



How State Councils on Developmental Disabilities (Councils) can Invest Effectively in Employment Systems Change and Provider Transformation Efforts

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Authored by [Yasmina Bouraoui](#), [Michigan Developmental Disabilities Council](#)

Introduction and Overview

From a historical perspective, Developmental Disability (DD) Councils and provider organizations have often operated on parallel tracks that rarely intersected. State Councils were established as early as 1970, when states were required to establish State Planning and Advisory Councils and were further defined in the [Disabilities Assistance and Bill of Rights Act of 2000](#), at which time councils became independent in their work and committed to community-based living. Provider organizations, many of which were founded by parents seeking a safe and supportive environment for their adult family members with disabilities, often operated in facility-based settings which focused on providing supportive social and pre-vocational services to people with disabilities. These historical and philosophical differences created an “us” versus “them” environment in many states, whereby many councils did not see any alignment with providers who historically operated in facility-based settings and paid sub-minimum wages to workers with disabilities. With the movement towards *Employment First*, and the implementation of the [Workforce Innovation and Opportunity Act \(WIOA\)](#) and [federal Home and Community Based Settings \(HCBS\) regulation](#), the potential for Councils to collaborate with providers in a variety of ways by finding alignment in the mutual goal of improving community access and inclusion and identifying the intersections in how they could support systems-change efforts has become apparent.

Learning Objectives

- Understand the roles Councils can play in furthering *Employment First* systems-change efforts
- Understand the role of Provider Organizations in improving competitive, integrated employment (CIE) outcomes for individuals with disabilities



- Identify unique advocacy, capacity-building, and systems change activities that Councils can use to support provider transformation efforts as it relates to employment systems change

Momentum Towards Competitive Integrated Employment in Public Policy



The push for competitive, integrated employment (CIE) is a newer mindset which started to gain more traction with the rise of the *Employment First* movement, which starts with a presumption that individuals with disabilities, including individuals with the most significant disabilities, can work. Historically, individuals with significant disabilities have been presumed to be unemployable until they demonstrate “readiness” for employment. *Employment First* expects that employment in the general workforce (in typical work settings, working side-by-side with people without disabilities, and earning commensurate wages and benefits) should be the first and preferred option for individuals with significant disabilities. *Employment First* is a relatively new conceptual framework growing over the past decade. Before this framework grew, many federal policies lacked a substantial focus or emphasis on CIE as the gold standard outcome of publicly-financed supports and services to this population. In fact, for the better part of the last century, facility-based employment at subminimum wage¹ was the norm for persons with intellectual and development disabilities (ID/DD).

Two significant pieces of national legislation have begun to alter this picture:

- [WIOA](#) was signed into law in July of 2014 and implemented in 2016. It replaced the Workforce Investment Act of 1998. Key provisions state that vocational rehabilitation agencies must spend 15% of their budget on provide pre-employment training for youth (ages 14-26). Further, minimum wage must be paid in any job placement situation, except under certain situations and job placements must be in integrated settings.
- The [Federal HCBS Rule](#), set forth in 2014, requires states receiving federal Medicaid HCBS funding to use such funds for settings integrated into the broader community for people with disabilities, optimizing individual initiative and personal independence and providing access to competitive integrated employment. Providers of sheltered work must transition their models to support participant access to CIE and community inclusion or else their services will no longer qualify as HCBS. States have until March 2023 to assure full compliance of their systems with the tenants of the rule and are required to collaborate with providers to develop remediation or transition plans.

¹ Section 14(c) of the Fair Labor and Standards Act (FLSA) in 1938 allows employers, holding a 14(c) special wage certificate from the U.S. Department of Labor (DOL), to pay individuals with disabilities less than the federal or state minimum wage that is generally mandated for all other workers. This provision remains in effect at the federal level.



Due to these historic policy reforms, coupled with [landmark Olmstead settlement agreements](#) affirming the importance of supporting individuals with significant disabilities in the *most integrated setting appropriate*, state governments have had to realign their priorities by reducing their reliance on facility-based sheltered work contracts and increasing investments in evidence based practices that support individuals in CIE.

A Case Study of Michigan's *Employment First* Journey

Overview of Michigan's *Employment First* Journey

The [Michigan Council \(MI DDC\)](#) made economic justice a focus of their [2012-2016 Five Year Plan](#) and created a workgroup to address that issue. Employment for persons with ID/DD became an area of focus, and the MI DDC's Statement on *Employment First* was finalized in 2013. The DD Network published a 2014 Advocacy report, [Employment First in Michigan](#) to describe the state of employment services for persons with disabilities in Michigan. The report highlighted the fact that most persons with ID/DD in Michigan receiving services were not working, and of those who did work, 69% worked in sheltered employment at sub-minimum wage.

At that time, the relationship between the MI DDC and the Michigan provider organization was one of opposition and antagonism, mainly due to historical differences in the approach to employment services and supports. In 2015, after perceiving the potential for a different tone, the Council invited the provider association, [InCompass Michigan](#) (formerly known as the Michigan Association of Rehabilitation Organizations, or MARO), to partner in applying for technical assistance (TA) through the [Office of Disability Employment Policy \(ODEP\) Employment First State Leadership Mentoring Program \(EFSLMP\)](#). MARO accepted the invitation – and a successful application resulted in the availability of provider transformation training and TA for the service provider community in Michigan. The TA also helped the Council bring together state agency partners that did not previously have access to this type of forum for collaboration and partnership. In 2015, [Employment First Executive Order No. 2015-15](#) was signed by the Lieutenant Governor, and by 2017 he agreed to be the state sponsor for *Employment First*.



Lessons Learned: Strategies for Effective Council Engagement in Improving CIE Outcomes and Collaborating with Providers

Council Advocacy Strategies to Assist with CIE and Provider Transformation

- **Draw a line in the sand.** Has your Council taken a position on employment, *Employment First*, or sub-minimum wage? The Council's advocacy role makes it a natural leader to state a position. [MI DDC's Statement on Employment First](#) was their beginning.
- **Identify the employment landscape in your state.** Providing an objective view on what is happening in the state allows a sharp vision of where things are. An advocacy report can help set the stage. MI DDC worked with their DD network partners to create an [Employment First Advocacy Report](#), then updated it five years [later](#).



- **Identify resources - opportunities for technical assistance and funding to support your efforts.** Various federal entities have funded technical assistance opportunities for states to receive training and technical assistance from national experts. Sometimes, the state agencies most likely to request that assistance are too overwhelmed to pursue it. Councils can step out of their comfort zones and play a coordinating role to facilitate pursuit and management of the technical assistance in a state. MI DDC’s willingness to take the lead in pursuing technical assistance for their state resulted in six years of technical assistance, beginning with an initial [landscape report](#) which provided recommendations addressing provider transformation, rate restructuring, and capacity building. From 2015-2020, MI DDC took on the lead staffing role of securing federal technical assistance from ODEP. This led to joint pursuit of state funding by MI DDC, Incompass Michigan, and the Statewide Independent Living Council (SILC), which resulted in a \$500,000 investment in 2018 and 2019 from the State of Michigan. The state’s Lieutenant Governor at the time stated: “Anytime your agencies (historically at odds) agree, you make my life easy!”
- **Build a statewide coalition.** A successful effort will require comprehensive engagement from several entities: representatives from state entities representing ID/DD services, vocational rehabilitation, education, workforce development, Medicaid, and transportation, as well as the representatives from organizations such as the University Center of Excellence for Developmental Disabilities (UCEDD), Protection and Advocacy (P&A) entities, community rehabilitation providers, the statewide independent living council (SILC), statewide nonprofits serving persons with ID/DD, self-advocacy organizations, and parent groups.

Council Capacity Building Strategies to Assist with CIE and Provider Transformation

Once an advocacy platform is in place, it is time to identify the technical assistance that is needed to assist provider organizations to transform their practices; needs may differ in various states. Councils may collaborate closely with the provider association to coordinate the dissemination of technical assistance to the providers or may help fund training and technical assistance which is implemented by the provider organization. Types of technical assistance that are typically needed include:

- **Provider transformation technical assistance to assist providers in transforming their organizations.** Through a self-assessment, a review of current business practices, and an assessment of strengths and areas in need of improvement, this process results in a written report and a corresponding plan of action. Depending on the size and number of providers in each state, investment in a Train-the-Trainer provider transformation model may be warranted so that a state can develop the internal capacity to reach all their provider organizations.



- **Training for employment service professionals.** Employment professionals need training to develop the skills necessary to do discovery, assessment, and job development resulting in successful placements of people with ID/DD in community-based settings. Skill acquisition activity provided to staff while participating organizations go through provider transformation planning is ideal. Both the provider transformation and capacity building activities reinforce the *Employment First* concepts and better define relevant staff roles, as goals and activities change for those they support.
 - Training that aligns with the [National APSE Universal Employment competencies](#) reflect current tested models and evidence-based practices. Trainings are intensive, time-consuming, and a big investment for providers, particularly because these positions have typically had high turnover. Collaborating with vocational rehabilitation services, the state DD agency, and providers may be necessary to align resources to develop the needed capacity to provide the trainings. The stakeholders may advocate for a recognized credential for employment service professionals and may consider the ability to develop the capacity for an entity within the state to offer such trainings.
- **Investments in School-to-Work Transition.** There are many promising practices and pockets of excellence to support the successful transition of youth with significant disabilities into adulthood and employment. But school personnel are overwhelmed with the educational process and historically a focus on employment takes place just before the exit of special education services, which are guaranteed through the age of twenty-one in all states (and though age 25 in Michigan). [Research](#) has demonstrated that the best predictor of employment post-school exit is if the student was employed during their high school years. Many states could benefit from school-to-work transition models built on a sequential delivery of specific preparatory and coordinated services that begin early high school and continue through post-school follow-up supports with the intended outcome of each student employed in an individualized, integrated job of choice and/or enrolled in postsecondary education prior to school exit. In this model, youth are jointly served by the school system and adult employment agencies, and youth exit school with work experience and a seamless linkage to adult systems and/or additional educational supports. Employment cannot and should not be viewed as an optional part of transition for students with disabilities, or a side issue that may or may not be dealt with. Employment is the ultimate outcome of a successful transition system for any young person – including those with disabilities.

Council Systems Change Strategies to Assist with CIE and Provider Transformation

- **Bring together stakeholders to work on a common strategic plan.** The state-wide coalition will need to develop a roadmap to prioritize the path for change in your state.



Samples include the [MI Stakeholders Group Mission, Vision, Values and Objectives](#) document, and the [MI Employment First Strategic Plan for Systems Transformation and Improving Competitive, Integrated Employment Outcomes](#).

- ***Provide Rate Restructuring Technical Assistance to expand the number of entities which adopt outcome-oriented employment reimbursement models.*** Many states utilize a Medicaid-funded managed care framework to implement long-term services and supports for individuals with intellectual/ developmental disabilities and behavioral health disabilities, which may include supported employment services, day habilitation, prevocational services, and skill building services. This technical assistance can assist purchasers in revamping their payment model to pay for employment services based on outcomes rather than on direct services, such as 15-minute units. This process enables the revision of [supported employment](#), [Individualized Placement and Support \(IPS\)](#), [customized employment](#), and other funding structures for ID/DD providers, resulting in a system that uses value-based purchasing principles.
- ***Blending and Braiding of Resources*** Many states have two primary funding sources for employment services, vocational rehabilitation funds and Medicaid funds. Secondary resources include employment services offered by workforce development and local education entities. Utilizing a coordinated approach and operational agreements these resources can be leveraged in a manner to optimize CIE outcomes. Because of the various sources of employment funds, the resources can be blended and braided to optimize services in a more efficient manner, if the same service is not paid from both sources at the same time. The *Employment First* Stakeholder Group in Michigan brought together multiple state agencies which resulted in memorandums of agreement to increase the quality and coordination of services in Michigan. This includes a [Transition to Employment Super MOU](#), an [agreement between vocational rehabilitation services and the DD agency](#), and an agreement between [vocational rehabilitation services and education](#).
- ***Support Outreach Efforts:*** Sometimes the biggest barrier to advancing employment opportunities for persons with significant disabilities is reaching families and professionals. In Michigan, providers requested assistance in developing outreach materials to families. The MI DDC responded by developing a [family engagement curriculum](#), a [family engagement video](#), a [professionals engagement curriculum](#) targeting staff of employment programs, educators, and others that participate in the employment process.
- ***Support Benefits Planning Efforts:*** Concerns about losing eligibility for benefits remains one of the most significant barriers to sustained employment success for individuals with disabilities. Access to the information that will help individuals and their families navigate this complex system is an important part of achieving the goals of *Employment First*. The MI DDC provided resources to increase the number of benefits planners in the state and produced a [video addressing benefits planning](#).



Accelerating *Employment First* Systems-Change Efforts by Finding Common Ground

Changing the status quo will involve new ways of doing business with unconventional partners. This will challenge leaders to find common ground and use leadership practices that support collaboration and change.

Ways to Find Common Ground

- Focus on mission, shared values, and points of agreement
- If we are willing to have conversations – which can be difficult - with patience and civility, quite often an unexpected level of consensus is quickly present
- There will always be points of difference and disagreement – the key is to return the focus to the desired outcomes leveraging collective strength to achieve them

Leadership Practices that Support Collaboration and Change

- Take leadership risks with unconventional partners
- Don't allow points of difference to distract
- Do not freeze people and/or organizations in time
- Have the hard conversations. Trust will sometimes be broken, but can be mended

Critical Elements for Assuring Partnership Commitment

- Clarity of expectations is critical to success
- Stated commitment, with timelines and pre- & post-visit work requirements are also important
- Staff buy-in and organizational culture change help to ensure progress toward transformation
- Instill belief in what's possible, and encourage; creating demand and enforcing accountability do not promote sustainable change

Sustainability

- Intentional investment in the development of capacity for training at the state level for capacity building, and peer mentoring for provider transformation provides for a more sustainable model.
- Intentional focus on designing programming that will become self-supporting as funding diminishes over time.



Keep Pushing for Change at Systems-Level

- The system may not currently be structured to optimally deliver on the outcomes expected in a dramatically changing regulatory and policy framework.
- Regulations establish a framework, but public and private sector service providers can be catalysts for positive change.
- Partnership and collaboration, while sometimes challenging, are keys to progress.
- Aligned advocacy yields more effective results with policy makers and legislators.
- The risk of collaboration is worth the reward.

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