# REPORT OF THE

# JOINT SUBCOMMITTEE TO STUDY

# THE FUNDING AND ADMINISTRATION

# OF SHELTERED WORKSHOPS

TO

# THE GOVERNOR

AND

# THE GENERAL ASSEMBLY OF VIRGINIA



**HOUSE DOCUMENT NO. 43** 

COMMONWEALTH OF VIRGINIA RICHMOND 1983

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# Report of the Joint Subcommittee to Study

### The Funding and Administration

of Sheltered Workshops
To
The Governor and the General Assembly of Virginia
Richmond, Virginia
January, 1983

To: The Honorable Charles S. Robb, Governor of Virginia and The General Assembly of Virginia

#### INTRODUCTION

The Joint Subcommittee Studying the Funding and Administration of Sheltered Workshops was established pursuant to House Joint Resolution No. 8 of the 1982 General Assembly which reads as follows:

#### HOUSE JOINT RESOLUTION NO. 8

Establishing a joint subcommittee to study the funding and administration of sheltered workshops in the Commonwealth.

#### Agreed to by the House of Delegates, February 5, 1982

# Agreed to by the Senate, March 1, 1982

WHEREAS, although the total funding available to support workshop services has decreased in recent years, the demand for services has increased due to an emphasis on community services and on the deinstitutionalization of handicapped persons; and

WHEREAS, sheltered workshops provide meaningful employment and training opportunities for individuals who are physically and mentally handicapped; and

WHEREAS, the skills learned in sheltered workshops enable a handicapped person to be more self-sufficient and to enjoy independence; and

WHEREAS, the 1981 report of the Secretary of Human Resources' Interagency Sheltered Workshop Task Force reviews a number of problems associated with the funding and administration of sheltered workshops in Virginia; and

WHEREAS, sheltered workshops are funded by several sources, including the Department of Mental Health and Mental Retardation, the Department of Welfare and the Department of Rehabilitative Services, which require the workshops to conform to a number of budgetary reporting and auditing systems; and

WHEREAS, vocational rehabilitation professionals and the public are unsure of the locus of responsibility for the proper administration of sheltered workshops because of the variety of federal, state and local agencies which provide funds for sheltered workshop services; and

WHEREAS, the many funding sources and the discontinuation of funding for many sheltered workshop services cause confusion and poor administration of these vitally needed services; now,

therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee to study the funding and administration of sheltered workshops in the Commonwealth is hereby established. The joint subcommittee shall be composed of ten members. Two members shall be appointed by the chairman of the House Committee on Appropriations from the membership thereof. Two members shall be appointed by the chairman from the House Committee on Health, Welfare and Institutions from the membership thereof. Two members shall be appointed by the chairman of the Senate Committee on Rehabilitation and Social Services from the membership thereof. One member shall be appointed by the chairman of the Senate Committee on Finance from the membership thereof. The Speaker of the House of Delegates shall appoint three citizen members to serve on the joint subcommittee. Two of the citizen members shall be specialists in vocational rehabilitation. In addition, the joint subcommittee shall utilize the recommendations and expertise of the Interagency Sheltered Workshop Task Force and all other available sources of information.

The joint subcommittee shall complete its work in time to submit recommendations to the 1983 Session of the General Assembly.

The cost of this study shall not exceed \$7,000.

Delegate James A. Davis of Ferrum, chief patron of House Joint Resolution No. 8, served as Chairman of the Joint Subcommittee. Other members of the House of Delegates who served were Dorothy S. McDiarmid of Vienna, Owen B. Pickett of Virginia Beach, W. Ward Teel of Christiansburg, and Evelyn M. Hailey of Norfolk.

Senator Clive L. DuVal, 2d, of Arlington served as Vice-Chairman of the Joint Subcommittee. The other Senate member who served was W. Onico Barker of Danville.

The following citizen members served on the Joint Subcommittee: Mrs. Renee Fisher, Executive Director of the Virginia Association of Rehabilitation Facilities; Mr. Alexander H. Kyrus of the Louise W. Eggleston Center in Norfolk; and Mr. C. W. Van Valkenburgh, Executive Director, Rappahannock Rehabilitation Facility, Inc., in Fredericksburg.

# WORK OF THE SUBCOMMITTEE

In an effort to obtain as much information as possible concerning the funding and administration of sheltered workshops, the Joint Subcommittee met on July 29 and November 3, 1982. A public hearing was conducted on September 22, 1982, at which time oral testimony was heard and written material received from a number of individuals and organizations.

At the Joint Subcommittee's first meeting on July 29, Dr. Joseph L. Fisher, Secretary of Human Resources, presented a report entitled "A Discussion Concerning Sheltered Workshops: A State and National Perspective," which was prepared with the assistance of representatives of the State Departments of Mental Health and Mental Retardation, Rehabilitative Services and Social Services. Representatives of these three agencies were present to assist in the presentation of the report.

A summary of the recommendations contained in the report submitted to the Joint Subcommittee is attached as Appendix A of this report.

Two additional memoranda, dated September 27 and October 29, prepared by the same group, were disseminated to and discussed by the Joint Subcommittee. These memoranda described progress to date on implementing past recommendations for improving the administration of the workshops and included the agencies' recommendations for the future.

At the public hearing on September 22, the Joint Subcommittee heard oral testimony from representatives of various organizations concerned with sheltered workshops and received written statements and letters from other interested individuals.

At the close of the public hearing, the Joint Subcommittee articulated the specific issues to be addressed in its study.

At the final meeting in November, the Joint Subcommittee met with the Secretary of Human Resources and representatives of the Department of Mental Health and Mental Retardation, the Department of Rehabilitative Services and with other interested parties.

During this meeting, the Joint Subcommittee thoroughly discussed and carefully considered the information available in order to formulate its recommendations to the 1983 Session of the General Assembly.

#### RECOMMENDATIONS

# **Human Resources Policy Statement**

The basic policy underlying these recommendations is that the Commonwealth of Virginia desires to preserve and stabilize existing sheltered workshop programs for the long-term, primarily mentally disabled individual and to improve and expand existing programs for all disabled persons, including the physically disabled. The Department of Mental Health and Mental Retardation and the Department of Rehabilitative Services, the two state agencies receiving the annualized supplemental appropriations, will have responsibility for these tasks, in order to assist Virginia's mentally and physically disabled citizens seeking sheltered workshop services.

# Overview of Future Funding Method

Supplemental funding provided in House Bill No. 30 for fiscal year 1983 in the amount of \$1.2 million designated for sheltered workshops appears to have stabilized the funding situation for workshops at the 1981 level of support. Funding shortages were caused by cutbacks in federal funding available to workshops. Such supplemental funding, indexed for inflation, should be appropriated annually in the same manner as for 1983, when funds were included in the budgets of the relevant state agencies and designated for sheltered workshops.

#### Funding for Fiscal Year 1984

The level of supplemental funding which was appropriated for workshops in fiscal year 1983 (\$1.2 million) should be continued in fiscal year 1984 with a 7% increase and should be channeled through the same two departments that previously received the supplemental funds. The Department of Social Services would receive \$663,000 + 7%, or \$709,410, and the Department of Rehabilitative Services would receive \$565,000 + 7%, or \$604,550.

For fiscal year 1984, the Department of Social Services' funds should remain designated for sheltered workshops but should not be limited to use for specific segments of employment services.

The Department of Rehabilitative Services' appropriation should be designated for general capacity building in workshops and for expansion of services to the mentally or physically disabled or both. One of the Department's responsibilities will be capitalization for industrial equipment and modernization. Innovative projects may be undertaken but should be restricted to trial within existing workshops.

#### Funding for the 1985-86 Biennium

The Joint Subcommittee recommends that the supplemental appropriation specified for sheltered workshops be continued for the next biennium.

Such funds which are currently provided to the Department of Social Services should be added instead to the Department of Mental Health and Mental Retardation's budget for allocation to the community services boards. These funds are to remain supplemental and are not to supplant existing funds. This change will assist the Department of Mental Health and Mental Retardation in its responsibility for service to long-term clients, previously supported by the Department of Social Services, by appropriately locating the administration and funding of this program with its logical agency source. For the approximately ten workshops which do not receive funding from local community services boards, the Department of Mental Health and Mental Retardation, beginning in fiscal year 1985, should allocate that portion of the funds to the local social service departments or the Department of Rehabilitative Services to be used exclusively for long-term sheltered employment in the respective workshops.

The supplemental funds appropriated for the biennium to the Department of Rehabilitative Services should, as a continuation of recommendations for fiscal year 1984, be applied to meeting the long-term needs of the mentally and physically disabled, to creating and expanding appropriate services, and to the continued capitalization and development of workshop programs for all disabled citizens.

By the foregoing recommendations, the Joint Subcommittee recommends that the Department of

Mental Health and Mental Retardation have primary responsibility for the long-term needs of the mentally disabled citizen and that the Department of Rehabilitative Services have primary responsibility for the long-term needs of the physically disabled citizen.

#### Method of Funding the Workshops

Currently the Department of Rehabilitative Services and the Department of Social Services pay for workshop services on a client-specific, purchase-of-service basis. The two agencies are using a reciprocal purchase-of-service system, with rates set by the Department of Social Services for all services purchased by both agencies. The Department of Rehabilitative Services is using a separate rate-setting system on a pilot basis with facilities that provide services only to that department.

The Department of Mental Health and Mental Retardation currently pays for workshop services through grants provided to the thirty-six community services boards which have the direct responsibility for contracting with sheltered workshops for their services. The grant mechanism does not provide for a program-specific unit cost.

The Joint Subcommittee recognizes the precision and accountability found in a direct purchase-of-service model. Some workshops may, however, prefer the existing grant system used by the Department of Mental Health and Mental Retardation. The Joint Subcommittee, therefore, recommends that an option be available to the workshops and community services boards to utilize either method. The availability of this option necessitates the development by the Department of Mental Health and Mental Retardation of a purchase-of-service program. The Joint Subcommittee suggests that the current rate-setting package used by the Department of Rehabilitative Services and Department of Social Services be considered for use by the Department of Mental Health and Mental Retardation in developing its model so that rate-setting procedures will be uniform among the state agencies.

The Joint Subcommittee recommends that the mechanism chosen be used for all funds specified for workshop services, supplementary and other funds, so that the community services boards need only process funds to the workshops by one method, whether by grant or purchase-of-service.

#### Standardization of Reporting and Accounting Procedures

The Joint Subcommittee encourages the use of uniform reporting forms, particularly for financial reporting, by the agencies using sheltered workshop services. The Joint Subcommittee recommends that the Interagency Sheltered Workshop Committee, described later in this report, investigate the forms and methods now used by the agency to clarify whether they are, in fact, duplicative and, if so, to determine how they can be unified. The Joint Subcommittee points out that the purchase-of-service method now in use already provides uniformity in reporting.

# Capital Funds for Sheltered Workshops

The current purchase-of-service funding mechanism used by the Department of Social Services and the Department of Rehabilitative Services accounts for recapitalization so that the workshops are responsible for equipment replacement. There is, however, no provision made for recapitalization in the grant funding method used by the Department of Mental Health and Mental Retardation. The Joint Subcommittee, therefore, recommends the inclusion of capitalization and equipment replacement funds in both the purchase-of-service and the grant structures. The funds can be retained by the workshops both for purchase of new equipment and for replacement of equipment.

# Private Funding

Various provisions exist to create incentives for assistance to workshops by private enterprise, including the Neighborhood Assistance Act and the Targeted Jobs Tax Credit Program. The workshops themselves should continue to seek private source funding from private foundations. Some workshops have established Industrial Advisory Committees composed of local business representatives. These committees have provided consultants, equipment, materials and building space. The Joint Subcommittee encourages continuation and supplementation of these efforts by the individual workshops.

#### Disincentives to Individual Productivity

The Joint Subcommittee studied the impact of disincentives to increased productivity of sheltered workshop employees. Potential disincentives include the loss of Medicaid and other public assistance benefits.

Research compiled by the House Appropriations Committee staff indicates that a sheltered workshop employee may expand earnings and avoid participation in the cost of medical care.

Workshop earnings are not exempted in determining eligibility for other assistance programs. However, in a January 28,1982, telephone survey of sheltered workshops, it was found that the average weekly client earnings are \$33. On a monthly basis, this would be \$148, which is well below the \$300 per month limit for Supplemental Security Income eligibility. For the Department of Social Services' programs, it is difficult to generalize about eligibility because each application is reviewed on an individual basis. Generally, this amount of income will not make a household of four ineligible for food stamps or a family of two ineligible for Aid to Dependent Children.

The Joint Subcommittee finds the impact of earnings on eligibility for these programs to be minor. No recommendations for change are necessary at this time.

#### Interagency Communication

The Joint Subcommittee recommends the establishment of an Interagency Sheltered Workshop Committee to continue evaluation of issues facing sheltered workshops, review needs, initiate planning strategies, and report recommendations to the Secretary of Human Resources. The Departments of Rehabilitative Services, Social Services, Mental Health and Mental Retardation, and the Virginia Association of Rehabilitation Facilities will participate. It is recommended that nongovernmental organizations be included also. The committee will meet at least three times annually to serve as a conduit for issues affecting the workshops.

The Department of Rehabilitative Services is designated the lead agency to coordinate interagency planning efforts and information dissemination. The Department shall work closely with the other agencies, nongovernmental organizations and the Interagency Committee to assure that the interests of each group are served and that the communities continue to serve a range of clientele.

# Waiting Lists

The Joint Subcommittee questions whether individuals on the waiting list can be served within the workshops' currently existing facilities if additional funding is provided or if the facilities themselves are inadequate to serve additional clients at this time. The agencies will collect figures on the numbers and geographic distribution of potential clients currently needing and desiring workshop services who cannot now be accommodated. This information will be provided to the Joint Subcommittee to allow formulation of funding recommendations to meet the need of potential clients on the waiting lists.

The Joint Subcommittee points out that, while the workshops themselves can provide this information for short-range planning, the agencies must maintain and provide information for the development of long-range recommendations on the number of and needs of individuals the workshops must serve in the more distant future. With this information, the workshops can more effectively plan for any increases in services required. This issue will be proposed for continuing discussion in 1983 as information is received.

#### Continuing the Joint Subcommittee

The Joint Subcommittee recommends that its study be continued for another year to coordinate and monitor implementation of its recommendations and to study more thoroughly the status of individuals now on the waiting lists for sheltered workshop services and the funding matters related thereto.

A copy of the Resolution continuing the Joint Subcommittee is attached as Appendix B of this report.

# **CONCLUSION**

The Joint Subcommittee expresses its appreciation to the state agencies, sheltered workshops, and other organizations which participated in its study.

The Joint Subcommittee's recommendations have been offered after thoroughly reviewing the information presented to it during the past year. The Joint Subcommittee believes its recommendations are in the best interest of the Commonwealth, and it encourages their adoption by the General Assembly.

# Respectfully submitted,

James A. Davis, Chairman
Clive L. DuVal, 2d, Vice-Chairman
W. Onico Barker
Evelyn M. Hailey
Dorothy S. McDiarmid
Owen B. Pickett \*
W. Ward Teel
Renee Fisher
Alexander H. Kyrus \*
C. W. Valkenburgh

<sup>\*</sup>Comments from Delegate Owen B. Pickett and Mr. Alexander H. Kyrus are attached.

#### Appendix A

#### A DISCUSSION CONCERNING SHELTERED WORKSHOPS:

#### A STATE AND NATIONAL PERSPECTIVE

#### Presented to

#### Dr. Joseph L. Fisher, Secretary of Human Resources

#### June 1, 1982

Developed by the Departments of Rehabilitative Services, Welfare and Mental Health and Mental Retardation.

#### **SUMMARY OF FINDINGS AND RECOMMENDATIONS:**

Dual strategies aimed at both the maintenance and the development of workshop programs must be developed. The maintenance plan should focus on preserving and stablizing existing programs for long-term clients. The development plan should focus on improving and expanding existing programs through innovation, specialization, modernization and industrialization.

#### Recommendations:

- A. Workshops themselves must initiate changes in the years ahead. Government and the public must develop a more progressive posture toward these programs.
- B. Workshops' planned capacities must be directed toward the population most in need of the service and for whom other services are not available or appropriate.
- C. Efforts will have to be made to ensure that workshops' costs and rates do not become so expensive as a result of underutilization that government agencies cannot afford to maintain even their present level of utilization.
- D. Government must direct dollars in such a way as to provide economic stimulation that will assist the workshops to maximize their own capabilities and potential to create additional sheltered employment capacities rather than simply providing government funds to maintain the workshops as they are.
- E. Workshops should increase the level of community involvement and acceptance by including or increasing in their populations the non-handicapped and the physically handicapped (non-mentally handicapped) as workers.
- F. If the Commonwealth wishes to assure severely disabled citizens access to sheltered workshop programs, it must supply the basic financial support for such services so that the mission of the workshops can remain consistent through the years.
- G. Workshops should reassess their programs, identify or reaffirm their missions, and develop ways to accomplish those missions. Larger workshops can provide an array of services to a variety of clients, but smaller workshops must specialize in the services most needed by their communities. Small, less secure workshops need to carefully consider their options for the future by establishing strong interaction and collaboration with state and local government agencies.

- H. The efficiency which today's economic conditions impose will continue to require workshop directors to be good managers as well as advocates for the handicapped.
- I. If workshops have the mission to provide handicapped clients employment and/or to place them in employment, then this mission should be reflected in their staffing capabilities and priorities. Accordingly, all workshops should have access to a contract procurement person and a job placement specialist.
- J. It has been suggested recently that severity of disability may be less a cause of low client wages than certain workshop conditions. Therefore, more attention must be focused on the handicapped client as an employee in Virginia's sheltered workshops and on whether the costs and benefits of the workshop programs as they currently exist represent the best alternative for clients and the taxpayer.
- K. The socio-economic impact of the various options inherent in implementing a workshop subsidy program must be carefully weighed in order to ensure the maximum positive results for handicapped individuals, government, and the sheltered workshop. The options concern method of subsidy, formula for determining distribution of funds, level of allocation, number and type of workshops eligible to participate and number of individuals benefiting.
- L. The findings regarding selected model programs should be given serious consideration in the current analysis of sheltered workshops. These findings are:
  - 1. Model, nontraditional programs have fostered for mentally and physically handicapped adults a more normal and less restricted work life, increased earning capacities, and an improved self-image and self-sufficiency while achieving cost effectiveness, reducing economic and social dependency, maximizing potentials, and enhancing community relations and interactions for both program and client.
  - 2. The programs have incorporated to a high degree human engineering and training technologies from other human service disciplines as well as business/industrial technologies and options.
  - 3. The programs have shown that employment for the severely handicapped can be acquired outside of sheltered workshops and have demonstrated a reversal of the need for long-term government subsidies per individual.
- M. Consideration should be given (by both workshops and government) to the need for identifying certain options that could enhance the quality of services, the economic viability of the workshops, and their cost effectiveness to government. These options include: (a) initiation of corporate mergers between some small and large workshops and the formation of satellite programs; (b) establishment of workshop cooperatives or consortiums for sharing resources, client, key staff, contracts, and transportation; (c) development of reciprocal specializations among workshops on a regionalized basis; (d) designation of single-purpose versus multi-purpose facilities to establish industrial models or other alternative programs.
- N. Special efforts in the form of government leadership and financial support should be directed toward requesting state funds in 83 84 for the <u>development of at least one alternative, innovative model program</u> capable of replication in other workshops in the state. An analysis of cost, programmatic, and outcome data should be conducted and results compared with traditional workshop programs in the state.
- O. A <u>definition of terms and a frame of reference should be established</u> to clarify (a) where on the scale of productivity and wages "work activity" becomes "sheltered employment"; (b) how long-term sheltered employment can be objectively distinguished from other types of sheltered employment, such as regular and transitional employment.
- P. If the State elects to become involved in funding a portion of the cost of workshops' extended employment programs, then government must articulate which support services to that employment program will be paid for. These expectations should be universal across the state and should result in <u>uniform levels of payment for this service in all workshops</u>.

- Q. Since the Comprehensive Employment and Training Act provides for discrete eligibility for handicapped persons, it is recommended that the <u>Secretary of Human Resources direct the Virginia Employment Commission/CETA to make sheltered workshops a major priority for federal funds allotted to the State. Funds provided by CETA prime sponsors and the Governor's discretionary CETA funds should be targeted toward short-term job development and placement services for handicapped individuals. Such services can be provided by local sheltered workshops. Further, it is recommended that workshop programs be linked closely with the Private Industry Councils to ensure increased coordination at the local level.</u>
- R. Consideration should be given to the <u>development of legislation</u> <u>by which state funds can be made available for supporting a portion of the workshops' cost in providing long-term sheltered employment for the severely mentally disabled and the developmentally disabled. Provisos to be considered should include the following:</u>
  - 1. The appropriation should be program specific and population specific .
  - 2. The formula used in the allocation/distribution of funds should be computed on the basis of (1) a <u>percent</u> (such as 75% of a <u>uniform statewide cost</u> for supporting long-term sheltered employment and (2) a <u>specified maximum level of payment per workshop.</u>
  - 3. Additional provisions/controls should address (1) limitations on the number of individual slots initially funded and ceilings on the rate of growth allowable; (2) limitations (if any) on the length of time a given individual can be covered by the subsidy; (3) documentation that some workshop clients are being moved into competitive employment; (4) documentation to indicate that workshops' revenues from production activities are increasing and are on target with a state-wide goal (to be determined) for maintaining an appropriate balance between tax dollars and private enterprises.

#### Appendix B

#### **HOUSE JOINT RESOLUTION NO. 48**

#### Offered January 21, 1983

Continuing the Joint Subcommittee Studying the Funding and Administration of Sheltered Workshops in the Commonwealth.

#### Patrons-Pickett, McDiarmid, Anderson, and Diamonstein

#### Referred to the Committee on Rules

WHEREAS, House Joint Resolution No. 8, agreed to by the 1982 Session of the General Assembly, established the Joint Subcommittee to Study the Funding and Administration of Sheltered Workshops; and

WHEREAS, the Joint Subcommittee has identified many of the problems which have resulted from the number of funding sources and decrease in funding for sheltered workshop services; and

WHEREAS, the Joint Subcommittee has developed recommendations for stabilizing funding and integrating the administration of the sheltered workshops, but recognizes the need for legislative coordination and oversight of the efforts of the several participating agencies in implementing these recommendations; and

WHEREAS, the Joint Subcommittee recommends further study of the numbers and service needs of the population currently awaiting workshop services in order to determine whether additional funding can serve this population within existing facilities and to develop a long-range view of the service needs of future sheltered workshop clients; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Subcommittee to Study the Funding and Administration of Sheltered Workshops is hereby continued. The membership of the Joint Subcommittee shall continue to serve. Any vacancies in the membership of the Joint Subcommittee shall be filled by the Chairman of the Senate Committee on Privileges and Elections for Senate members and by the Speaker of the House of Delegates for House and citizen members from the respective committees designated in House Joint Resolution No. 8 of the 1982 Session of the General Assembly.

The Joint Subcommittee shall complete its work in time to make recommendations to the 1984 Session of the General Assembly.

The cost of this study shall not exceed \$3,200.

# **ADDENDUM**

The Joint Subcommittee does not object to the following additional recommendations concerning the operation of the Interagency Sheltered Workshop Committee, discussed in the body of the report in the section titled "Interagency Communication." These recommendations were presented to the Joint Subcommittee after the completion of its deliberations.

The Interagency Sheltered Workshop Committee shall be appointed by the Secretary of Human Resources. The Committee shall be composed of eight members, including two representatives from the Department of Rehabilitative Services, two representatives from the Department of Mental Health and Mental Retardation, two representatives from the Department of Social Services and two representatives from the Virginia Association of Rehabilitation Facilities. One of the two representatives appointed from each state agency shall be from a regional or local office. The committee will meet at least quarterly to serve as a conduit for issues affecting the workshops.



# COMMONWEALTH OF VIRGINIA HOUSE OF DELEGATES RICHMOND

COMMITTEE ASSIGNMENTS: PRIVILEGES AND ELECTIONS APPROPRIATIONS HEALTH. WELFARE AND INSTITUTIONS

December 27, 1982

Ms. Susan C. Ward Division of Legislative Services General Assembly Building 910 Capitol Street Richmond, VA 23219

Re: Joint Subcommittee Studying Funding and Administration of

Sheltered Workshops

Dear Susan:

I am in agreement with the draft report of the joint subcommittee except for the statement made on page 11 recommending the inclusion of capitalization and equipment replacement funds in both the purchase of service and grant structures. In my view, this is a departure from the established policy of sheltered workshops in that the money paid to the workshop is intended to compensate the owner for the difference in the cost of the labor provided by the handicapped person, as compared with what it would cost to have the work performed by a normal worker. It is my opinion that the state will have enough difficulty providing adequate financing to pay for this cost element and that the state should not become involved in making payments to operators of sheltered workshops for the purpose of capital expenditure.

Sincerely yours

Owen B. Pickett

OBP/sw



# LOUISE W. EGGLESTON CENTER 780 West 20th Street Norfolk, Virginia 23517



Phone: 804/625-2311

January 20, 1983

Susan C. Ward, Staff Attorney Division of Legislative Services General Assembly Building P. O. Box 3-AG 910 Capitol Street Richmond, VA 23208

Dear Ms. Ward:

After careful review of the January 11, 1983, memorandum and final draft of the Joint Subcommittee's report with changes, I approve it for submission.

Your memorandum of January 15, 1983, concerning the Addendum to Report, I feel is a good recommendation, except, the Interagency Sheltered Workshop Committee should consider having a citizen member representative because all workshops are not members of the Virginia Association of Rehabilitation Facilities. This would add one or two more members to the committee, and provide a better cross-section for the committee.

The committee's consideration of this request would be greatly appreciated. If there are any questions, please do not hesitate to call.

Alexander H. Kyr

Member, Joint Subcomittee Studying the Funding and Administration of

Sheltered Workshops

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