

Sheltered Workshops: Role, Impact and Recommendations

Background Information:

Sheltered workshops (also known as work activity, organizational or facility-based employment) came in to being in the 1970s as a step toward community integration, with the belief that persons with disabilities can work.

Beginning in the 1980's Iowa began to develop its Supported Employment Program, to assist those individuals to move from sheltered, segregated work to community-based employment, with necessary supports in place to ensure sustainability. Iowa's Vocational Rehabilitation Services (IVRS) was the primary funding source for this service along with the mandate that counties would provide continued funding for follow-along supports as long as the person needed them. In the mid-90's with the implementation of SF 69, counties took the lead in providing the funds for sheltered work as a first step, toward placing individuals with disabilities in jobs in the community. Unfortunately the first step often ended there as there were no dollars appropriated to support the placement of a person in competitive employment.

In 2006, IVRS made a business decision to take on the role of direct placement of clients by their own staff into community employment. This placed IVRS in direct competition with service providers, who were then left with individuals who were more challenging to serve. When IVRS began to compete with community providers, it effectively eliminated the providers' ability to financially sustain supported employment services. This decision by **decimated** supported employment services across the state. Iowa Medicaid, in an effort to support individuals in employment, increased rates for the service, but the increase did not meet the cost of providing the service. Many supported employment providers ultimately were forced to make their own business decision to end supported employment as a result of massive financial losses.

As county funding got tighter, a shift was made from county funded sheltered work to Medicaid's Pre-Vocational Services. This move was entirely the result of the need to cost shift from strapped county resources to federal funds. By shifting from county dollars to Medicaid, those who were not eligible for Medicaid were simply cut from all services. There was no discussion about the shift in service model; providers were operating under the assumption this was an equal replacement to the suspended services. As a result, the assumption was Pre-Vocational Services or Day Habilitation services would easily take the place of real work. It does not. Persons with disabilities were now in the situation of having no earned income.

Some counties continued to pay for workshop services for those individuals that did not meet the requirements of Medicaid's Pre-Vocational Services. For counties that did not continue to fund workshop services, Medicaid-eligible residents were moved to Day Habilitation (essentially adult day care) service, with no opportunity to earn a wage. Non-Medicaid eligible residents were either funded for day habilitation services by the county, or had no day program or employment opportunities available.

Historically, county-funded sheltered work, did not necessarily lead to community-based employment. Some people remained in sheltered work for many years. Medicaid's Pre-vocational program requires community employment as a goal. As more of the funding has shifted to Medicaid dollars, more people are being terminated from Pre-Vocational services because they do not meet the expected outcome of community employment.

In 2011, David Mitchell became the State Director of IVRS. David wrote and received a grant to the Office of Disability Employment Policy (ODEP) for Employment First. At the same time, Becky Harker of the Governor's Developmental Disability Council wrote and received a grant for Transition Services of high school students into adult services. David and Becky, along with staff in DHS, IME, Workforce Development and IACP began working together to reestablish the focus by state agencies on alignment of services and funding streams with the goal of increasing employment opportunities for people with disabilities.

We are entering the second year of the grants. In the first year, providers in five pilot projects throughout the state selected individuals that were participating in Money Follows the Person (intentionally selecting those individuals who had been identified as "difficult to place" or "unemployable"). The providers were allowed to work outside of the box, receiving consultation and training from national experts, to change the service delivery and achieve results. At the same time, the state agencies identified above are working together to align services and determine sustainable funding with the goal that community employment is an option for all regardless of disability.

On October 17, Governor Branstad is facilitating a forum, Empowering Individuals with Disabilities through Employment. This focus is one developed by the National Governor's Association and is intended to frame the issues around employment for individuals with disabilities. Bringing together leaders from government, academia, business and the disability community is intended as a strategy to strengthen business and Iowa's economy by leveraging the skills and expertise of all our workers.

Gaps in the Continuum of Care:

Advocates at the national level are calling for the closing of sheltered workshops, citing *Olmstead* and the ADA. In the National Disability Rights Network (NDRN) call to action, leaders call for closing all sheltered workshops. NDRN goes on to say “sheltered environments, segregated work, and the sub-minimum wage does not truly provide a meaningful experience for workers with disabilities.”

They go on to say “people with disabilities deserve the right to live and work independently in their chosen communities.” **We agree.**

We do differ on the call to action to immediately close all sheltered workshops. Taking away one option does not automatically lead to the desired outcome. In fact, what has been the experience of many Iowans, is when the option to work in a sheltered environment is removed, the individual does not instantly receive a job in the community that takes him/her out of poverty. The opposite is true – that individual goes to a segregated setting where s/he is not given an opportunity to work at all.

The theory behind the Mental Health/Disability Services (MH/DS) Redesign is to move the system to one that is more comprehensive, unified and accessible. The vision is that persons with disabilities have the opportunity to live, work and recreate in the community of their choice. Without adequate funding to support this system’s infrastructure and transitional efforts, the persons receiving services lose opportunities. It is only when the entire system is aligned and moving toward a single vision that true progress can be made.

Just as Iowa’s supported employment program failed when funding did not support its mission, the Employment First Program will only succeed if ALL the funders are aligned with the mission to provide opportunities and resources for individuals to work in the community.

Invoking inflammatory rhetoric is not a call to action. Simply stating, “we do not support this service.” without providing a bridge to transition systems, programs and people to the desired outcome, will result in the failure of the Employment First initiative. We need to ensure the person receiving services is not forgotten in our efforts to move the system toward an ideal vision.

Conclusion:

Work is an important component in self-identity and self-worth. Sheltered work is one link in the employment continuum of care. It is not and should not be the only option afforded to individuals.

State and federal policy leaders have been talking about the value of work for individuals with disabilities. Funding for services to support these outcomes has not followed the conversation.

Iowa needs to step up and actualize its stated rhetoric around providing meaningful, community-based employment for persons with disabilities. The intent of the MH/DS Redesign is to improve the service system to this population. The number one goal as we move the system forward is to improve the quality of life for Iowans experiencing the challenges of mental illness and disabilities. In implementing the MH/DS Redesign, we have a moral obligation to ensure those responsible for the process **'Do No Harm.'**

Recommendations:

1. State leaders must ensure individuals continue to have **access** to high quality services, in spite of any and all transition of the larger service system.
2. Individual plans should drive the transition from segregated employment settings to community-based employment. We **MUST** focus on the person, not the payer. Individuals should not suffer due to a decision to change funding streams.
3. The principals of *Olmstead* and the ADA should drive systems change. Adherence to the federal law prohibiting Medicaid from funding segregated work settings does not negate the obligation to provide meaningful work opportunities for Iowans with disabilities.
4. Iowa received \$60 million to assist in rebalancing services from institutional to community-based. The most appropriate use of these funds appears to be an investment in the development of community-based services as the transition segregated settings is implemented. Iowa leaders must also commit to make the investment in funding toward that vision.