



Senate Commerce Committee

March 13, 2013

Employment First Initiative Act

Presented by:

Michael Donnelly, Director

Rehabilitation Services

Kansas Department for Children and Families

For additional information, contact:

Michelle Schroeder, Director of Policy and Legislative Affairs

Docking State Office Building, 6<sup>th</sup> Floor North

(785) 296-3271

*March 13, 2013*

*Michael Donnelly, Director Rehabilitation Services*

Department for Children and Families

Topeka, Kansas

*Presented to:*

The Honorable Senator Julia Lynn and Honorable Members  
of the Senate Commerce Committee:

### **DCF Testimony regarding SB 195 amending the Employment First Initiative Act**

Chairman Lynn, Senator Wagle, Senator Holland and Honored Members: Thank you for the opportunity to appear before you today to discuss the Kansas Employment First Initiative Act. I am Michael Donnelly, director of Kansas Rehabilitation Services within the Department for Children and Families.

First and foremost I'd like to thank the Senate Commerce Committee and others in the Kansas Legislature for your continued interest and conversations regarding the employment of individuals who have disabilities. It's a conversation long overdue.

SB 195 calls for the elimination of the Employment First Commission. While the Department for Children and Families (DCF) is neutral on this provision, we are supportive of the bill's renewed focus on actual employment outcomes and away from the process redesign efforts that have been the focus of the Commission thus far. The promise of Employment First as a movement and as stated in the policy put forth in the Employment First Initiative Act is employment at competitive wages and in integrated settings.

DCF has supported the policy spelled out in the Kansas Employment First Initiative Act since its introduction. DCF's commitment to the policy and its principles is carried out in the day-to-day work of DCF employees and contracted providers who assist Kansans with disabilities to pursue competitive integrated employment as their means to self-sufficiency. People with disabilities should have equal opportunity to pursue real jobs in their communities at wages commensurate with their non-disabled peers. In our view there should also be an expectation of employment for people with disabilities, just as employment is an expectation for all working age adults. Further, DCF supports the principle that state programs, policies and funding to programs "that provide services and support to help obtain employment for persons with disabilities" should support competitive, integrated employment as the optimal outcome of services provided.

Employment is the critical path out of poverty for people with disabilities. Without the opportunity to become self-sufficient through employment, people with disabilities face difficult economic challenges. For example:

- 34% of Kansans with disabilities live below 150% of the federal poverty level, compared to 16% of their non-disabled peers. (American Community Survey/U.S. Census Bureau)

- People with disabilities are likely to experience a variety of material hardships, such as inability to pay for a place to live or pay for utilities. 62% of people with disabilities experience food insecurity with hunger. (Mathematica Policy Research/Center for Studying Disability)
- For youth with disabilities who begin receiving Supplemental Security Income (SSI) before age 18, there's a lifetime of poverty. They spend an average of 27 years receiving benefits – and those benefits average only \$584 a month (children only). (The Social Security Advisory Board, September 2006)
- Fewer than 10% of Kansans with developmental disabilities receiving Medicaid funded services are in supported or competitive employment, ranking Kansas among the lowest performing states in the nation in terms of supporting meaningful employment. (United Cerebral Palsy: The Case for Inclusion 2008)

However, in contrast, when people with disabilities become employed, they reduce their reliance on various forms of public assistance such as SSI, housing supports, food stamps, energy assistance, and medical services. People with disabilities who are employed spend their income in local communities on housing, groceries, gasoline, services, and taxes. Thus they contribute to the health of the economy. A study of persons who achieved employment through Kansas vocational rehabilitation (VR) services found that the employment of people with disabilities has a positive or multiplier impact on the economy. Conducted by the Center for Economic Development and Business Research at Wichita State University, the study showed that for each dollar earned as a result of a person with a disability going to work, there is about \$1.66 in total earnings through the economy. For each person employed, there are about 1.85 total jobs created in the overall economy.

### **Summary of DCF programs and initiatives that support employment of people with disabilities**

DCF has provided employment supports and related services to individuals with disabilities for many years through multiple programs. DCF currently has two primary programs that focus on employment services. The first is vocational rehabilitation services which serves only persons with disabilities. The second program, Temporary Assistance to Needy Families (TANF), assists Kansans with and without disabilities to pursue employment.

*Vocational Rehabilitation (VR)* is the primary DCF program designed to assist persons with disabilities to obtain, maintain or regain employment. VR serves persons whose disabilities result in a substantial impediment to employment and who need VR services to get or keep a competitive, integrated job. VR services are not limited to the type of disability a person has, nor are services limited by the type of job they choose to pursue. VR services can include services to prepare an individual to obtain a job, to assist the person in finding the job and to help them be successful once they get the job. Services can include post-secondary education or training, assistive technology, medical services, transportation, job finding services, on-the-job supports and many other types of services.

In Federal Fiscal Year 2012 VR assisted 12,693 individuals to pursue employment under an individualized plan for employment. As a result of services received, 1,619 achieved competitive, integrated employment. Nearly 15% of those jobs were in professional / technical / managerial positions; 18% in office work; 14% in food service; 10% in health care; and the remainder in a wide range of work categories such as sales, production, transportation and cleaning. Wages earned as a result of VR services vary widely but averaged \$9.82 per hour statewide.

When people with disabilities become employed, their reliance on Home and Community Based Services (HCBS) waivers is also reduced. For example, the following information is based on cross-matching data about waiver services compared to the 1,619 individuals who became employed in FFY 2012 through VR services.

Data was cross-matched in February 2012. At that time, the most recent client listing for the Developmental Disabilities (DD) Waiver was dated December 10, 2010. Data for the Physical Disabilities (PD) Waiver and Mental Health (MH) Services was current as of February 16, 2012. A total of 237, or 29%, of the persons achieving employment through VR in FFY 2012 were either receiving or on the waiting list for the services listed above. Here are the details by type of service and by active service or waiting list status.

- Number of VR clients who achieved employment in FFY 2012 who were receiving DD Waiver Services: 16
- Number of VR clients who achieved employment in FFY 2012 who were on the DD waiver waiting list: 122
- Number of VR clients who achieved employment in FFY 2012 who were receiving PD Waiver Services: 17
- Number of VR clients who achieved employment in FFY 2012 who were on the PD waiver waiting list: 9
- Number of VR clients who achieved employment in FFY 2012 who were receiving MH Medicaid services: 73

It is the intention of DCF to update and report this information regularly once the data sharing agreements between KDADS, DCF and KDHE are finalized.

*The Great Expectations Initiative (GEI)* is a demonstration project funded by Rehabilitation Services to promote the competitive integrated employment of Kansans with significant intellectual disabilities. This is a systems change demonstration initiative intended to reduce the number of persons participating in sheltered employment or non-work day activities. The program has focused heavily on training provider staff to utilize the Supported Employment Discovery Model in the GEI program. A total of 148 individuals were trained through on-line and face to face training. Promoting employment as a positive alternative to waiting for HCBS waiver day services, GEI is also intended to reduce demand for services from the HCBS DD waiver. Following a competitive bid process, direct service contracts were awarded to the Sedgwick County Developmental Disability Organization, Wichita; and the Disability Planning Organization of Kansas, Salina. These contracts allowed for best practice and innovative service delivery models to be tested in urban, mid-size and rural Kansas communities. Both contracted CDDOs modified their required person centered planning processes to include a full discussion on the clients' interest and expectation of entering competitive and integrated employment. The University of Kansas Center of Excellence on Developmental Disabilities has provided technical assistance and evaluation services for the project.

The GEI pilot program outcomes are as follows:

- 192 individuals with developmental / intellectual disabilities applied to participate in GEI program and services reflecting their desire to pursue competitive, integrated employment as alternatives to non-work day services or sheltered employment.
- 192 individuals with developmental / intellectual disabilities were found eligible to participate in the GEI project.
- 182 individuals with developmental / intellectual disabilities were referred to a local placement provider trained in the GEI model for placement and job coaching services.
- 47 individuals with developmental / intellectual disabilities were placed into integrated jobs at competitive wages.
- 75 individuals with developmental / intellectual disabilities are currently participating in ongoing job placement activities.
- 18 individuals with developmental / intellectual disabilities reached stability on the job and closed their VR cases successfully.

Rehabilitation Services plans to expand the GEI project to additional CDDO areas through a competitive request for proposals this year (2013).

***KANSASWORKS Employer Partner Incentive (EPI)*** is a joint project between the Kansas Department of Commerce and the Department for Children and Families / Rehabilitation Services. The EPI is an employer incentive program that awards an employer a cash incentive when they hire and maintain workers with disabilities who are both a Medicaid recipient and a vocational rehabilitation program client. Through the **KANSASWORKS Employer Partner Incentive**, employers will be paid \$1,500 for employing a qualified employee on a full-time basis for 90 days. If the qualified individual is still employed after a year, the employer will be eligible to receive an additional \$1,500.

Employers may also receive \$1,000 for employing a qualified worker for a year on a part-time basis that includes a minimum of 20 hours of work per week. Jobs must offer the same level of benefits and pay as is offered to workers who are not eligible under EPI.

***Economic and Employment Services (EES)*** operates the Temporary Assistance to Needy Families (TANF) program that includes employment-related services. Disability is one of the barriers to employment documented for the TANF population. Job workshops, placement services and other critical support services such as transportation and child care are provided to assist eligible individuals to gain employment and reduce their reliance on cash, food and medication assistance.

In order to implement an employment first approach for TANF applicants and recipients DCF recently hired five staff into an Employment Services Unit (one central office employer development manager and four regional employment services coordinators.). These positions will be responsible for employer development, oversight and accountability of job preparation and employment placement contractors, and training and support of DCF line staff in their efforts to assist TANF clients with, and without disabilities to become gainfully employed. The newly hired positions will also be responsible to coordinate efforts between the Department of Commerce employment services and DCF staff. One example is for the requirement for TANF applicants to register with **KANSASWORKS** and to take the WorkKeys or WorkTrain assessments. Clients who claim disabilities that significantly limit their ability

to obtain or maintain employment, are referred to VR services for more intensive employment services and supports.

As of February 2013, 6,093 adults were participating in the Temporary Assistance for Needy Families (TANF) program. A total of 82.5% of TANF participants age 18 and over (approximately 4,500 persons) are expected to fully participate in work registration activities. The other 17.5% are exempt from work registration for a variety of reasons, including but not limited to, being the primary care-giver for a child age six months or younger, being the primary care-giver for a disabled or incapacitated family member, and due to age/high school status. Approximately 27% of the working age TANF adults have some earned income.

Of the 6,093 adults receiving any kind of TANF benefit, 33% have two or more barriers to employment. Two-thirds of the 6,093 individuals have at least one barrier to employment. A frequent barrier to employment is the lack of a high school diploma or GED (14% of the working age adults receiving TANF). Another primary barrier is the lack of appropriate and available child care (13%). Nearly 11% or 682 individuals indicate some level of physical and/or mental impairment that creates a substantial barrier to employment. These individuals are generally referred to VR services for intensive employment services specifically designed for those who have disabilities.

DCF is committed to improving opportunities for gainful employment of individuals with disabilities. We continue to work together with our many partners in both the public and private sectors to ensure not only the opportunity to work, but that self-sufficiency is achieved. DCF is also committed to working with this Committee and others in the Legislature to ensure that all Kansans of working age who have disabilities have both the opportunity and expectation that they become employed.

I will be happy to answer any questions you may have. Thank you.