

Testimony on Employment First

Secretary Kathy Manderino

Department of Labor and Industry

Secretary Ted Dallas

Department of Human Services

Secretary Pedro A. Rivera

Department of Education

House Labor and Industry Committee

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Good afternoon Chairwoman Gingrich and Chairman Galloway, members of the House Labor and Industry Committee, and staff. My name is Kathy Manderino, Secretary of the Department of Labor and Industry and I am joined here today by Ted Dallas, Secretary of the Department of Human Services, and Pedro Rivera, Secretary of the Department of Education. I would like to thank you for the opportunity to present testimony regarding House Bill 2130 and the Wolf Administration's efforts to establish and implement an "Employment First" policy to increase competitive-integrated employment for individuals with disabilities in Pennsylvania.

Employment First Executive Order

On March 10, 2016, Governor Tom Wolf signed Executive Order 2016-03, entitled *"Establishing 'Employment First' Policy and Increasing Competitive-Integrated Employment for Pennsylvanians with a Disability."* The executive order establishes policy for agencies under the Governor's jurisdiction, requiring competitive-integrated employment to be the first consideration and preferred outcome of all publicly funded education, employment and training, and long-term supports and service programs for working-age Pennsylvanians with a disability. The executive order directed the departments of Labor and Industry, Human Services, and Education to obtain stakeholder and business input and work with other agencies as appropriate to develop a plan to implement the executive order. The order defines standards against which progress will be measured. The Governor's Office of Administration is also charged with reducing barriers to commonwealth employment for people with a disability.

Statistics for Pennsylvania

According to the U.S. Census Bureau, 19 percent of the population has a disability. About 66 percent of the population is working age (typically defined as ages 16-64), which means in Pennsylvania there are approximately 1.6 million working-age people with a disability. The U.S. Bureau Labor Statistics reports only a 20 percent labor participation rate for people with a disability as compared to a 63 percent labor participation rate for people without a disability. (The labor participation rate refers to the combination of people currently employed and those currently unemployed but looking for work.) We have a lot of work to do to help people with disabilities become fully engaged members of the workforce.

Implementation Process

The executive order established an interagency workgroup charged with developing and implementing a plan to make Employment First a reality in Pennsylvania. The workgroup consists of staff from the Governor's Policy Office (GPO), the departments of Labor & Industry (L&I), Human Services (DHS), Education (PDE), General Services (DGS), Transportation (PennDOT), and the Governor's Office of Administration (OA). The interagency workgroup actively sought stakeholder and employer input through various channels to inform the development of the implementation plan. A 30-day public comment period was noticed and a statewide teleconference with over 170 participants was held, and presentations were made before 16 state agency advisory or policy-making boards and commissions. Additionally, an online survey to employers resulted in responses from 374 businesses.

On July 8, 2016, the interagency workgroup submitted an implementation plan to the Governor's Office consisting of 12 priorities, including 69 specific recommendations for establishing an

Employment First policy and increasing competitive-integrated employment for Pennsylvanians with a disability. The Governor's Office plans to release the implementation plan later this week.

Employment First Implementation Plan and HB 2130

The goal of HB 2130, to establish an Employment First program to ensure that individuals with disabilities have the opportunity and supports necessary to achieve competitive-integrated employment, is consistent with the goal of the governor's executive order. Our thanks to the proponents of this legislation for recognizing that state government can lead by example to create a strong and competitive workforce in our commonwealth that includes every person of every ability who wants to and deserves to work to their fullest potential. The administration believes that our mutual desire to advance Employment First policy forward in Pennsylvania will be accomplished more quickly and with more flexibility if we use the executive order implementation plan as the basis for achieving Employment First. We will need to use the executive order as we move forward to seek changes to existing statutes or regulations that are not compatible or which interfere with Employment First policies in our commonwealth. This approach will allow Pennsylvania the flexibility to adjust initiatives as federal policies impacting employment for individuals with disabilities under WIOA, the CMS Final Rule, or other federal laws are implemented and as the executive order implementation recommendations are assessed.

Interagency Priorities

Policy Review

The implementation plan includes a priority to review, identify, and change policy to align with the Employment First Executive Order. Every agency under the governor's jurisdiction that has a

direct or indirect impact on increasing competitive-integrated employment outcomes for working-age Pennsylvanians with a disability in the public or private sector will issue an Employment First statement or policy, articulating the values and principles consistent with the executive order. The agencies will be charged with conducting a review of existing regulations and policies to identify provisions which are, or may be, in conflict with the executive order and pursuing changes to ensure that regulations and policy align. For instance, at L&I, we are forming a workgroup as we speak to evaluate all of our policies and processes. We will act to reduce barriers that exist for people with disabilities to work at L&I, and to receive the services we provide to workers.

Data Collection

As outlined in the implementation plan, departments will work together to collect, coordinate, and publish data relating to competitive-integrated employment for individuals with disabilities. Data will focus on labor participation and unemployment, children receiving Early Intervention services in integrated vs. non-integrated environments, employment goals and outcomes for home- and community-based Medicaid programs, competitive-integrated work experiences and employment supports for students enrolled in and transitioning from secondary education settings, vocational rehabilitation, and private-sector business supports for hiring and retaining workers with a disability.

Accountability

Under the implementation plan, the Chair of the Governor's Cabinet for People with Disabilities should establish an Employment First Subcommittee for the purpose of implementing the

recommendations accepted by the Governor's Office, monitoring progress, and obtaining regular input to develop new recommendations. Members of the subcommittee will be department secretaries or their designated deputy secretaries and will be accountable to the Governor's Advisory Committee for People with Disabilities which will publish the plan specifics, action steps, and target completion dates on its website.

The Governor's Advisory Committee for People with Disabilities, which includes individuals with disabilities and other stakeholders, should be utilized to advise the Employment First Subcommittee convened by the Chair of the Governor's Cabinet for People with Disabilities. It will also play a role in monitoring progress. It regularly will seek stakeholder input to solicit new ideas to increase the number of Pennsylvanians with a disability working in a competitive-integrated job.

Department of Labor & Industry

L&I's Office of Vocational Rehabilitation (OVR) assisted nearly 9,000 Pennsylvanians with a disability to obtain or maintain a job during the past year, and about 20,000 new applicants were referred to OVR for employment assistance. At any given time, OVR is assisting more than 50,000 Pennsylvanians with a disability to secure or maintain employment.

Federal Landscape

In 2014, the federal Workforce Innovation and Opportunities Act (WIOA) was enacted and the Centers for Medicare and Medicaid Services (CMS) issued a home and community-based services rule. Both of these actions increase the role of OVR in helping to prepare people with

disabilities for competitive employment. With an emphasis on pre-employment transition services for younger people and an increased scrutiny of employment services in segregated settings and subminimum wage compensation, OVR has been preparing aggressively to meet the new opportunities. Additionally, in state fiscal year 2015-16 Governor Wolf and the General Assembly enabled OVR to draw down the maximum amount of federal funding available for vocational rehabilitation services for the first time in many years. By increasing the state funding by \$5 million, OVR was able to receive an additional \$18 million in federal funding to assist both adults and youth with disabilities find and keep a job.

Public-Private Partnerships

Although some private-public partnerships exist, the state has a number of opportunities for growth in this area to enhance the employment opportunities and independence of Pennsylvanians with disabilities. L&I plans to support the development of local Employment First coalitions consisting of representatives from human services, education, and employment agencies. Additionally, OVR currently uses a single point of contact model for employers interested in hiring people with a disability. By allowing employers to work with a single person to meet their hiring needs, it streamlines the process of navigating the current network of state agencies for information, services, and talent. The state plans to further develop this successful model, and also expand the services provided by OVR's Business Services team, which helps match employers with applicants, and provides information on federal tax incentives and Americans with Disabilities Act accommodations.

Public Outreach

Many people are unaware of the host of services available to help people with disabilities obtain employment. In 2009, Pennsylvania conducted a “Works for Me” public information campaign and public website. The website and public promotion were successful, but it has been seven years since this campaign. OVR plans to update the website and implement a social media campaign to further publicize this tool for alerting Pennsylvanians to the services available to them.

Department of Human Services

DHS serves more than 50,000 Pennsylvania adults with an intellectual disability and/or autism and over 28,000 individuals with a physical disability, ages 18-59, who are served by a publicly funded home- and community-based service program. More than 204,000 Pennsylvanians received non-Medical Assistance publicly funded community mental health services (outpatient and inpatient), while more than 507,000 Pennsylvanians received Medical Assistance-funded community mental health services through DHS’ managed care or the fee-for-service program.

CMS Home and Community-Based Settings (HCBS) Final Rule

DHS is working to move more individuals with disabilities into competitive-integrated employment settings. The CMS HCBS rule creates an opportunity for Pennsylvania to shift publicly funded employment services away from segregated, institutional environments to integrated settings in the community. DHS is currently updating regulations, creating and enhancing service definitions for HCBS waivers, and training supports and service coordinators with the goal of helping individuals with disabilities set employment goals, build skills, and succeed in the workforce.

Supports Coordination

Supports or service coordinators are the professionals who work directly with home- and community-based waiver participants to discuss their needs and goals, and to identify services and supports necessary to achieve their goals. These professionals are foundational to making Employment First a reality for individuals with disabilities. DHS recently began implementing training for supports and services coordinators to ensure that employment is the first consideration and preferred outcome of service planning.

Benefits Counseling

Individuals with disabilities depend on access to medical care, long-term supports and services, and other public assistance. These individuals often fear that getting a job and earning wages will result in a loss of eligibility for publicly-funded services and are unaware of existing programs and work incentives that enable individuals to earn an income while remaining eligible for benefits. As recommended by the implementation plan, DHS will work to make home and community-based program participants aware of free benefits counseling available through the Social Security Administration's Work Incentives Planning and Assisting Program (WIPA). DHS will also work to provide benefits counseling for home and community-based waiver participants.

Department of Education

In Pennsylvania, there are more than 105,000 transition age students, ages 14-21 with a disability. In July, I was proud to announce that the U.S. Department of Education (USDE)

recognized Pennsylvania for its ongoing compliance with and performance under the federal Individuals with Disabilities Education Act (IDEA). The commonwealth has received this designation for nine of the last 10 years and has met more requirements than the seven largest states in the nation.

I am proud of the work Pennsylvania is doing to ensure that all students have access to resources and services that provide them a high-quality education, and I applaud the educators, administrators, family, and community members who support students with disabilities. However, there is always more we can do to ensure future success.

Raise Expectations of Employment

Employment First challenges those of us serving students with disabilities to raise the bar to ensure that all students are able to successfully transition from school to meaningful work. PDE is committed to meeting this challenge, and appreciates the opportunity to participate in the interagency workgroup established through the Employment First Executive Order. What we have heard from our peer agencies and others who were involved in those efforts is that collaboration, coordination, and partnerships will be critical to achieving this important goal.

PDE – through our Bureau of Special Education – has an extensive history of engaging in partnerships to not only address the unique needs of students with disabilities but to expand the horizon of opportunities available to these students. These partnerships comprise a broad range of supports, including stakeholder training, hosting conferences and webinars, partnerships with career and technical centers, and partnerships with the Pennsylvania State System of Higher

Education (PASSHE) to promote postsecondary readiness. PDE also administers the Transition from School to Community-Based Competitive Employment Grant program, which has been successful but relies on a very limited source of funds (approximately \$500,000 annually). One particularly comprehensive partnership I want to bring to the attention of the members of this committee involves PDE, OVR, ARC of Philadelphia, and multinational corporation Systems, Applications, and Products (SAP). It prepares transition aged youth with a diagnosis of Autism Spectrum Disorder for employment. SAP is an international enterprise software company with headquarters in Newton Square, PA. In collaboration with Dr. Stephen Shore and Dr. Robert Naseef, Autism@Work – a framework to develop resources and trainings on critical employment and social skills – has been created to aid transition to the workplace. The program assists in locating and training young adults with a college degree for positions in the company. These partnerships, programs, and initiatives have made a positive difference for students, families, and communities, but illustrate that there is not a one-size-fits all solution. The range of disabilities, the range of severity, and the range of career pathways across the student population collectively demand collaborative expertise and uncompromised flexibility.

Ultimately, our work and collaboration cannot just be about access; it must focus on outcomes and meeting the individual needs of students and families.

Prepare Students for Employment

Employment First emphasizes preparing young people with a disability to successfully become working adults with a disability. PDE's ongoing investment in and expansion of effective school-based career development programming prepares students for transition from school to

community-based competitive employment. Our partnerships with other agencies, such as OVR, will continue to be essential in these efforts. While schools play an important role in preparing students for careers, as adults, many of our students will spend many more years engaging the services and programs our partners provide to adults with disabilities than they do in school.

Education does not and cannot work alone in this endeavor. Besides the essential role played by my colleague agencies, there is no substitute for the engagement of employers and other community partners in ensuring that students with disabilities have access to diverse opportunities and are ready for community-based competitive employment.

If the commonwealth is to achieve the ambitious goals outlined by Employment First for all students, including those with multiple disabilities, we will need to also provide comprehensive supports for every student.

Transition Students from Secondary Education to Adult Life

We have an opportunity – and an obligation – to ensure that every student has the resources and supports they need to succeed. As a public agency, we also have a responsibility to use the significant investments made in all of our students effectively and wisely. Interagency coordination is possibly the least appreciated but most likely component to positively impact a successful transition from secondary education to adult life for a student with a disability. A major challenge to the coordination envisioned by the Employment First goals is that each of our organizations are regulated and governed by different and often uncoordinated federal statute. WIOA, IDEA, Perkins, ESSA; each is the shorthand for a federal law that governs what we do.

Between each statute, the definitions of fundamental terms, the types of data we are required to collect, and the responsibilities on each agency yield areas of misalignment. These are challenges we recognize and under the auspices of an Executive Order, we retain the flexibility to address them. Given recent restrictions on data collection, limited resources for special education, and areas that we will identify as part of this initiative, my colleagues and I will need your assistance to ensure that we are able to provide the solutions that students with disabilities will need to successfully transition to adult life. At this point however, we need to retain the indispensable flexibility afforded to us by the Governor's Executive Order.

Governor's Office of Administration

As of August 2016, there were 74,117 salaried employees and 7,925 wage employees in agencies under the Governor's jurisdiction.

Additionally, there are and more than 12,000 professional and support staff employed by the PA State System of Higher Education.

Leading by Example

The administration is committed to reducing barriers to commonwealth employment for individuals with disabilities. The Office of Administration will review federal and state laws and rules that may permit, disallow, or present barriers to the establishment of an aspiration goal for hiring people with disabilities and identify other states that may have successfully implemented a successful initiative.

The commonwealth, as an employer, is committed to using best practices for hiring and retention of qualified individuals with disabilities and will endeavor to review and, where necessary, develop and implement a comprehensive set of changes that improve hiring of those with disabilities. Additionally, the Office of Administration will work with other agencies under the governor's jurisdiction toward the development of a unique job classification for individuals with a disability. OA will also explore the possibility of developing a hiring process for individuals with severe disabilities. To increase access to paid work experiences, OA will work to implement a commonwealth internship initiative.

OA values the importance of training for all employees and will ensure commonwealth staff are trained on disability awareness and diversity, non-discrimination policy, and reasonable accommodations.

This administration recognizes that the ability of commonwealth employees with a disability to succeed in their jobs is dependent on their abilities to access information, utilize equipment and information technology, and communicate with coworkers and customers. Together with DGS, OA will further the objectives of providing appropriate accommodation support for those employees with disabilities who may require assistive technology in order to perform the essential functions of their jobs.

Thank you for the opportunity to provide this information to you today. We are committed to ensuring Employment First is implemented successfully in Pennsylvania and increasing

competitive-integrated employment for individuals with disabilities throughout the commonwealth. We will be happy to answer any questions you may have at this time.

