

Assessment of Virginia's Disability Services System: Employment



Virginia Board for
People with Disabilities

2017 Assessment of Disability Services in Virginia Employment

First edition

This report is also available in alternative formats by request and on the Virginia Board's website.
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June 1, 2017

The Virginians with Disabilities Act § 51.5-33 directs the Virginia Board for People with Disabilities (VBPD), beginning July 1, 2017, to submit an annual report to the Governor, through the Secretary of Health and Human Resources, that provides an in-depth assessment of at least two major service areas for people with disabilities in the Commonwealth. In June 2016, the Board determined that the 2017 focus would be on the education and employment of individuals with disabilities as related to programs and services operated, licensed, administered, or funded by the Commonwealth. The Board, as part of its authority and responsibility as a Developmental Disabilities (DD) Council under the federal Developmental Disabilities and Bill of Rights Act (42 U.S.C. §15021-15029), is also required to complete a similar analysis as it develops and amends its federal State Plan objectives as set forth for 2017-2021.

The Assessments on Education and Employment, respectively, are not intended to be a comprehensive accounting of all services available to individuals with disabilities throughout the Commonwealth. For example, the Assessments do not include services provided in juvenile justice or correctional facilities. Nor do they cover the population of individuals with behavioral health disabilities other than those who have a concurrent developmental disability.

Rather, in this Assessment, VBPD seeks to identify critical issues, data trends, and unmet needs of people with developmental disabilities, and offer recommendations for improving the delivery of education and employment services and supports for people with developmental disabilities in the Commonwealth. Although the focus of the analysis and recommendations is on individuals with developmental disabilities, the recommendations would also benefit the broader population of people with disabilities.

The data for this Assessment was obtained from a variety of sources, including state agency websites and planning and performance reports, legislative studies, federal agency websites and data reports, national nonpartisan policy and research organizations, and various research publications. We appreciate the assistance of the state agencies who provided information and clarification on the services relevant to their agencies. The policy recommendations contained within this Assessment were developed by an ad hoc committee of the Board and approved by the full Board at its March 15, 2017 meeting.

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Statement of Values

"And remember, this is a tremendous pool of people who will bring to jobs diversity, loyalty, proven low turnover rate, and only one request: the chance to prove themselves."

— President George H. W. Bush at the Signing of the Americans with Disabilities Act

The Virginia Board for People with Disabilities serves as Virginia's Developmental Disabilities Council. In this capacity, the Board advises the Governor, the Secretary of Health and Human Resources, federal and state legislators, and other constituent groups on issues important to people with disabilities in the Commonwealth. The following assessment of employment services and outcomes is intended to serve as a guide for policymakers who are interested in improving the employment outlook for people with disabilities in the Commonwealth of Virginia. The Board's work in this area is driven by its vision, values, and the following core beliefs and principles:

Inherent Dignity: All people possess inherent dignity, regardless of gender, race, religion, national origin, or disability status.

Presumed Capacity: All people should be presumed capable of engaging in meaningful, remunerative employment and self-direction; and all people deserve opportunities to demonstrate their abilities, to prove themselves in the labor force, and to achieve economic self-sufficiency.

Self-determination: People with disabilities are experts in their own needs and desires, and they must be included in the decision-making processes that affect their lives. People with disabilities must have opportunities to choose when, where, and how they work.

Integration: People with disabilities have a civil right to receive services and supports in the most integrated setting appropriate to their needs and desires, consistent with the Supreme Court's Olmstead decision. Fully integrated employment must be the first and preferred option for all people with disabilities.

Diversity: Diversity is a core value. All people, including people with disabilities, should be valued for contributing to the diversity of the workforce and of the Commonwealth.

Freedom from Abuse and Neglect: People with disabilities must be protected from abuse and neglect in all settings where services and supports are provided.

Fiscal Responsibility: Fiscally responsible policies are beneficial for the Commonwealth and they are beneficial for people with disabilities.

Executive Summary

People with disabilities continue to face multiple barriers to employment, including employer beliefs, negative attitudes towards people with disabilities, a lack of post-secondary education and training opportunities, and fear of losing critical public benefits. These barriers are compounded in rural and underserved regions of the Commonwealth, where employment opportunities and access to employment supports are limited. Individuals with disabilities who have access to vocational rehabilitation services have better employment outcomes than those individuals with disabilities who do not have access to these services, and vocational rehabilitation services yield positive returns on investment for the Commonwealth.

Employment rates for people with disabilities have not appreciably improved in recent years (see Table 1). Although employment rates have slowly increased since 2011, as the state recovered from a recession, the rates are still lower than their pre-recession levels and only about one in three people with disabilities were employed in 2015. The gap in employment rates between people with and without disabilities has not improved in recent years and is higher than pre-recession levels. People with disabilities are less than half as likely to be employed as people without disabilities.

Key employment outcome	Most recent year for which data is available	Trend in recent years
Employment		
Employment rate of people with disabilities who are 21-64 years old (2015)	37%	↑
Gap in employment rates between people with and without disabilities who are 21-64 years old (2015)	44%	↔
Inclusion in integrated work settings		
Percentage of people receiving state disability services who obtained a paid job in an integrated setting	10-26% ¹	↑/↓ ²

Table 1: Key employment outcomes of students with disabilities.

Many people with disabilities are working in segregated sheltered settings. Only 10 to 26 percent of people receiving state disability services, depending on the data source, have obtained a paid job in an integrated setting (see Table 1). Historically, sheltered workshops (segregated employment) and subminimum wage employment were considered positive outcomes for people with disabilities. As beliefs and expectations about the capacity of people with significant disabilities to work in competitive, integrated settings change, so too are standards of what constitutes a successful employment outcome. A shift in the focus of state programs towards a greater emphasis on integrated employment is underway, which will hopefully improve outcomes in the coming years.

¹ Percentage varies depending on the source. According to a national survey of state disability agencies, only 26 percent of people with disabilities receiving state day or employment services had, or were on the pathway towards, a paid job in an integrated setting in 2014. According to a national survey of people with disabilities, only 10 percent of people with disabilities receiving Medicaid waiver services had a paid job in an integrated setting in 2015.

² Trend varies depending on the source. According to a national survey of state disability agencies, an increasing percentage of people receiving state day or employment services have, or are on the pathway towards, a paid job in an integrated setting. According to a national survey of people with disabilities, a decreasing percentage of people with disabilities receiving Medicaid waiver services have a paid job in an integrated setting.



The Virginia Board for People with Disabilities offers 21 recommendations to improve the employment prospects of people with disabilities in Virginia and ensure that people with disabilities are an integral part of Virginia's economy. The recommendations are grouped into seven main approaches:

1. *Update Virginia's Workforce Innovation and Opportunity Act (WIOA) Combined State Plan to better address individuals with disabilities in the Commonwealth.*
 - a. Expand the analysis of employment data related to people with disabilities within the Economic and Workforce Analysis section of the Plan;
 - b. Include disability-specific goals and strategies in the Vision and Goals section of the Plan;
 - c. Include specific steps to ensure that programs and facilities are physically and programmatically accessible to people with disabilities, as required by Section 188 of WIOA.
2. *Improve access to accurate and disability-friendly information about work incentives programs, the effects of employment on eligibility for benefits, and available tools to minimize the impact of employment on benefits.*
 - a. In partnership with existing experts, ensure that school transition specialists have access to training and information on work incentives programs and effects of employment on benefits eligibility;
 - b. Encourage collaboration between responsible parties to include benefits counseling as an ongoing component of the Individualized Education Program (IEP) planning process for students with disabilities who are receiving, or who may qualify for, public benefits no later than age 14;
 - c. Develop a public education campaign focused on informing people with disabilities and their families about existing work incentives programs and the tools available to assist people with disabilities obtain and maintain employment without adversely affecting their eligibility for needed benefits.
3. *Increase and revise business outreach and engagement strategies focused on improving integrated competitive employment for people with disabilities in the Commonwealth, based on the most recent research on how to influence employer behavior.*
 - a. Identify and recognize employers in the Commonwealth who are leaders in employing people with disabilities and use them to develop success stories for employers with limited experience employing people with disabilities;
 - b. Incorporate messaging into employer outreach efforts that situates people with disabilities into broader diversity/inclusion efforts of employers with existing inclusive workforce and recruitment efforts;
 - c. Increase disability awareness training opportunities for employers in the Commonwealth that incorporate people with disabilities as instructors.
4. *Decrease the Commonwealth's reliance on sheltered employment settings and increase competitive integrated employment opportunities for people with disabilities.*
 - a. End all new admissions to sheltered employment settings; develop a plan to phase out sheltered employment within 10 years, and transition individuals currently served in sheltered employment settings into competitive integrated employment;
 - b. Require service plans to identify and address barriers to competitive integrated employment for individuals currently served in sheltered employment settings;
 - c. Shift resources currently used to maintain sheltered employment settings and subminimum wage employment towards community-based and competitive employment options;

- d. Develop a plan to phase out the use of subminimum wages for people with disabilities within five years.
5. *Increase capacity for integrated employment opportunities in rural and underserved areas of the Commonwealth where employment options and choice of providers is limited.*
 - a. Focus resources on providing technical assistance and training to existing and potential new providers in underserved areas of the Commonwealth;
 - b. Fund innovative projects focused on increasing integrated competitive employment options, including self-employment for individuals in rural and underserved areas of the Commonwealth;
 - c. Incorporate disability employment incentives into broader economic planning, and use existing business incentive programs to incentivize the employment of people with disabilities in the Commonwealth.
 6. *Eliminate Order of Selection in Virginia's vocational rehabilitation programs and refocus the Commonwealth's fiscal efforts away from sheltered employment and towards integrated competitive employment options.*
 - a. Conduct an analysis to determine the potential cost of eliminating the waiting list for vocational rehabilitation services;
 - b. Redirect state funds from expensive sheltered employment services into more cost-efficient supported employment services.
 7. *Expand Registered Apprenticeship opportunities for people with disabilities, especially programs focused on transition-age youth and young adults.*
 - a. Conduct a review of Registered Apprenticeship regulations to ensure they are programmatically accessible to individuals with disabilities;
 - b. Establish an interagency team to develop strategies to engage more people with disabilities in existing registered apprenticeships in the Commonwealth, and to consider expanding existing apprenticeship programs to provide more opportunities for people with disabilities;
 - c. Develop training and technical assistance to assist transition specialists in Virginia's public schools, and other staff responsible for transition planning to understand Virginia's Registered Apprenticeship programs and their availability to transition-age students and young adults with disabilities.



**Virginia Board for
People with Disabilities**

Background

One major source of employment preparatory and support services for individuals with disabilities in the Commonwealth is Virginia's Vocational Rehabilitation (VR) agencies. Virginia has two Vocational Rehabilitation agencies: the Department for the Blind and Vision Impaired (DBVI), which has the lead responsibility for vocational rehabilitation services in Virginia for individuals with a primary disability of blindness, vision impairment, or deaf-blindness; and the Department for Aging and Rehabilitative Services (DARS), which is the lead agency for providing vocational rehabilitation services to individuals with other disabilities, including developmental disabilities. DARS also administers the state-funded Extended Support Services (ESS) and Long Term Employment Support Services (LTESS) programs, which provide long-term, follow-along services for individuals who have completed supported employment, require additional follow-along services in order to maintain employment, and are not eligible for these services through Medicaid.

Vocational rehabilitation services are funded by a Federal Formula Grant through the Rehabilitation Act of 1973, as amended, which has a 22 percent state matching requirement in Virginia. States that do not provide sufficient funding to serve all individuals who are eligible for vocational rehabilitation services must operate in Order of Selection system, in which people with the greatest needs must be served first. People who are eligible for services, but who cannot be served because of lack of funding, are placed on a waiting list. Virginia has operated in Order of Selection since 2001.

The other major source of employment preparatory and support services for people with disabilities is Medicaid Home- and Community-Based Services (HCBS) Waivers. People who cannot be served by the Vocational Rehabilitation system due to lack of funding, but who qualify for a Medicaid HCBS Waiver, may obtain Waiver-funded employment services. Medicaid, like Vocational Rehabilitation, is a federal grant program with a state matching requirement. Medicaid has a 50 percent state matching requirement in Virginia.

In addition to disability-specific employment services, Virginia's workforce assistance system includes dozens of workforce centers (One Stop Centers) located throughout the Commonwealth. One Stop Centers provide access to computers and assistance with resume and cover letter development, job search, and employment-related workshops. Some also provide more intensive, individualized assistance with job search, placement, assessment, career counseling, training, and career education services.

The employment services system is governed by a web of federal and state laws and regulations that are constantly evolving. Much of this system is currently in flux in the Commonwealth of Virginia, as a result of recent significant regulatory and policy changes at both the federal and the state level. A central thread that runs through these ongoing changes related to people with disabilities is a renewed emphasis on Employment First, integrated competitive employment as the first and preferred outcome for individuals served by the system and the principle measure of the system's success or failure.

The Overall Employment Landscape

Employment Gap

Only about one in three people with disabilities are employed, and the employment gap between people with and without disabilities has remained fairly stable in recent years.

Roughly one third of people with disabilities are employed in Virginia and nationwide. In Virginia, nearly 37 percent of people with disabilities between the ages of 21 and 64 were employed in 2015, based on data from the American Community Survey. Nationwide, the average employment rate was slightly lower at 35 percent.

The employment rates for people with disabilities in Virginia and nationwide decreased between 2008 and 2011 likely as a result of the recession. They have increased slowly since, but have not fully recovered. In Virginia, the employment rate for people with disabilities between the ages of 21 and 64 decreased from about 42 percent in 2008 to 34 percent in 2011, and then increased up to 37 percent by 2015. Nationwide, the employment rate followed a similar trend.

Substantially fewer people with disabilities are employed than people without disabilities in Virginia and nationwide. While only 37 percent of people with disabilities between the ages of 21 and 64 were employed in Virginia in 2015, nearly 81 percent of people without disabilities within that age range were employed that year (see Figure 1). The resulting employment gap between people with and without disabilities was 44 percentage points. Similarly, the nationwide employment gap was about 43 percentage points in 2011.

The employment gap was exacerbated by the recession and has not recovered. In Virginia, the employment gap increased in the years following the recession from 41 percentage points in 2008 to 45 percentage points in 2011. Since 2011, the employment gap has remained fairly stable at about 43 to 44 percentage points. Nationwide, the employment gap has followed similar trends as in Virginia.

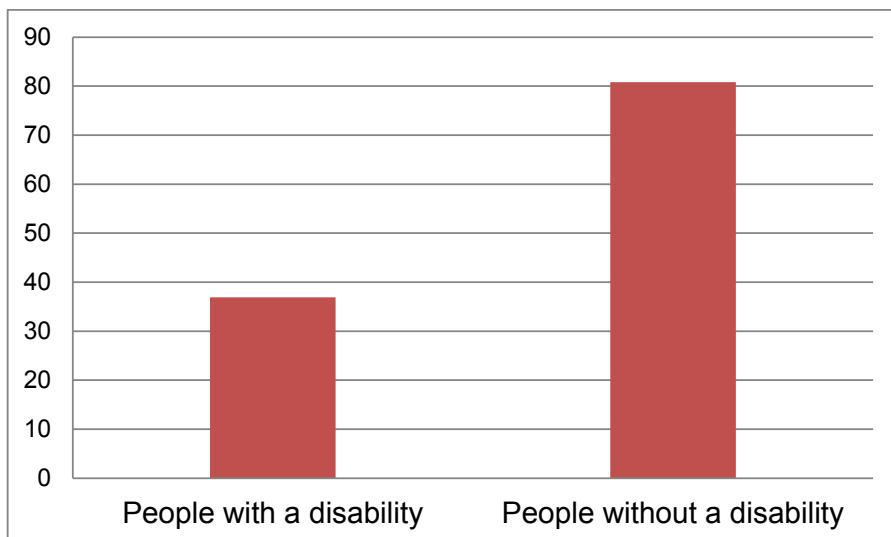


Figure 1: 2015 Employment Rates in Virginia by Disability Status (Institute on Employment and Disability)

Segregated Employment Settings

Too many people with disabilities work in segregated employment settings for compensation that is lower than the national minimum wage.

The type of setting people work in is also an important indicator of overall employment outcomes for two main reasons. First, the state has recognized the right of people with disabilities to work in an integrated setting to the maximum extent possible by establishing an Employment First policy. Second, people who work in sheltered workshops are far more likely to receive subminimum wages than their peers who work in integrated employment settings (DBHDS 2016). About 85 percent of people receiving employment services in sheltered environments are paid less than minimum wage for their work. This compares to only 39 percent of people who are receiving Group Supported Employment services, and less than one percent of those receiving Individual Supported Employment services.

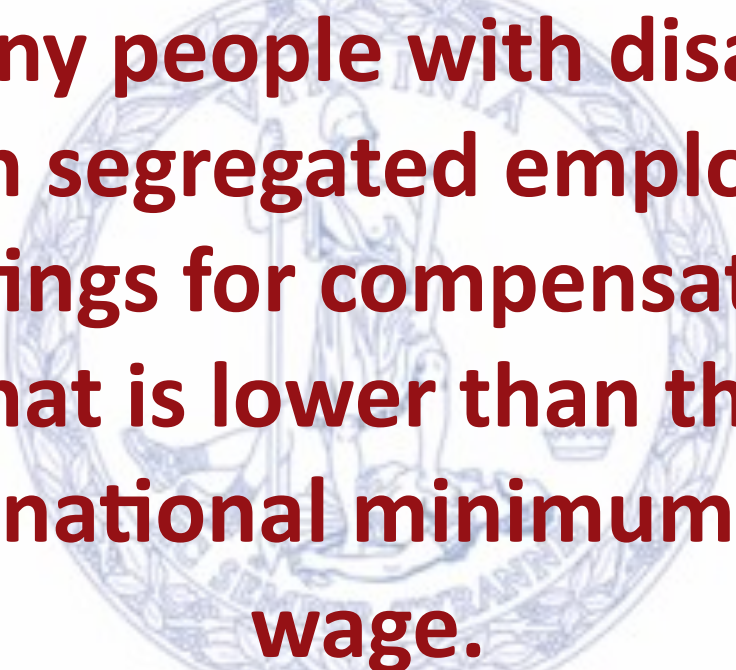
Few people receiving state-funded disability services in Virginia have a paid job in an integrated setting, although the percentage varies depending on the data source. According to a national survey of state disability services agencies, only 26 percent of people with disabilities receiving state- or federally-funded day or employment services had, or were on the pathway towards, a paid job in an integrated setting in 2014 (Insti-

tute for Community Inclusion 2015). Another five percent had a paid job in a segregated setting; five percent were engaged in day activities in an integrated setting; and the remaining 64 percent were engaged in day activities in a segregated setting. According to a national survey of people with disabilities, only 10 percent of people with disabilities receiving Medicaid waiver services had a paid job in an integrated setting in 2015 (National Core Indicators 2015). Of the remainder who did not have a paid job in an integrated setting, 47 percent wanted one.

It is unclear whether Virginia is performing better or worse overall than other states. According to the national survey of state disability agencies, more people with disabilities who were receiving state day or employment services had, or were on the pathway towards, a paid job in an integrated setting in Virginia (26 percent) than nationwide (19 percent) in 2014 (Institute for Community Inclusion 2015). However, the national survey of people with disabilities found

that fewer people with disabilities who were receiving Medicaid waiver services had a paid job in an integrated setting in Virginia (10 percent) than nationwide (17 percent) in 2015 (National Core Indicators 2015).

It is also unclear how the percentage of people receiving state disability services who obtained a paid, integrated job has changed over time. According to the national survey of state disability agencies, an increasing percentage of people receiving state day or employment services have, or are on the pathway towards, a paid job in an integrated setting (Institute for Community Inclusion 2015). The percentage increased somewhat steadily from 21 percent in 2010 to 26 percent in 2014. However, according to the national survey of state disability agencies, a decreasing percentage of those receiving Medicaid waiver services have a paid job in an integrated setting. The percentage decreased somewhat steadily from 14 percent in 2012 to 10 percent in 2015.



Too many people with disabilities work in segregated employment settings for compensation that is lower than the national minimum wage.

Recommendations to Improve Employment Outcomes in Virginia

Workforce Innovation and Opportunity Act

The Workforce Innovation and Opportunities Act provides the Commonwealth an opportunity to rethink how it delivers employment services to people with disabilities and to significantly improve its workforce development planning processes.

The 2014 Workforce Innovation and Opportunities Act (WIOA) contains some fairly significant changes to the state workforce system, the most significant of which may be an emphasis on competitive integrated employment as the principal goal of the workforce system. Section 188 of WIOA requires, among other things, that the state One-Stop system ensure physical and programmatic accessibility for people with disabilities. People with disabilities must have access not only to disability-specific employment services and supports, but also to the breadth of employment services provided throughout the system. While this requirement is not new, its reaffirmation in WIOA is noteworthy in light of the Act's overall emphasis on better serving individuals with disabilities.

Under WIOA, states must also develop an overarching state plan outlining the state's workforce development strategy, including the coordination of services and supports from the core federally-funded workforce

programs. This plan must contain:

An analysis of the current workforce, employment and unemployment data, labor market trends, and the educational and skill levels of the workforce, including individuals with barriers to employment (including individuals with disabilities), in the State. WIOA §102(b)(1)(B).

It is unclear whether Virginia's state plan will appropriately address employment issues concerning people with disabilities. The Virginia Board for People with Disabilities (VBPD) provided public comment on an initial March 2016 draft of the state plan by the Virginia Board for Workforce Development, but no changes appear to have been made to the plan after the public comment period. VBPD specifically noted the following issues with the plan in its public comment:

- Insufficient employment data presented related to people with disabilities in the Economic and Workforce Analysis section of the plan
- Limited mention of strengths and weaknesses of Virginia's workforce development activities specific to people with disabilities and the programs that are designed to serve them
- No disability-specific goals and strategies in the Vision and Goals section of the plan

Recommendation I

Recommendation 1: Update Virginia's WIOA Combined State Plan to better address individuals with disabilities in the Commonwealth: ³		Responsible Party
Sub-recommendation		
1A.	Expand the analysis of employment data related to people with disabilities within the Economic and Workforce Analysis section of the Plan;	Virginia Board of Workforce Development
1B.	Include disability-specific goals and strategies in the Vision and Goals section of the Plan;	Virginia Board of Workforce Development
1C.	Include specific steps to ensure that programs and facilities are physically and programmatically accessible to people with disabilities as required by Section 188 of WIOA.	Virginia Board of Workforce Development

³ Recommendation 1 and its sub-recommendations are consistent with recommendations that VBPD made to the Virginia Board for Workforce Development during the notice and comment period before submission of the Commonwealth's first WIOA Combined State Plan. We reiterate them here to renew those recommendations.

Barriers to Employment

People with disabilities must overcome multiple unique barriers in order to obtain competitive integrated employment.

People with disabilities are more likely to experience barriers to employment than those without disabilities. For example, people with disabilities consistently have higher high school dropout rates and lower graduation rates than people without disabilities. People with disabilities are also significantly less likely to obtain post-secondary degrees and occupation-related credentials. People with disabilities are also the victims of low expectations, conscious and unconscious biases, and discrimination in the labor market (see, e.g., Houtenville 2012).

A 2012 survey by the Bureau of Labor Statistics identified several barriers to employment faced by people with disabilities, and the frequency with which these barriers occur (Bureau of Labor Statistics 2013). The survey was of people with disabilities who were over the age of 16 and not employed. Approximately half of respondents identified at least one barrier to employment. The identified barriers included:

- Loss of government assistance;
- Lack of job counseling;
- Employer or coworker attitudes;
- Need for special features at job;
- Lack of transportation;
- Lack of education or training;
- The individual's own disability.

The rest of this document discusses three of these barriers in more depth and presents recommendations to address them. These three barriers are loss of government assistance, employer or coworker attitudes, and lack of education or training. Some of the remaining barriers may be addressed in the Virginia Board for People with Disabilities' assessments of other key disability service areas.

Fear of Benefit Loss

Many people with disabilities fear losing critical government assistance and benefits.

The fear of losing critical government-provided assistance and benefits is a common barrier to obtaining employment for people with disabilities, despite the existence of multiple policies that allow individuals with disabilities to work without losing these benefits and services. These policies include Virginia's Ticket to Work program, the Medicaid Works program, and various financial instruments that allow people with disabilities to preserve needed benefits while earning income through employment.

Benefits counseling is available to people with disabilities in Virginia through several sources. Individuals who receive employment services from DARS and who receive Social Security Disability (SSDI) and/or Supplemental Security Income (SSI) benefits may receive benefits counseling through DARS' certified Work Incentives Specialist Advocates (WISAs). Individuals who are not DARS clients may receive benefits counseling through the Work Incentives Planning and Assistance Services program. A directory of WIPA providers can be found on the web at <https://www.choosework.net/findhelp>. Additionally, individuals who are on one of Virginia's Medicaid HCBS Waivers for individuals with intellectual and developmental disabilities may be able to receive benefits counseling as a Waiver service effective July 1, 2017. Although there have been many efforts to educate individuals with disabilities about work incentives programs, too many people with disabilities, as well as their families, case managers, transition specialists, and other service providers, are not well informed about the impact of work on disability benefits eligibility and about work incentives programs.

Those who work with people with disabilities should have a basic knowledge of the various programs that allow individuals with disabilities to work without losing needed benefits and services. This is especially true for those working with people with disabilities who are transitioning from high school to postsecondary life.

Recommendation II

Recommendation 2: Improve access to accurate and disability-friendly information about work incentives programs, the effects of employment on eligibility for benefits, and available tools to minimize the impact of employment on benefits:	
Sub-recommendation	Responsible Party
2A. In partnership with existing experts, ensure that school transition specialists have access to training and information on work incentives programs and effects of employment on benefits eligibility;	VDOE, DARS, DBVI, WIPA, other providers of benefit counseling
2B. Encourage collaboration between responsible parties to include benefits counseling as an ongoing component of the Individualized Education Program (IEP) planning process for students with disabilities who are receiving or who may qualify for public benefits by no later than age 14;	VDOE, DARS, DBVI, other providers of benefits counseling
2C. Develop a public education campaign focused on informing people with disabilities and their families about existing work incentives programs and the tools available to assist people with disabilities obtain and maintain employment without adversely affecting their eligibility for needed benefits.	VDOE, DARS, DBVI, Virginia Dept. of Behavioral Health and Developmental Services (DBHDS), Virginia Dept. of Social Services, WIPA, other providers of benefit counseling

Business Engagement

Employers have varying perspectives on hiring people with disabilities.

Although societal attitudes towards people with disabilities limit their employment opportunities, few efforts to influence employer behavior have addressed these attitudes directly. Instead, efforts to influence employer behavior have frequently centered on making a business case for hiring people with disabilities, including offering technical assistance and employer incentives. This approach has not significantly influenced employers' hiring decisions, indicating that broader cultural factors may need to be addressed in order for meaningful improvement to occur (Bertolotta 2014).

A recent white paper by the Department of Labor outlines a new approach to business engagement that is directly focused on combating biases and stereotypes, rather than on emphasizing the expected returns on investment (Bertolotta 2014). The paper argues that

an effective employer outreach strategy must be tailored to employers based on their preexisting approach to hiring people with disabilities. Employers can be placed into one of three categories: 1) employers with no existing programs or culture to support a diverse workforce, 2) employers that support a diverse workforce but do not explicitly include people with disabilities in their initiatives, or 3) employers with existing programs and a culture that supports the hiring and advancement of people with disabilities.

For the first group, the researchers suggest using success stories rather than statistics, and focusing on strategies to "desensitize" these employers through exposure to people with disabilities. For the second group of employers, the researchers encourage focusing on placing people with disabilities within the employers' existing efforts to build a diverse workforce. And for the third group, the researchers suggest focusing on the technical aspects of reaching employees with disabilities and improving their hiring processes.

Recommendation III

Recommendation 3: Increase and revise business outreach and engagement strategies focused on improving integrated competitive employment for people with disabilities in the Commonwealth, based on the most recent research on how to influence employer behavior:

Sub-recommendation		Responsible Party
3A.	Identify and recognize employers in the Commonwealth that are leaders in employing people with disabilities and use them to develop success stories for employers with limited experience employing people with disabilities;	DARS, DBVI, DBHDS, Virginia Board of Workforce Development
3B.	Incorporate messaging into employer outreach efforts that situates people with disabilities into broader diversity/inclusion efforts of employers with existing inclusive workforce and recruitment efforts;	DARS, DBVI, DBHDS, Virginia Board of Workforce Development
3C.	Increase disability awareness training opportunities for employers in the Commonwealth that incorporate people with disabilities as instructors.	DARS, DBVI, DBHDS, Virginia Board of Workforce Development

State Investment in Segregated Day and Employment Options

Virginia continues to invest significant amounts of money to maintain segregated day and employment options for people with disabilities.

The majority of Virginia's total spending on day and employment services has supported segregated, rather than integrated, activities. The United States Department of Justice found in 2011 that Virginia was "overly reliant on segregated, sheltered workshops and day programs." Only 17 percent of Virginia's total spending on day and employment services in 2014 funded integrated employment services (Institute on Community Inclusion 2016). This rate remained relatively stable

between 2008 and 2014, ranging between 17 and 19 percent (see Figure 2).

This data may not yet reflect the impact of Virginia's recent efforts to better assist people with disabilities in obtaining competitive integrated employment. Recent changes to Virginia's Medicaid HCBS Waivers, for instance, are expected to provide greater access to integrated employment services. The Medicaid HCBS Waivers will no longer fund prevocational services, which were often provided in segregated settings for extended periods of time. WIOA requirements will also likely shift support from sheltered employment towards more integrated employment options.

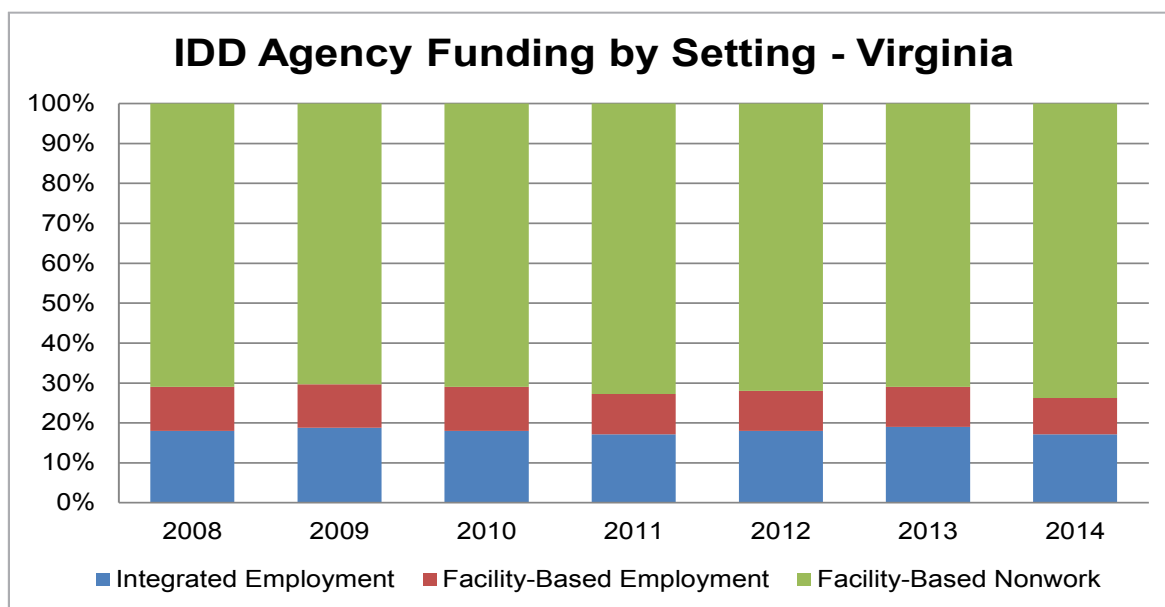


Figure 2: Funding by Setting (Institute on Community Inclusion 2016)

Recommendation IV

Recommendation 4: Decrease the reliance on sheltered employment and increase competitive integrated employment opportunities for people with disabilities in the Commonwealth: ⁴		
Sub-recommendation		Responsible Party
4A.	End all new admissions to sheltered employment settings; develop a plan to phase out sheltered employment within 10 years, and to transition individuals currently served in sheltered employment settings into competitive integrated employment;	DARS, DBVI, DBHDS
4B.	Require service plans to identify and address barriers to competitive integrated employment for individuals currently served in sheltered employment settings;	DARS, DBVI, DBHDS
4C.	Shift resources currently used to maintain sheltered employment settings and subminimum wage employment towards community-based, competitive employment options;	DARS, DBVI, DBHDS
4D.	Develop a plan to phase out the use of subminimum wages for people with disabilities within five years.	DARS, DBVI, DBHDS, VA Dept. of Labor and Industry (VDLI)

Regional Disparities in Employment Outcomes

There are significant regional disparities in employment outcomes for people with disabilities in Virginia.

The use of sheltered workshops varies substantially across Virginia's five Health Planning Regions (see Figure 3). The highest prevalence of sheltered workshops (67 percent) is in Health Planning Region III, in the south-western-most part of the state, which also has the lowest number of individuals receiving employment services. By contrast, the lowest prevalence of sheltered workshops (six percent) was in Health Planning Region II, in the northeastern part of the state. Similarly, the prevalence of sheltered workshops was seven percent in Health Planning Region IV, which consists of Richmond and surrounding areas in Central Virginia.

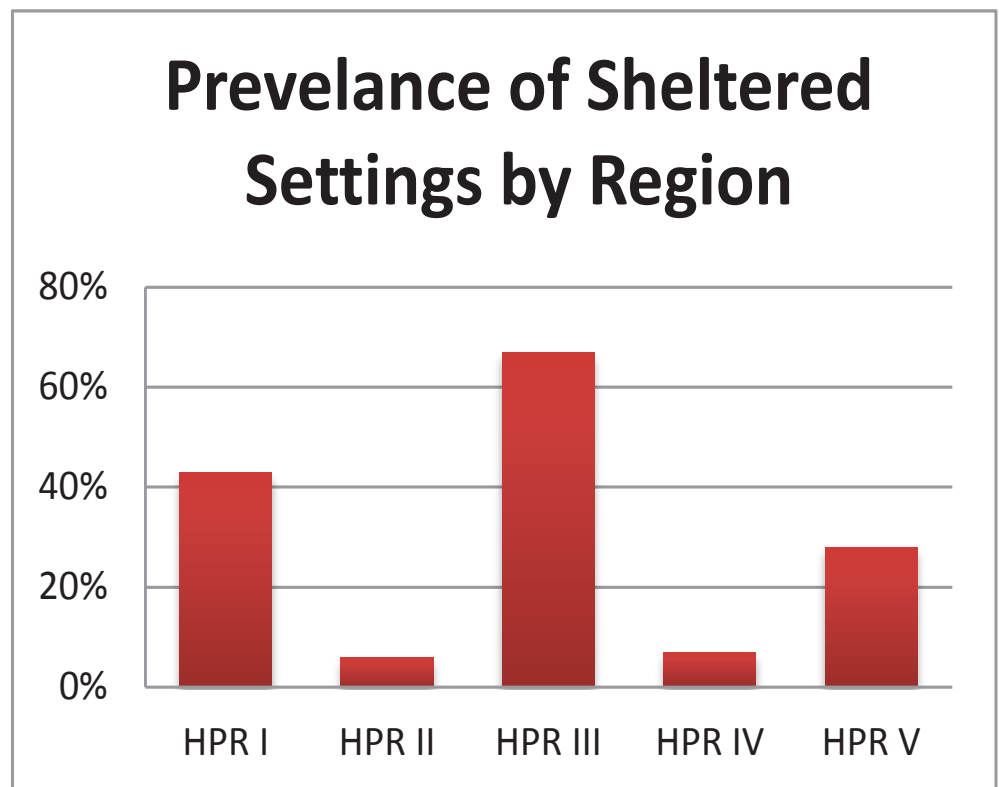


Figure 3: Percentage of Individuals with Disabilities Served in Sheltered Settings by Health Planning Region (DBHDS 2016)

⁴ Recommendation 4 and sub-recommendations 4A, 4B, and 4C are consistent with Recommendations 1 and 2 contained in the legislative report titled *Review of Employment Support Services Programs (DARS 2015)*.

Recommendation V

Recommendation 5: Increase capacity for integrated employment opportunities in rural, underserved areas of the Commonwealth where employment options and choice of providers is limited: ⁵		
Sub-recommendation		Responsible Party
5A.	Focus resources on providing technical assistance and training to existing and potential new providers in underserved areas of the Commonwealth;	DARS, DBHDS
5B.	Fund innovative projects focused on increasing integrated competitive employment options, including self-employment for individuals in rural and underserved areas of the Commonwealth;	General Assembly, DARS, DBHDS
5C.	Incorporate disability employment incentives into broader economic planning, and use existing business incentive programs to incentivize the employment of people with disabilities within the Commonwealth.	Secretary of Commerce and Trade, VDLI

Vocational Rehabilitation – Return on Investment

Vocational Rehabilitation services for people with disabilities are investments in the future that yield positive returns on investment (ROI) for people with disabilities and for the Commonwealth.

Virginia's vocational rehabilitation services help many people with disabilities become gainfully employed every year, allowing them to be less dependent on public assistance, pay taxes, and live fuller and more integrated lives. The Department for Aging and Rehabilitative Services (DARS) provided services to over 29,000 people in 2016, including developing individualized plans for employment for over 8,000 people. Over 4,000 people obtained employment after receiving services from DARS, 99 percent of whom obtained competitive employment with an average hourly wage of \$10.24. Over 62 percent of vocational rehabilitation cases closed by the Department for the Blind and Vision Impaired in 2015 resulted in a successful employment outcome, with an average hourly wage of \$16.89.

Studies have consistently found that vocational rehabilitation services yield a positive return on investment. A 2013 study by the University of Utah, for instance, found that every \$1 Utah spent on vocational rehabilitation services yielded \$3.89 dollars for the

state through increased taxes and decreased costs of public benefit programs (Wilhelm 2013). A similar analysis of vocational rehabilitation services in Florida determined that for every \$1 invested in rehabilitation, \$6.97 was returned to the economy (Florida Department of Education 2012).

Virginia is currently participating in a multi-state study looking at the return on investment of vocational rehabilitation services called the VR-ROI Project. Preliminary findings in June 2015 indicated that for every \$1,000 spent on Vocational Rehabilitation by DARS in 2000, the average consumer earned \$7,100 more over the following ten years than he would have without the vocational rehabilitation services (Dr. Ashley 2015).

While studies show that vocational rehabilitation yields positive returns on investment, it has been chronically underfunded in Virginia. Federal law requires that states operate in Order of Selection when insufficient funding is made available to serve everyone who is eligible for Vocational Rehabilitation. Under Order of Selection, states must serve individuals with the most severe disabilities first. Virginia has operated in Order of Selection since 2001, and frequently has waiting lists for these services.

⁵ This recommendation is consistent with Recommendation 4 in the legislative report titled *Review of Employment Support Services Programs (DARS 2015)*.

Recommendation VI

Recommendation 6: Eliminate Order of Selection in Virginia’s vocational rehabilitation programs and refocus the Commonwealth’s fiscal efforts away from sheltered employment and towards integrated competitive employment options:		
Sub-recommendation		Responsible Party
6A.	Conduct an analysis to determine the potential cost of eliminating the waiting list for vocational rehabilitation services; ⁶	DARS, DBVI
6B.	Redirect state funds from expensive sheltered employment services into more cost-efficient supported employment services.	DARS, DBVI

Registered Apprenticeship Programs

Registered Apprenticeship programs provide an important avenue towards employment and career certification for young adults, including young adults with disabilities.

New or existing registered apprenticeship programs can be used to expand employment opportunities for people with disabilities, including programs focused on youth with disabilities. Registered apprenticeships utilize an “earn and learn” model to teach people occupational skills through on-the-job training. This model is ideal for youth with learning disabilities, for whom a learn-by-doing approach may be most effective. It is important to ensure that people with disabilities are aware of these programs and that they are considered a viable option for students with disabilities during transition planning.

States should ensure that their registered apprenticeship programs accommodate people with disabilities. Some states have done so by initiating registered apprenticeship programs that specifically target youth with disabilities. For example, New Mexico developed the Transition into Registered Apprenticeship Careers

and Employment pilot program which specifically targeted youth with disabilities. This program increased the average hourly wage of its participants from \$5.60 before entering the program to an average starting wage of \$9.54 after completing the program (Economic Systems Inc. 2015).

In another example, the U.S. Department of Labor recently awarded a grant to a company in Reston, Virginia, to provide pre-apprenticeship services specifically to youth and young adults with disabilities. The program offered voluntary soft skills development training sessions, education courses, and paid, pre-apprenticeship work experiences (Economic Systems Inc. 2015).

More frequently, however, states have served youth with disabilities through preexisting registered apprenticeship programs that do not specifically target youth with disabilities. States should review these registered apprenticeship programs to ensure that they are programmatically accessible to people with disabilities and that they are flexible enough to accommodate the needs of individuals with disabilities.

⁶ Sub-recommendation 6A is consistent with recommendation 5 in the legislative report titled *Review of Employment Support Services Programs* (DARS 2015).

Recommendation VII

Recommendation 7: Expand Registered Apprenticeship opportunities for people with disabilities, especially programs focused on transition-age youth and young adults:		
Sub-recommendation		Responsible Party
7A.	Conduct a review of Registered Apprenticeship regulations to ensure that they are programmatically accessible to individuals with disabilities;	VDLI, VBPD
7B.	Establish an interagency team to develop strategies to engage more people with disabilities in existing registered apprenticeships in the Commonwealth and to consider expanding existing apprenticeship programs to provide more opportunities for people with disabilities;	DARS, DBVI, VDOE, One Stops, VBPD, VDLI
7C.	Develop training and technical assistance to assist transition specialists in Virginia's public schools, and other staff responsible for transition planning to understand Virginia's Registered Apprenticeship programs and their availability to transition-age students and young adults with disabilities.	DARS, VDOE



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