconsin's Division of Vocational Rehabilitation (DVR) – the state's program to help people with disabilities find jobs in the community – is a positive step toward simultaneously meeting our state's workforce needs while addressing Wisconsin's high unemployment rate for people with disabilities. We are pleased that a portion of the \$35 million appropriation in the proposed bill will establish a grant program that could complement DVR's efforts and result in the establishment of additional hiring/training programs that may result in more people with disabilities in jobs.

While we support this bill, as drafted it currently does not require grant funds that would be awarded "to enhance employment opportunities for people with disabilities" to result in specific employment outcomes (e.g. jobs in the community at a competitive wage). At a minimum, these training programs should track and report how many or percentage of trainees who receive competitive jobs in industries related to the training program.

Investment of state funds in training or employment enhancement activities, or increasing the number of participants in a training program are positive steps, but are not outcomes. Since the appropriation in this bill will be in addition to the legislature's recent investment in state vocational rehabilitation program supports (combined state and federal funds from 2013 Act 58 increased funding by nearly \$20 million over the 2013-15 biennium), an employment outcome that reflects the vocational rehabilitation program's mandated federal definition is necessary to ensure alignment of agency efforts.

The Survival Coalition of Wisconsin Disability Organizations is a cross-disability coalition of more than 30 state and local organizations and groups. For more than 20 years, Survival has been focused on changing and improving policies and practices that support people with disabilities of all ages to be full participants in community life.

Thank you for your consideration,

Survival Co-Chairs:

Maureen Ryan, moryan@charter.net, (608) 444-3842

Beth Swedeen, beth.swedeen@wisconsin.gov, (608) 266-1166

Kristin M. Kerschensteiner, kitk@drwi.org, (608) 267-0214

Department of Workforce Development
Secretary's Office
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-3131
Fax: (608) 266-1784
Email: sec@dwd.wisconsin.gov



Scott Walker, Governor
Reginald J. Newson, Secretary

**Assembly Committee on Workforce Development
LRB 3988/2**

February 4, 2014

Testimony provided by Reginald Newson, Secretary

Chairperson Loudenbeck and members of the Assembly Committee on Workforce Development:

We are here today in support of the Governors LRB 3988/2, which has been introduced as part of Wisconsin's "Blueprint for Prosperity."

As you know, Governor Walker's focus has been on making life better for the residents of our state by growing our economy, developing our workforce, and transforming education. Through investment in workforce initiatives, we are aiming at equipping workers with the skills they need to find jobs in the modern workforce.

Today, we see a dramatic turnaround in our state. Governor Walker's reforms are helping the people of Wisconsin create more jobs and more opportunity. Now we want to build on that progress by making targeted investments in worker training and education to make sure Wisconsinites have the skills necessary to get the available jobs in our state.

As part of the Governor's Blueprint for Prosperity, this bill expands the Wisconsin Fast Forward program by \$35 million dollars to focus on three specific areas.

First, we increase investments in our technical colleges to eliminate waiting lists for the training of students in high demand fields. These waiting lists actually hinder students from getting the training they need to help meet our employers' demands today. As you know, Wisconsin's Fast Forward was originally created to help better equip our workers with the skills that employers need to succeed. By using a large portion of the additional \$35 million for this goal, we expect to move students off of waiting lists and into classrooms and provide them with the industry-recognized certifications they need to meet Wisconsin's workforce demands.

We have already been working collaboratively with the Wisconsin Technical College System (WTCS) to develop a process that will allow for the expeditious and efficient distribution of these funds to address waiting lists for the upcoming fall semester and possibly even for their summer programs. I commend the WTCS for their hard work on addressing the employer identified skills gaps and we look forward to continuing to work with them in a cooperative fashion to address this mutual problem.

The second emphasis of the additional Fast Forward dollars is to get high school students trained in high demand jobs through an expansion of dual enrollment type academies and programs. More than just providing academic credit at both high schools and technical colleges, these types of programs are work-based learning programs that bring employers together with technical colleges and high schools to target seniors as both students and future employees. These seniors are able to receive employer driven training while working to earn credits toward graduation and a technical diploma or associate degree.

Finally, an additional emphasis of this Fast Forward expansion is to support the Governor's year of " A Better Bottom Line: Employment Opportunities for People with Disabilities." This initiative is targeted toward helping people with disabilities enter the workforce. The Governor feels strongly that doing so will benefit employees, employers, and the community. By focusing on building these opportunities, we recognize what a great asset people with disabilities are in the workplace.

We can accomplish this goal through an expansion of the already successful Project SEARCH program, which is administered by the Wisconsin Department of Health Services with the assistance of the Wisconsin Division of Vocational Rehabilitation. Project SEARCH is a business-led collaboration that helps young people with disabilities transition from high school to the workplace. There are currently seven business project SEARCH sites in Wisconsin, and we look to expand that to 20 with your support.

We are excited about this opportunity to work collaboratively with the Wisconsin State Legislature, the Wisconsin Technical College System, and our state's businesses to continue to expand the talent pipeline in Wisconsin and to get our employers the experienced candidates they are looking to hire. Thank you again Chairperson Loudenberg and committee members for this opportunity to testify before the committee and we would be happy to answer any questions you may have.