Texas Employment First Policy
and
Texas Employment First Task Force Report

As Required by
Senate Bill 1226
83rd Legislature, Regular Session, 2013

Fall 2016
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Executive Summary

The Employment First Task Force (EFTF), a 23-member advocacy and interagency working group, develops recommendations for policies, procedures, and rules to implement Senate Bill 1226, 83rd Legislature, Regular Session, 2013. This legislation establishes competitive integrated employment as the primary goal and priority for citizens using publicly funded services regardless of disability or level of disability. Employment First promotes the expectation that individuals with disabilities are valued members of the workforce, able to meet the same employment standards, responsibilities, and expectations as other working-age adults (Texas Government Code, §531.02448(a)) when provided the proper education, guidance, and long-term supports.

This is the second legislative report prepared by the Employment First Task Force to share findings and recommendations, including the efforts and results of policy changes, outcomes such as employment rates, and the economic impact of changes in the system. The recommendations for the legislature are as follows:

1. **Require the Health and Human Services Commission (HHSC), the Texas Workforce Commission (TWC), and the Texas Education Agency (TEA) to develop** (1) a joint plan for funding of competitive integrated employment, and (2) a joint phase-out plan that transitions individuals with disabilities out of subminimum wage and segregated work environments.

2. **Create an Employment First Division within HHSC to build employment service provider capacity and develop statewide outreach capabilities to assist people with disabilities, employers, providers, and family members to experience competitive integrated employment.**

3. **Specify that HHSC contracts require contractors and subcontractors to comply with Employment First policies by ensuring the primary goal is competitive integrated employment as outlined in the Government Code, 531.02447. Further, the EFTF asks that the legislature support agency efforts to comply with the Center for Medicaid and Medicare (CMS) Home and Community Based Services (HCBS) day setting requirements for Workforce Innovation and Opportunity Act (WIOA) competitive integrated employment requirements by ensuring that providers of day services initiate plans for conversion to meet federal guidelines, offer service definitions to meet individualized needs based on person-centered plans, increase provider compensation to meet quality employment standards, and guarantee that the HCBS state plan provides for and includes stakeholder input.**

4. **Require each state agency under Employment First--TEA, HHSC, and TWC--to establish annual goals for increasing the numbers of persons with disabilities employed in competitive integrated employment, and require each agency to develop a system for collecting and aggregating data that follows WIOA requirements and is reported to the HHSC Employment First Division annually.**

5. **Require local education agencies to conform to WIOA pre-employment and transition guidelines for students and graduates, particularly in relation to preparation for competitive integrated employment and individualized placements.**

6. **Extend the Employment First Task Force until 2022, with travel expenses funded, as referenced in SB 1226.**
The Employment First Task Force took into consideration the transformation and reorganization of Texas state agencies when preparing this report and is pleased to share evidence of agency progress for meeting the Employment First initiative. Additionally, task force members are aware of the reliance on day habilitation and sheltered workshop services in Texas. The recommendations of the task force encourage an incremental approach to change, as the service delivery system must adopt definitions, funding strategies, and quality indicators that will allow individuals with disabilities to transition to competitive integrated work settings. The EFTF embraces the recommendations from the 2012 National Council on Disability\textsuperscript{1} as well as the more recent 2016 report from Disability Rights Texas, “Living on a Dime and Left Behind.”\textsuperscript{2}

Further, passage of new federal legislation and directives impact future agency decisions, policy development, and ultimately service delivery. The Workforce Innovation and Opportunity Act (WIOA)\textsuperscript{3} and the Centers for Medicare and Medicaid Services Settings Rule for Home and Community-Based Services\textsuperscript{4} align with the Employment First initiative. Competitive integrated employment,\textsuperscript{5} a phrase used frequently in this report, means full or part-time employment in the community for which the person is compensated not less than minimum wage. Settings are typical businesses in which individuals with disabilities work side-by-side with non-disabled coworkers, encounter members of the public and are eligible for advancement opportunities to the same extent as workers who are not disabled. It is the hope of the Employment First Task Force that progress toward this expected achievement will be reflected in data collection, training, service delivery, and employment outcomes at all levels.

Although considerable work remains, progress is reported\textsuperscript{6} in state agency efforts since the initial 2014 EFTF report in 2014. More information can be found at the conclusion of this report. Highlights include:

- Employment First legislation in Texas required joint adoption and implementation of an Employment First policy by HHSC, TWC, and TEA. The three agencies formally adopted the state’s Employment First policy, vision, and guiding principles to impact all services and supports to people with disabilities that result in competitive integrated employment.
- TEA amended an instructional arrangement code for “off-home campus” which allows for community-based employment and educational services to count toward instructional time.
- TWC established a workgroup to implement WIOA, charged with services to individuals with disabilities and strengthening local partnerships. Of 28 local Workforce Boards, six have disability committees and 18 participate in disability community workgroups.
- DSHS reports that the employment rate for individuals with mental illness served by the Local Mental Health Authorities increased more than five percent, showing successful supported employment outcomes to more than 1,600 people over the past two years and putting Texas services in the range of the national average. In FY13, an average of 9,279 clients were employed per month and the employment rate was 14.2%. In FY15, an average of 12,621 clients were employed per month at an employment rate of 18.9%. For FY16, it is predicted that an average of 12,903 clients will be employed, at an employment rate of 19.5%.
The recommendations from the task force build on these changes to take “next steps” in the implementation of Employment First in Texas as well as meet the challenges of new federal mandates. First and foremost is strengthening the policies and procedures that promote competitive integrated employment in all sectors of the service delivery system, with an emphasis on transition-aged young adults exiting educational services. The movement of Vocational Rehabilitation from the Department of Assistive and Rehabilitative Services to the Texas Workforce Commission will continue to strengthen the delivery of the time-limited services for all persons with disabilities, including employer participation and support. An Employment First Division within HHSC is essential to build provider capacity within the long-term services and supports system for individuals with disabilities. Strategies to transition individuals from the current facility-based day programs to person-centered approaches and expertise in supported and customized employment is needed to ensure persons with disabilities can find, obtain, and keep jobs in integrated community settings. There is still substantial work that remains, indicating the need for continuation of the Employment First Task Force beyond the expiration in 2017 as provided by SB 1226 in the 83rd Legislative Session.
Overview of Employment First Policy and Task Force

“Employment is a fundamental value and aspiration in American culture. All people, including those with disabilities, gain many benefits from having a job. People are healthier, safer, and happier with meaningful work. They have relationships with co-workers, fewer health issues, and an increased sense of well-being. They report a greater sense of accomplishment, increasing their feelings of competence and self-worth, and contribute to the economy. Many people with disabilities live at or below the poverty level, and earned income from paying jobs helps supplement their resources and improves the quality of their lives.”

Employment First is a philosophy that encourages competitive integrated employment to be the expected outcome for people with disabilities. Federal and state policies have paved the way to support opportunities for people with disabilities to have meaningful jobs in their communities.

The Employment First Task Force prepares a report for the legislature by September of each even-numbered year.

Public task force members were selected after an application process and appointed by the HHSC Executive Commissioner. Agency representatives were suggested by agency leadership and also appointed by the HHSC Executive Commissioner as directed in SB 1226. The task force began meeting monthly in April 2014, and since that time, the task force has reviewed employment-related activities of each of the agencies represented on the task force and had considerable discussion about various issues related to how individuals with disabilities can access services and supports that lead to meaningful and gainful employment opportunities.

Legislative Recommendations

The following legislative proposals were approved by the Task Force for consideration by the Texas Legislature.

1. Planning for Competitive Integrated Employment

   Require the Health and Human Services Commission (HHSC), the Texas Workforce Commission (TWC), and the Texas Education Agency (TEA) to develop (1) a joint plan for funding of competitive integrated employment, and (2) a joint phase-out plan that transitions individuals with disabilities out of subminimum wage and segregated work environments.

   EFTF recommends funding to support programs that assist persons with disabilities, including individuals with significant disabilities, to transition to competitive integrated employment. Additionally, when transition to competitive integrated employment occurs in a graduated manner with necessary support services, infrastructure, education and outreach, transitions can be successfully facilitated with minimal disruption in the lives of individuals with significant disabilities, their families, and employers.

   **Labor market benefits:** Cognizant of changing global workforce needs, Governor Greg Abbott, the Texas Workforce Investment Council (TWIC), TWIC Partners (including HHSC, TEA and TWC), with input from Texas employers and the U.S. Chamber of Commerce, have acknowledged the importance of preparing individuals with disabilities for competitive integrated employment in the community. See *The Texas Workforce Strategic Plan (FY 2016-FY2023)* (*Strategic Plan*). Significantly, the *Strategic Plan* already calls for enhanced services.
for all traditionally underserved populations (including persons with disabilities) and acknowledges that if Strategic Plan goals, objectives, and strategies are implemented “all Texans will benefit from a higher quality of life” and Texas will maintain its status as a leader in the changing global economy. Thus, it is time for HHSC, TWC, and TEA to develop a plan, as called for in the Strategic Plan, which will refocus funding to the development of competitive integrated employment for all persons with disabilities, including those with significant disabilities.

**Economic benefits:** There can be significant economic benefits when individuals with disabilities transition from segregated and/or subminimum wage employment to competitive integrated employment and become more self-sufficient. For example, within three years after Vermont moved away from funding sheltered workshops to funding competitive integrated employment training programs, 80% of workers (including those with significant disabilities) had transitioned from sheltered workshops into competitive integrated employment in the community while the remaining 20% received meaningful services in the community. By 2005, Vermont workers in community employment placements had already paid $11.9 million in payroll taxes, and Social Security and other entitlement program payments were reduced by $5.5 million.

By 2013, Vermont workers with disabilities who had previously earned subminimum wages in sheltered workshops were earning 50 cents more per hour than the Vermont minimum wage and $2 more per hour than the federal minimum wage in jobs in the community. Additionally, Vermont’s employment rate for persons with developmental disabilities is now nearly six times the national average and 61% of all persons with disabilities find competitive integrated employment in the community within a year after receiving supported employment assistance.

In contrast, Texans with disabilities have a much higher unemployment rate than persons without disabilities and that they are more likely to work part time and/or earn less than their non-disabled counterparts – regardless of their educational level. Additionally, even though persons with disabilities make up 11.7% of the non-institutionalized population in Texas, they make up only 6.2% of the Texas labor force ages 16 and older.

**Benefits to employers:** Employers have also discovered that “[i]ndividuals with disabilities enhance workplace diversity and can offer employers unique skill sets and perspectives.” Diversity programs which focus on hiring and retaining employees with disabilities produce “positive hiring and retention outcomes as well as corporate and social responsibility impacts.” Businesses of all sizes, (including large companies such as Walgreens, U.S. Bank, Software Solutions, and others) are finding that having a diverse and integrated workforce, which includes persons with significant disabilities, can still have competitive and profitable businesses.

**Benefits to individuals with disabilities and their families:** Texas has approximately 10,000 individuals with disabilities working at subminimum wage in sheltered workshop settings or segregated enclaves in community settings. As the recent Investigative Report from Disability Rights Texas notes, these individuals often receive pennies an hour for their work based on “low expectations that instill a false sense of incapacity in individuals who could become competitively employed with the proper training and support.”

Members of the EFTF will never forget the compelling plea from an EFTF member in support of shifting funding to competitive integrated employment programs. The EFTF member recounted
how she worked in a sheltered workshop setting for eight years following high school in a job which was boring and tedious and paid her only 1-5 cents per hour. Unhappy with the work she was given to do, she tried to run away from the sheltered workshop on multiple occasions. Eventually, a job coach recognized her potential and assisted her in transitioning to a self-advocate job at a local mental health authority (LMHA). She has now been employed at the LMHA for over seventeen (17) years, earns above minimum wage, is happy in her job and is contributing to her community. (Golde 2016 at pp. 495-496). Recent studies and literature are replete with examples of persons with disabilities who far exceeded the low expectations mistakenly placed on them once they transitioned to competitive integrated employment. (Serres 2015; Stockton 2014).

The EFTF acknowledges that the prospect of moving to community job settings after many years in sheltered workshops may be frightening and/or seem impossible to family members who want to ensure that their loved ones are safe and happy. That is why the EFTF is recommending a graduated phase-out and transition to the community similar to the approach used successfully in Vermont. Even though family members in Vermont had initially been afraid for their adult children to move into community employment after many years in sheltered workshop settings, many now advocate for community integrated employment because their adult children have developed additional skills and satisfaction from their community employment.²³

**Graduated phase-out:** Disability advocates such as Disability Rights Texas,²⁴ the Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities,²⁵ and the National Council on Disability (NCD)²⁶ all recommend a graduated phase-out of support for segregated, subminimum wage work programs. Vermont’s successful transition from segregated, subminimum wage worksites to competitive integrated community employment demonstrates that a gradual phase-out can be successful and beneficial to the individuals with disabilities, their families, the economy, and the state.

The EFTF agrees that adequate infrastructure, outreach, and training must be in place to ensure that individuals with disabilities currently in 14(c) job settings, their families, and employment service providers are prepared for the transition to competitive integrated employment.²⁷ During this graduated phase-out period, EFTF recommends that new placements into 14(c) job sites (including shelters and enclaves) be severely limited in accordance with WIOA requirements²⁸ and that newly created segregated, subminimum wage placements cease altogether.

Although conversion is a challenge, Texas is not new to systems change. From 1995 to 2000 significant success was achieved with over 50% of persons with intellectual/developmental disabilities under the legacy Texas Department of Mental Health and Mental Retardation Services receiving supported employment services.²⁹ The 1994 Texas State Comptroller’s Supported Employment Summit produced a clear recommendation to “… ensure that all Texans with disabilities have the opportunity and support necessary to work in individualized, competitive employment in the community and have choices about their work and careers.”³⁰ Employment services blossomed under the determined leadership and creative approaches of a committed and trained state and local services staff – always under limited budget constraints. It is time to revisit the core elements and values that make supported and customized employment a successful outcome to ensure all Texans are provided real work opportunity.
2. **HHSC Employment First Division**

Create an Employment First Division within HHSC to build employment service provider capacity and develop statewide outreach capabilities to assist people with all disabilities, employers, providers, and family members to experience competitive integrated employment. Responsibilities include but are not limited to:

a. Developing an informational website;

b. Providing training and technical assistance to expand, support and improve provider network service capacity;

c. Assuring agency and provider expertise to serve all populations with disabilities, including persons with the most complex needs;

d. Increasing number of employers offering competitive integrated employment;

e. Providing benefit and work incentive counseling to persons with disabilities, their families and businesses.

f. Engage in public awareness/outreach/education campaign on benefit and work incentive planning; and

g. Coordinating pre-employment and employment services with TWC and TEA.

An Employment First Division within HHSC will provide coordination, education, and technical support to build the path to competitive integrated employment for people with disabilities on public benefits. The Texas Workforce Solutions-Vocational Rehabilitation Services (TWS-VRS) (previously Department of Assistive Rehabilitation Services, DARS) and HHSC provide for employment services to eligible persons with disabilities but the eligibility and enrollment process, the length of time waiting for services and type of services provided by each agency is quite different. An Employment First Division within HHSC will promote the expectation of competitive integrated employment for people with disabilities while receiving any HHSC services and supports, in partnership with TWS-VRS and TEA.

Through authorization of a HHSC Employment First Division, agency staff and providers will have a resource to understand their role to develop and reach the employment outcomes as defined in WIOA, the CMS Medicaid settings rule, and most importantly, the individual employment goal of the person receiving individualized employment services.

3. **Day Habilitation Services**

Specify that HHSC contracts require contractors and subcontractors to comply with Employment First policies by ensuring the primary goal is competitive integrated employment as outlined in the Government Code, 531.02447. Further, the EFTF asks that the legislature support agency efforts to comply with the Center for Medicaid and Medicare (CMS) Home and Community Based Services (HCBS) day setting requirements for Workforce Innovation and Opportunity Act (WIOA) competitive integrated employment requirements by ensuring that providers of day services initiate plans for conversion to meet federal guidelines, offer service definitions to meet individualized needs based on person-centered plans, increase provider compensation to
meet quality employment standards, and guarantee that the HCBS state plan provides for and includes stakeholder input.

The Centers for Medicare & Medicaid Services (CMS) published their final rule and established requirements on the quality of settings for Medicaid HCBS services effective March 2014. Including the 1915(c) HCBS waivers, 1915(i) State Plan, and 1915 (k) Community First Choice State Plan, the rule provides an “outcome-oriented” definition that describes the nature and quality of an individual’s experience. The Workforce Innovation and Opportunity Act specifies “competitive integrated employment” for people with disabilities, including support for school age youth to transition to real work with real pay. SB1226 authorizing Employment First in Texas clearly states that “integrated and competitive employment is the primary goal.” To meet these expectations of integrated settings, Texas must:

- ensure that providers of day services initiate plans for conversion to meet Federal guidelines;
- offer service definitions to meet individualized needs based on person-centered plans;
- increase provider compensation to meet quality employment standards; and
- guarantee that the HCBS state plan provides for and includes stakeholder input.

4. Goal Setting and Reporting

Require each state agency under Employment First--TEA, HHSC, and TWC--to establish annual goals for increasing the numbers of persons with disabilities employed in competitive integrated employment, and require each agency to develop a system for collecting and aggregating data that follows WIOA requirements and is reported to the HHSC Employment First Division annually.

A hallmark goal of Employment First is to increase competitive integrated employment for individuals with disabilities. Data that represent this increase are essential to determine whether there is actual improvement in employment among people with disabilities. The Texas Workforce Investment Council (TWIC) Annual Report and the WIOA Combined State Plan currently support a collaborative approach to setting goals and reporting employment-based data.

In order to measure employment outcomes for persons with disabilities, there must be systems developed to set annual employment-based goals and identify data-collection systems that reflect increases in employment. WIOA requires the Combined State Plan to serve as a framework for a system connecting federal education, employment, and training programs. The EFTF recommends that yearly performance reports from TEA, TWC, and HHSC must include, at a minimum, the following information:

- The total number of individuals with disabilities who participate in programs targeting competitive integrated employment, including preparatory programs and core programs (for that program year and the three preceding program years);
- The total number of individuals with disabilities who exited each of the core programs or from preparatory programs (for that program year and the three preceding program years);
- Information related to the primary performance indicators for individuals with disabilities who participate in preparatory programs and core programs (for that program year and the three preceding program years); and including
• The average cost for all participants who received career and training services in the core programs (for the current year and three preceding program years). In addition provide a cost analysis associated with individuals with disabilities who participate in preparatory programs (for that program year and three preceding program years).

The state agencies under the Employment First initiative (HHSC, TEA, and TWC) will report their data annually to the HHSC Employment First Division.

5. Education Compliance with WIOA

Require local education agencies to conform to WIOA pre-employment and transition guidelines for students and graduates, particularly in relation to preparation for competitive integrated employment and individualized placements.

The Workforce Innovation and Opportunity Act (WIOA) is federal legislation designed to strengthen and improve our nation’s public workforce system. WIOA will help prepare and place Americans with significant barriers to employment, including those with significant disabilities, into high-quality jobs and careers. WIOA was signed in 2014, and the resulting rules were posted in June 2016. WIOA prohibits local education agencies and state education agencies from entering into arrangements with holders of special wage certificates under section 14(c) of the FLSA for the purpose of operating a program for a youth who would be compensated at a subminimum wage such as in sheltered workshop settings.

WIOA rules call for a unified state plan, with coordination and reporting requirements among local education agencies, Vocation Rehabilitation, and HHSC. Fifteen percent (15%) of the VR allotment must be spent on pre-employment transition services for students with disabilities ages 10-22 to prepare for competitive integrated employment. Sheltered workshops paying subminimum wages do not meet the definition of competitive integrated employment.

6. Employment First Task Force

Extend the Employment First Task Force until 2022, with travel expenses funded, as referenced in SB 1226.

Full implementation of Employment First in Texas will require HHCS, TWC and TEA to design, oversee implementation and coordinate services to help individuals with disabilities transition successfully to competitive integrated employment. These three agencies are just beginning to work together on the Employment First initiative. An advisory committee, such as the Employment First Task Force (EFTF), which includes self-advocates, parents, professionals and non-voting agency staff, has been key to overseeing Employment First implementation. The EFTF will continue to be necessary as individuals begin to transition out of segregated, subminimum wage settings into competitive integrated employment.

Education and Outreach Recommendations

As previously noted, the EFTF is also tasked with designing an education and outreach process targeted at individuals and entities who are impacted by or responsible for competitive integrated employment programs under the Texas Employment First initiative. Although HHSC, TEA, and TWC have made progress with their Employment First initiatives, much still needs to be done to ensure that individuals with disabilities move into competitive integrated employment settings.
Because so many adults with disabilities have received services in segregated employment settings (i.e., sheltered workshops or enclaves) for extended periods of time, education and outreach is necessary\(^34\) to (1) allay the fears of consumers and family members about transitioning from a sheltered workshop to competitive integrated employment setting;\(^35\) (2) provide vital benefit planning and work incentive counseling;\(^36\) and (3) educate employers and consumers and their families about the mutual benefits available with competitive integrated employment.\(^37\)

Outreach and marketing to public and private employers need to have a strong business-to-business training component which helps to dispel negative myths and stereotypes about people with significant disabilities and allows them to learn about successful diversity hiring techniques.\(^38\) Disability etiquette and awareness training would benefit all employees who interact with persons with disabilities as co-workers, customers or service providers.

The EFTF believes that (1) counselors, service providers, and consumers would benefit from training on assistive technology, supported and assisted employment, and job carving; and (2) greater oversight and tracking of employment data outcome measures from HHSC is essential to ensure that all individuals are given an opportunity for competitive integrated employment.

Awareness of eligibility for vocational rehabilitation services is a starting point to Employment First development. 34 CFR 361.42 clarifies that any applicant who is a Social Security beneficiary and wants to achieve an employment outcome, is presumed eligible for vocational rehabilitation services as a person with a significant disability.

Based on these findings, the EFTF makes the following recommendations\(^39\):

- **HHSC, TEA, and TWC** should serve as model employers in order to demonstrate to private and public employers the importance of employing persons with disabilities by (1) instituting a community outreach program to actively recruit persons with disabilities for employment in their own state agencies; (2) promoting competitive and integrated employment and skill development to increase the number of employees with disabilities by 2% each year\(^40\); (3) paying all employees with disabilities at least minimum wage\(^41\) and employing them in integrated work settings; and (4) requiring agency contractors and subcontractors to pay employees with disabilities at least minimum wage\(^42\) and employ them in community integrated job settings.

- **HHSC, TEA, and TWC** should demonstrate their model employer efforts by annually reporting (based on voluntary disclosure by individuals/applicants with no self-identifying information being reported) to the HHSC Employment First Division the number of persons with disabilities they currently employ, the number of persons with disabilities they have interviewed; the number of interviewees with and without disabilities hired; the average hourly wages of the persons with disabilities hired; and a summary of each outreach effort the agency has made to recruit, hire, and retain persons with disabilities. The data can be provided in the aggregate.

- **HHSC, TEA, and TWC** should request of all contractors and subcontractors to report (based on voluntary disclosure of individuals/applicants with no self-identifying information being reported), at least annually, the number of persons they employ who have disabilities, the average hourly wage of the employees, and whether the employees work in competitive integrated settings. HHSC, TEA, and TWC should file these reports with the HHSC Employment First Division. The data can be provided in the aggregate.
• HHSC, TEA, and TWC should assure information and training be made available to all of their front line employment services delivery staff (employees, contractors and subcontractors) who interact directly with individuals with disabilities. This would include job coaches, job placement providers, supported employment providers, teachers, case managers and/or service coordinators, vocational rehabilitation counselors, and managed care organizations. The training should include (1) Employment First policies and philosophy; (2) cultural disability competency; (3) best practices for assessing, evaluating, and communicating with persons with significant disabilities such as autism, mental health issues, and intellectual disabilities; (4) confidentiality of medical records; (5) how to implement education, employment, and/or service plans which will support the individual to achieve competitive integrated employment; and (6) Social Security Work Incentive programs, WIOA provisions, and the ABLE Act.

• The HHSC Employment First Division should develop and make available training information and materials for employers about (1) reasonable accommodations; (2) tax incentives for hiring persons with disabilities; (3) model practices for recruiting, interviewing and training employees with disabilities; (4) the benefits of employing persons with disabilities; (5) disability etiquette; and (6) resources and technical assistance and/or services available through HHSC, TEA, and TWC, the Job Accommodation Network, and the Employer Assistance and Resource Network.

• TWC should provide training to local workforce boards and centers regarding local labor market data, trends in vocational training, and the dissemination of employment options information to consumers.

• In order to ensure a seamless transition of employment services and supports, HHSC and TWC should make training available to staff regarding (1) how to enhance partnering and collaboration opportunities, and (2) extended services available through HHSC following closure of rehabilitation cases at TWC.

• HHSC, TEA, and TWC should cross-train community partners to enable each partner to (1) make referrals for services not available by one partner, and (2) provide coordinated services across state agencies or partner programs.

• TEA should train local education agencies to include an IEP description of the integrated work experiences which will be provided to students with disabilities in order assist them to reach their postsecondary employment and/or training goals.

• TEA should develop training for teachers and paraprofessionals working with students with disabilities which include the value of “setting high expectations, academic career planning; disability support services, universal design and accommodations based on learning style” and integrated work experiences.

• The Employment First Division of HHSC should develop a statewide Employment First campaign to educate the public, the public workforce system, employers, and consumers on (1) the types of jobs individuals with significant disabilities hold in competitive integrated employment; (2) business-to-business advice on successful diversity policies and practices; (3) marketing materials which focus on advantages to businesses when they hire individuals with significant disabilities; (4) the abilities and contributions of persons with significant disabilities in competitive integrated employment settings to
dispel negative stereotypes about employees with significant disabilities; (5) disability awareness highlighting communication skills and techniques necessary to work most effectively with persons with significant disabilities; and (6) services provided by HHSC, TEA and TWC to assist employers and providers of all sizes implement Employment First programs.50

- It is vital that training be made available to individuals with disabilities, their families, and providers related to (1) Social Security work incentives (so individuals receiving SSI can exclude resources from total earned income); (2) using the ABLE (Achieving a Better Life Experience) Act to invest earned income without jeopardizing benefits;51 (3) WIOA benefits for individuals with disabilities (including those with significant disabilities); (4) peer support programs to assist individuals with disabilities with workplace issues;52 and (5) self-directed learning which enables persons with disabilities to be actively involved in own career and job-related goals.53

**Conclusion:** As Texas continues to compete in a rapidly changing economy with new labor demands, it is important to have access to a well-trained labor pool that includes all potential employees, including employees with significant disabilities.54 With robust education and outreach programs aligned with these recommendations, all individuals with disabilities can expect to transition into competitive integrated employment, and Texas will continue to remain a dominant economic power.

**Recommendations to HHSC, TEA, and TWC**

1. Continue intensive collaborative meetings and communication with stakeholders that will identify issues with and remove system barriers to the provision of employment services in accordance with Employment First principles and practices. This effort should result in regular, routine inter-agency activities that can capture and report on real data, address concerns of the EFTF, and recommend changes in the service delivery system.

2. To the extent possible, develop rules and standards across agencies that have shared or common definitions. These definitions include, but are not limited to, Supported Employment, Employment Assistance, Job Placement, Job Coaching, Person-Centered Planning, and Competitive Integrated Employment.

3. Align and improve data systems on competitive integrated employment outcomes.

**Employment Data and Statistics**

One way to identify change in employment trends for individuals with disabilities is to examine pertinent data. Most of the data used in this portion of the report is from StateData from the National Report on Employment Services and Outcomes. Its sources include several data sets that address employment and economic self-sufficiency for people with intellectual and developmental disabilities (Butterworth et al., 2014).

Employment First represents individuals with all disabilities; however, the Employment First Task Force was unable to find a data source that provided comprehensive employment information for the broad population of adults with all disabilities, estimated by the Centers for Disease Control in 2013 to be “1 in 5 adults or over 53 million people in the United States.”55

*Note: Tables 1-5 reflect data from a 2014 report using 2013 data.*
**Employment:** Today people with disabilities are compromised in their ability to live above the poverty level and those with cognitive disability are twice as likely as people with no disability to live below it (Table 1).

- People with no disability are twice as likely to be employed as people with a disability, and three times as likely to be employed as people with a cognitive disability (Table 2).
- The general population is 25 times more likely to find employment than the population with intellectual disability (Table 3).
- Five percent of case closures by DRS and DBS combined is associated with persons with intellectual disability. Likewise, five percent of successful case closures are persons with intellectual disability (Table 4).

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<thead>
<tr>
<th>Table 1. Percentage of working people who live below the poverty level in 2013.</th>
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<tbody>
<tr>
<td>People with no disability</td>
<td>14.4%</td>
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<tr>
<td>People with disability</td>
<td>27.1%</td>
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<tr>
<td>People with cognitive disability</td>
<td>31.7%</td>
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<tr>
<th>Table 2. Texans employed in 2013.</th>
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<tbody>
<tr>
<td>People with no disability</td>
<td>71.9%</td>
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<tr>
<td>People with disability</td>
<td>35.7%</td>
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<tr>
<td>People with cognitive disability</td>
<td>25.2%</td>
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<tr>
<th>Table 3. Percentage of case closures per 1,000 of the state population.</th>
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<tbody>
<tr>
<td>All case closures that result in employment</td>
<td>5.1%</td>
</tr>
<tr>
<td>Case closures that result in employment for population with intellectual disabilities</td>
<td>.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4. Case closures (DRS and DBS combined) out of 35,888 DARS case closures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Case closures associated with intellectual disabilities</td>
<td>1649</td>
</tr>
<tr>
<td>Case closures that result in employment</td>
<td>13,518</td>
</tr>
<tr>
<td>Case closures associated with intellectual disabilities that result in employment</td>
<td>609</td>
</tr>
</tbody>
</table>
Integrated employment: Approximately 8% of working people who have a disability are working in integrated settings; this is five times higher than those who have an intellectual disability, of whom only 1.4% works in integrated settings (Table 5).

<table>
<thead>
<tr>
<th>Table 5. DADS agency outcomes for people with disabilities working in employment settings⁶⁰ and as a percentage of the general population.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of IDD agency customers working in employment settings</td>
</tr>
<tr>
<td>Percentage of IDD agency customers working in integrated settings</td>
</tr>
<tr>
<td>As percentage of the general population, percentage of IDD agency customers who work in integrated employment</td>
</tr>
</tbody>
</table>

Subminimum wages. As Table 6 shows, 109 entities in Texas employ approximately 10,000 people with disability.

- 66% pay all of their employees subminimum wages.
- 58% pay less than 50 cents an hour.
- 25% act as a representative payee, which means they receive the paycheck and SSI check and handle personal finances for the person with disability.

<table>
<thead>
<tr>
<th>Table 6. Texas statistics highlighted in the July 2016 Disability Rights Texas Report⁶¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>14(c) certificate organizations paying subminimum wage</td>
</tr>
<tr>
<td>Individuals earning subminimum wages in Texas (sheltered workshops)</td>
</tr>
<tr>
<td>Percentage of organizations that report their wages, pay 100% of their workers subminimum wages</td>
</tr>
<tr>
<td>14(c) organizations reporting wages less than $.50 per hour (of 76 reporting)</td>
</tr>
<tr>
<td>Organizations that serve as employer and also representative payee (of 72 reporting)</td>
</tr>
</tbody>
</table>

Note: The terms “cognitive disability,” “intellectual disability (ID),” and “intellectual and developmental disability (IDD)” are used as the agency that reported the data used them.
Agency Activities related to Employment First

Although considerable work remains, progress is reported by state agencies since the initial EFTF report in 2014. The following activities are a high level overview and are not an exhaustive list.

Texas Education Agency

- The Texas Education Agency (TEA) adopted the Employment First policy and posted it on the agency website, with ongoing implementation.

- TEA’s methodology to track services and employment outcomes is in alignment with the Individuals with Disabilities Education Act (IDEA) and monitoring priorities established under 20 U.S.C. 1416(a), and 34 CFR §300.600, found within the state performance plan (SPP). SPP Indicator 14 measures the percent of youth who are no longer in secondary school, had individualized education programs (IEPs) in effect at the time they left school, and were:
  - Enrolled in higher education within one year of leaving high school.
  - Enrolled in higher education or competitively employed within one year of leaving high school.
  - Enrolled in higher education or in some other post-secondary education or training program; or competitively employed or in some other employment within one year of leaving high school.

- TEA met with DRS/DBS/TWC to promote and implement evidence-based practices (EBPs) for integrated vocational and situational assessments. The joint agency meetings also focus on plans to ensure appropriate state agency staff participation in the coordination of services for transition planning, vocational counseling, and independent living needs and ongoing services for students with disabilities. Furthermore, the ESCs provide training, professional development, and technical assistance to school districts to promote and implement EBPs for integrated vocational and situational assessments.

- In an effort to provide information for students and families about the impact of employment benefits and how work incentives can be utilized, the Texas Transition Network, a statewide leadership project led by Region 11 Education Service Center (ESC), produces and maintains the Transition and Employment Guide and website. A companion training and guidance document that identifies evidence-based practices and a plan for disseminating information to parents and students was submitted to TEA by the Texas Transition Network for approval in June 2016.

Texas Workforce Commission

- TWC formally adopted the EF Policy, vision, and guiding principles. The policy has been distributed to the Workforce Solutions Network and is posted on the TWC website.

- The Workforce Innovation and Opportunity Act (WIOA) created a new set of common measures applicable to a variety of workforce, education, and vocational rehabilitation programs, including those operated by TWC.

- TWC will cross-train Business Services Unit (BSU) staff in Workforce and VR employer representatives. TWC partnered with DARS to include a super session “An Overview of
Vocational Rehabilitation” and a workshop “Partners Lead to Employment” during the recent Workforce Forum.

- TWC currently prepares analyses of services data for employment, retention, and average earnings for customers who disclosed disabilities. TWC will look for opportunities to enhance data capture and reporting as VR moves to TWC on September 1, 2016. WIOA has a general emphasis on serving persons with disabilities, VR is one of the designated core services and there is focus on competitive integrated employment. New federal data collection and reporting requirements under the new law are yet to be published.

Department of Assistive and Rehabilitative Services
- DARS field staff received training on Employment First, Employment Assistance, and Supported Employment through forums and web-based trainings. In addition, DARS staff and some CRPs participate in the developmental disability team meetings and trainings. CRPs must meet credentialing requirements to provide specific employment services. Central Office program specialists provide training in the area of transition services, developmental disabilities, and work incentives for SSI/SSDI recipients, to name a few.
- The policies written in the manuals for DARS’ Divisions for Rehabilitation Services and Blind Services are compliant with the federal eligibility criteria, in particular, presumption of eligibility for SSI/SSDI recipients.
- A pilot project is being considered to provide training on Customized Employment. DARS’ policies address trial work and work experiences.
- Monitoring and internal control systems have been implemented to ensure compliance with policy and accountability in timely progression through the vocational rehabilitation process.
- A policy has been revised to allow for work experience training or coaching during work experiences that may include volunteer opportunities, internships, or temporary paid work.

Department of State Health Services
- The Department of State Health Services (DSHS) working with the Employment First Task Force (EFTF), has met with focus groups to determine what recommendations related to employment would best represent the needs of individuals being served by DSHS contractors. The results of these efforts were the following recommendations made to DSHS;
  1. Strengthen relationships with HHSC, TEA, and TWC;
  2. Complete the MOU with TWC;
  3. Research, develop, and implement meaningful data targets and outcomes for supported employment at all levels of care;
  4. Develop and implement a strategy to train all practitioners in the evidence-based practice for supported employment of Individual Placement & Support (IPS) in order to ascertain fidelity to the IPS model;
  5. Increase oversight of Information Item H of the LMHA performance contract which ensures all individuals are provided support in applying for and receiving all benefits they are eligible for; and
6. Continue to take advantage in every way possible of the existing and emerging waivers and possibilities for changes/amendments to the Medicaid State Plan that would provide stronger support for supported employment for those individuals with mental illness.

Department of Aging and Disability Services
- The Department of Aging and Disability Services (DADS) and the Department of Assistive and Rehabilitative Services (DARS) renewed in August the memorandum of agreement that describes the coordination of employment services between the two agencies.
- DADS is administering a Money Follows the Person Employment Project that provides short-term funding to a small group of providers to implement system change within their respective agencies, including Employment First policies and practices that improve employment outcomes for individuals served. The project is structured as a collaborative effort with DADS Medicaid providers, and individuals with intellectual and developmental disabilities who are receiving services from DADS and DARS as key stakeholders.
- Employment Assistance and Supported Employment services have been added to all of the DADS 1915(c) waiver programs. Training efforts are underway, including a project to provide training on Employment First, Employment Assistance, and Supported Employment to DADS providers and DARS field staff.
- The new rule on Home and Community-Based Services published by the Centers for Medicare and Medicaid Services that became effective March 2014 requires that all HCBS services be provided through a person-centered service planning process by 2019. DADS has begun the process of incorporating person-centered planning across the 1915(c) waivers.

Health and Human Services Commission
- The Health and Human Services Commission acknowledges the policy of the state, as set forth in Texas Government Code §531.02447, that earning a living wage through integrated, competitive employment in the general workforce is the priority and preferred outcome for working-age individuals with disabilities who receive public benefits. HHSC adopted the employment first policy and guiding principles on behalf of all health and human services agencies via circular on February 26, 2016. The circular is posted on HHSC's website: https://hhs.texas.gov/about-hhs/leadership/policy-circulars-and-bulletins/hhs-circular-c-048.
- HHSC included an informative article about the Employment First policy in a newsletter shared with health and human services managers across Texas.
- HHSC convened and coordinated a cross-agency workgroup dedicated to Employment First and employment issues. TWC, TEA, and all health and human services agencies are included. The workgroup meets quarterly to share information and discuss and coordinate cross-agency employment initiatives.
- Employment Assistance and Supported Employment services were added to the STAR+PLUS Home and Community Based Services program (also called STAR+PLUS Waiver). Managed care organization (MCOs) are responsible for assessing member interest in employment and authorizing employment services.
• HHSC joined other health and human services agencies, TEA, and TWC, in helping to coordinate and support a grant application submitted by the Texas Council on Developmental Disabilities. A letter of support from HHSC was submitted along with other grant application materials.

• HHSC Human Resources held successful workshops with Criss Cole Rehabilitation Center Division for Blind Services (CCRC DBS) clients. Tips, suggestions, and best practices for navigating the Health and Human Services Job Center portal, submitting applications, and interviewing were provided to individuals. Opportunities to speak directly to human resources personnel and receive essential feedback for employment searches were also provided. Another employment workshop for CCRC DBS clients has been requested for later this year.
### Task Force Membership

<table>
<thead>
<tr>
<th>Name</th>
<th>Task Force Member Category</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephanie Sokolosky, Chair</td>
<td>Provider</td>
<td>Harlingen</td>
</tr>
<tr>
<td>Chris Botello</td>
<td>Individual</td>
<td>Austin</td>
</tr>
<tr>
<td>Luis Enrique Chew</td>
<td>Individual</td>
<td>El Paso</td>
</tr>
<tr>
<td>Diego Demaya</td>
<td>Individual</td>
<td>Houston</td>
</tr>
<tr>
<td>Norine Jaloway Gill</td>
<td>Family Member</td>
<td>Seabrook</td>
</tr>
<tr>
<td>Kendra Kerbow</td>
<td>Individual</td>
<td>Fort Worth</td>
</tr>
<tr>
<td>Linda Levine</td>
<td>Family Member</td>
<td>Bee Cave</td>
</tr>
<tr>
<td>Linda Litzinger</td>
<td>Family Member</td>
<td>Austin</td>
</tr>
<tr>
<td>Linda Logan</td>
<td>Advocate</td>
<td>Austin</td>
</tr>
<tr>
<td>Stephanie Myers</td>
<td>Individual</td>
<td>Austin</td>
</tr>
<tr>
<td>Elaine Roberts</td>
<td>Individual, Family Member and Employer</td>
<td>Conroe</td>
</tr>
<tr>
<td>Leah Rummel</td>
<td>Employer</td>
<td>Austin</td>
</tr>
<tr>
<td>April Watson-Horton</td>
<td>Family Member</td>
<td>DeSoto</td>
</tr>
<tr>
<td>Lori Williams</td>
<td>Individual</td>
<td>San Antonio</td>
</tr>
<tr>
<td>Robert Williams</td>
<td>Family Member</td>
<td>Houston</td>
</tr>
</tbody>
</table>

### Agency Representatives

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carline Geiger, Vice Chair</td>
<td>TWC</td>
<td>Austin</td>
</tr>
<tr>
<td>Reagan Miller</td>
<td>TWC</td>
<td>Austin</td>
</tr>
<tr>
<td>Reece Carroll</td>
<td>DSHS</td>
<td>Austin</td>
</tr>
<tr>
<td>Marc Mullins</td>
<td>HHSC</td>
<td>Austin</td>
</tr>
<tr>
<td>Susan (Susie) May</td>
<td>TEA</td>
<td>Austin</td>
</tr>
<tr>
<td>Kristen Jones</td>
<td>DFPS</td>
<td>Austin</td>
</tr>
<tr>
<td>April Young</td>
<td>HHSC</td>
<td>Austin</td>
</tr>
</tbody>
</table>
Citations


3. Summary Description of FINAL RULES Implementing Title I of the Rehabilitation Act (State Vocational Rehabilitation) as amended by Title IV of WIOA. The National Center on Leadership for Employment and Economic Advancement of People with Disabilities (LEAD), August 19, 2016.


5. Summary Description of FINAL RULE Implementing Title I of the Rehabilitation Act, *supra* at 5.

6. The agency accomplishments listed on this page and on Agency Activities related to Employment First (pages 18-21 of this report) reflect progress reports submitted by the Texas Education Agency (TEA), the Texas Workforce Commission (TWC), the Department of Assistive and Rehabilitative Services (DARS), the Department of State Health Services (DSHS), and the Department of Aging and Disability Services (DADS). Inclusion of the agency success reports does not denote approval or endorsement of these reports.


11. Introduction to the *Texas Workforce System Strategic Plan (FY2016-2023)* in a letter from Governor Greg Abbott dated September 1, 2015.


16. Texas Workforce Investment Council (TWIC), *People with Disabilities: A Texas Profile* (June 2016) at 1 and 33.

17. American Community Survey (ACS) at 15 and 22. (2014)
18 TWIC, supra at 1.
20 Kansas University Center on Developmental Disabilities, supra at 7.
22 Disability Rights Texas, supra at 15. See also, Golde, supra at 486-496.
23 See for example, Stockton, supra at 4; Serres, supra at 2 and 5; and Dague, Bryan, Sheltered employment, sheltered lives; Family perspectives of conversion to community based employment, Journal of Vocational Rehabilitation 37 (2012)1-11 at 10.
24 Disability Rights Texas, supra at 24.
25 Interim Report, Sept. 15, 2015, at 87-88 and 96-97 (Available at https://www.dol.gov/odep/topics/wioa.htm (last viewed on 8/7/2016)
26 National Council on Disability, NCD Recommendations at 5-6 (Available at http://www.ncd.gov/publications/2012/August232012/recommendations (last viewed on 7/14/2016).
27 Disability Rights Texas, supra, note 2, at 25. See also, NCD Recommendations, supra, note 26, at 2.
28 Disability Rights Texas, supra, note 2, at 21.
29 Zeek Harris http://www.marcgold.com/Bios/ZeekHarris.html
30 Provide Supported Employment to Texans with Disabilities. https://cdn.preterhuman.net/texts/employment/wf11hhs1.txt
33 Id.
35 Several parents and sheltered workshop owners gave public comments to the Task Forces regarding their concerns that adults with severe disabilities in sheltered workshops will not be capable of integrated employment. Similar fears have been successfully addressed in other states through education, outreach, peer support and graduated transition steps based on length of stay in sheltered employment. See Dague at 5-8 and Recommendations at 1-3 and Interim Report at 139-140. See also, https://www.youtube.com/watch?v=7wFf5bCnP4c (testimonial of parent who vehemently opposed her daughter’s
transition from a sheltered workshop to CIE in Vermont but who has now seen that CIE can work even for long
term sheltered workers).

36 EFTF agrees with disability advocates/experts that it is extremely important for individuals with disabilities, their
families, and providers be trained on Social Security Work Incentives (which allows SSI recipients to exclude
resources from total earned income) and the new ABLE Act (which allows individuals to invest earned income
without jeopardizing government benefits). See for example, Disability Rights Texas, supra at 25; and National
Council on Disability, supra note 26.

37 Id.


39 Many of these recommendations are reiterations of recommendations made by EFTF in its 2014 Report which
have not yet been accomplished. See 2014 Texas Employment First Task Force Report at 12-23.

40 EFTF agrees with Disability Rights of Texas that TEA should concentrate on employing persons with disabilities in
accordance with IDEA requirements. See Disability Rights Texas, supra at 26.

41 EFTF previously recommended that all workers for state set aside contracts and state employees should be paid
at least minimum wage. See 2014 EFTF Report, supra at 22.

42 Texas contracts with 12 Texas entities which pay their workers subminimum wage and payments to these
entities totaled over $5 million. Disability Rights Texas, supra at 10.


44 Internal Revenue Services, Tax Benefits for Business Who Have Employees with Disabilities, is explained at the
following web address: https://www.irs.gov/businesses/small-businesses-self-employed/tax-benefits-for-
businesses-who-have-employees-with-disabilities

45 2014 EFTF Report, supra at 17.

46 Id.

47 Id. at 21.

48 Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities, supra at
28. (Although this report deals with federal Employment First recommendations, the rationales offered for its
excellent recommendations are equally appropriate for Texas Employment First initiatives);

49 Id. at 29 and 43. (Noting the value that school arranged internships, apprenticeships and other integrated work
experiences can have for students who then leave school with a portfolio of job experiences and an effective plan
for postsecondary education or training).

50 Id. at 61-63.

51 Disability Rights Texas, supra at 25.


53 Kansas University Center on Developmental Disabilities, supra at 7 and 9-11.

54 TWIC, supra note 16 at 1 and 33.

55 Key Findings: Prevalence of Disability and Disability Type among Adults, United States – 2013
http://www.cdc.gov/ncbddd/disabilityandhealth/features/key-findings-community-prevalence.html

Id.

Id.

Id.