

# **Sheltered Employment Services in the United States: Policy & Practice**

## **A Contemporary Developments in Disability Services Paper**

**This report comprises a brief review of the status of employees with disabilities in the United States who are employed in segregated work settings. Comparisons are made with persons with disabilities employed in integrated settings, and the issues arising for providers who have transitioned from sheltered to integrated work options are reviewed. The selection of the United States was based on the rationale that much of the research literature, and moreover the pioneering developments in supported employment, have emanated from the US.**

**May 2009**

# **US practices with regard to providing supports in sheltered or integrated work settings for people with disabilities**

## **1 Executive Summary**

This report comprises a brief review of the status of employees with disabilities in the United States who are employed in segregated work settings. Comparisons are made with persons with disabilities employed in integrated settings, and the issues arising for providers who have transitioned from sheltered to integrated work options are reviewed. The selection of the United States was based on the rationale that much of the research literature, and moreover the pioneering developments in supported employment, have emanated from the US.

This report aims to address the series of questions posed below by NDA senior management through a combination of evidence-based research literature and consultation with colleagues in the US working in the field (see Appendix 1).

- (1) What is the size of the population being served in sheltered /supported employment options?
- (2) What is the level of nature of disability of clients in sheltered employment options/can the same be found for supported work options?
- (3) In a sheltered setting, what are the protections provided vis a vis employment legislation? Are these posts waged? And if so, what is the statutory funding arrangement i.e. are the providers funded by the health services?
- (4) In areas/states which have made a policy decision to stop funding sheltered employment, what have they learned about this client group and their long-term needs? Where are they? Do they all successfully transfer to supported employment options?
- (5) How are sheltered work services regulated? Are there federal or statewide standard inspections, and if so, who undertakes these inspections?
- (6) What typical hours of work do people in work in supported employment in the other jurisdictions? At what wages relative to other workers?
- (7) Any particular dos or don'ts in transitioning from sheltered to supported employment?
- (8) What percentage of people transfer from sheltered to supported options?
- (9) What do we know of quality or personal outcomes measurements in these settings?
- (10) Does the literature identify any groups of people who don't benefit from supported employment or who may need a sheltered work setting?

## **(1) What is the size of the population being served in sheltered /supported employment options?**

The 'Special Minimum Wage Program' Section 14 (c) of the Fair Labor Standards Act (1938) permits employers to pay persons with disabilities a wage based on their productivity levels. A person with a disability, for example, who is deemed to achieve a productivity level half that of a person without a disability, can be paid half the salary of their co-worker, irrespective of whether this wage is less than the legal minimum wage. The Special Minimum Wage Program was initiated to promote the employment opportunities of individuals with disabilities and is available to all employers of persons with disabilities, and is inclusive of employees in both sheltered and integrated settings.

A review of this programme conducted by the United States General Accounting Office (GAO, 2001)<sup>1</sup>, identified 5,600 employers paying special minimum wage to approximately 424,000 people with disabilities. The Department of Labor's Wage and Hour Division administer this programme by issuing Special Minimum Wage Certificates to eligible employers. The GAO review of these services determined that information on 14 (c) employers and workers was 'not readily available from Labor or any other source' (p.40) and therefore elected to base their review on a nationwide survey sample of employers. A sampling frame of employers was constructed and validated revealing four types of employer: (1) work centres (2) businesses (3) hospitals and other residential care facilities and (4) schools. The overwhelming majority of employers certified under Section 14 (c) are identified as work centres, which are defined as 'providing work opportunities and support services to individuals with disabilities' (84%). Businesses (9%), hospitals and residential care facilities (5%) and schools (2%) comprise a small proportion of Section 14 (c) employers. GAO acknowledges that the figures they cite are estimates, as managers of these facilities stated that they are unable to provide specific figures on the numbers of persons on Section 14 (c) Special Minimum Wage. GAO also note that they are unable to determine additional payments and benefits afforded to workers but understand that many workers receive some type of federal disability benefits or Medicaid coverage.

The figures cited in the GAO report, at almost half a million individuals, were similar to those cited by Paul Marchard, Director of Public Policy, the ARC & Director of Disability Policy Collaboration, United Cerebral Palsy, who was consulted for this review and estimated 425,000 persons with disabilities participated in sheltered work activities across the US. These figures are, however, substantially higher than those cited in two leading statistical publications on those with intellectual and developmental disabilities; 'StateData: The National Report on Employment Services and Outcomes' (Butterworth et al., 2008) and the 'State of the States in Developmental Disabilities' (Braddock et al., 2008)<sup>2</sup>. The StateData report, for example, quotes statistics for 2007 taken from the Institute for Community Inclusion's ID/DD (intellectual disability and developmental disability) Agency National Survey of Day and Employment Services. These data identify an estimated 566,895 individuals in receipt of both day and employment services from state ID/DD agencies. The data do not specify the numbers of persons participating in sheltered work services but do

---

<sup>1</sup> United States General Accounting Office (2001) Special Minimum Wage Program: Centers offer employment and support services to workers with disabilities, but labor should improve oversight. GAO-01-886

<sup>2</sup> Braddock DL, Hemp RE, Rizzolo MC (2008). The State of the States in Developmental Disabilities 2008. American Association on Intellectual and Developmental Disabilities, Washington.

identify a total of 115,293 persons employed in integrated work settings. The remaining 451,602 persons are therefore likely to comprise a combination of individuals in sheltered work settings and those in non-work day activity programmes. The 'State of the States in Developmental Disabilities' 2008 report compiles data from state ID/DD agencies augmented by nationwide data such as Social Security Income and Medicaid related funding. This data source identifies 541,066 individuals with ID/DD engaged in both day and work programmes in 2006, of which only 119,370 persons were employed in sheltered work settings<sup>3</sup>. Dr Chas Moseley, Associate Executive Director, National Association of State Directors of Developmental Disability Services (NASDDDS), was invited to comment on the disparity between the figures emanating from the GAO report and the latter two data sources. Dr Moseley indicated that the GAO figures, most especially those from work centres, are likely to include individuals who may be receiving 'day habilitation' services from within a sheltered work setting.

## **(2) What is the level of nature of disability of clients in sheltered employment options/can the same be found for supported work options?**

Persons with disabilities eligible to be paid under the Special Minimum Wage Program are defined as those 'whose earning or productive capacity is impaired by a physical or mental disability, including those relating to age or injury, for the work to be performed'. Data obtained by GAO from work centres, which account for the vast majority of all Section 14 (c) certificates, revealed that almost three quarters (74%) of persons in receipt of the special minimum wage who were employed in work centres had intellectual or developmental disabilities, with almost half (46%) having multiple disabilities. Other persons with disabilities participating in Section 14 (c) facilities include those with mental health difficulties (12%), those with visual impairments (5%) and those with physical or unspecified disabilities. Workers ranged in age from 25 years to 54 years. Most persons (70%) worked at less than half the productivity of a person without a disability; this low productivity was reflected in the fact that these individuals typically earned less than \$2.50 per hour (at the time of the survey, the minimum wage was \$5.15 per hour) and that most (86%) worked on a part-time basis.

Other data is available from a recent review of Community Rehabilitation Programs holding Special Wage Certificates, of which 70% of attendees are estimated to participate in either sheltered workshops or segregated non-work day programmes (Inge, in press)<sup>4</sup>. The vast majority of Community Rehabilitation Programs (80%) participating in the review reported that persons with developmental disabilities represented most, or all, of the persons they supported. The authors comment that individuals with perceived potential for work are assigned to sheltered work options, while those with more significant support needs are typically referred to adult activity centres.

The association between level of ability and employment status also noted in data from the National Core Indicator dataset managed by the Human Services Research Institute (HSRI) and the National Association of State Directors of Developmental Disability Services (NASDDDS)<sup>5</sup>. Day activity data from nine states collected over 2005-2006 reveal that those individuals with less severe

---

<sup>3</sup> Dr Richard Hemp, University of Colorado, personal communication, 20 May 2009.

<sup>4</sup> Inge K, Wehman P, Revell W, Erickson D (in press). Survey Results from a National Survey of Community Rehabilitation Providers holding Special Wage Certificates. *Journal of Vocational Rehabilitation*.

<sup>5</sup> <http://www.hsri.org/nci/>

levels of developmental disability were found to be more likely to engage in paid community-based employment. The limited involvement of people with more severe and profound levels of disability engaging in supported employment<sup>6</sup> remains, despite the fact that the supported employment model is specifically charged with prioritising this population. Section 10 below expands on this issue. In addition, those with more severe levels of disability participating in supported employment report poorer outcomes than those with less severe disabilities in terms of lower earnings, fewer social interactions, and shorter working hours<sup>7</sup>.

**(3) In a sheltered setting, what are the protections provided vis a vis employment legislation? Are these posts waged? And if so, what is the statutory funding arrangement i.e. are the providers funded by the health services?**

As previously cited, persons with disabilities participating in Special Wage Certificate Programs are paid a 'special minimum wage' or 'commensurate wage' based on their productivity, no matter how limited, as compared to the productivity of others who do not have disabilities performing the same type, quality and quantity of work. The wage can be less than the statutory minimum wage required by Section 6 (a) of the Fair Labor Standards Act. Employers participating in this programme are required to obtain a Section 14 (c) certificate for each worker who is paid a special minimum wage.

In most instances, persons in workshops are not covered by employment insurance and do not receive unemployment benefit, although this may vary depending on the amount of money that a person earns. In combination with the fact that the minimum wage is not paid to these individuals, these conditions of work do not confer employee status, but rather 'trainee' status<sup>8,9</sup>. The payment of sub-minimal wages to those with disabilities is controversial. Paul Wehman, Professor of Physical Medicine and Rehabilitation Medical College of Virginia, Virginia Commonwealth University and a founder of supported employment, has called for the phasing out of Section 14 (c) certification<sup>10</sup> stating 'this is one definitive way to end the discrimination and facility-based segregation of persons with disabilities that the federal government has in its hand to accomplish' (p.124).

Funding for work centres, as identified by GAO, is primarily from a combination of state/county agencies (46%) and production contracts (35%). The remaining costs comprise retail sales (9%), donations (2%), investment income (1%) and other (7%). While most centres are funded using the combination above, the GAO review identifies considerable variation among work centres in terms of their sources of funding with some being almost entirely reliant on production contracts

---

<sup>6</sup> Parsons MB, Reid DH, Green CW, Browning LB (2001). Reducing job coach assistance for supported workers with severe multiple disabilities: an alternative off-site/on-site model. *Research in Developmental Disabilities*, 21, 151-164

<sup>7</sup> Scott Gilmore D, Schuster JL, Ciulla Timmons J, Butterworth J (2000). An analysis of trends for people with MR, cerebral palsy, and epilepsy receiving services from State VR agencies. *Rehabilitation Counselling Bulletin*, 44, 1, 30-38.

<sup>8</sup> Dr Chas Moseley, Associate Executive Director, National Association of State Directors of Developmental Disability Services (NASDDS), personal communication, 28 April 2009

<sup>9</sup> Prof Paul Wehman, Virginia Commonwealth University, Virginia. personal communication, 26 Feb 2009

<sup>10</sup> Wehman P (2006). *Integrated Employment: if not now, when? If not us, who?* *Research & Practice for Persons with Severe Disabilities*, 31, 2, 122-126.

and others highly reliant on state/county agencies. State/county agencies mostly comprise state developmental disability agencies and state vocational rehabilitation agencies. In some jurisdictions the state mental health agency and other agencies with a training remit may also contribute to the funding of sheltered work settings<sup>11</sup>.

Inge et al<sup>12</sup> (in press) note that of the funding provided for disability services at national level, the majority is spent on sheltered work options as opposed to supported employment options. In fact, sheltered services are funded four times over that awarded to integrated work options. Recent trends in service provision suggest the supported employment growth has stalled<sup>13</sup> and that there will be further growth in segregated adult services<sup>14</sup>.

**(4) In areas/states which have made a policy decision to stop funding sheltered employment, what have they learned about this client group and their long-term needs? Where are they? Do they all successfully transfer to supported employment options?**

The provision of sheltered work settings varies markedly across the United States. Of interest is the small number of states, including Vermont and Maine, which have successfully implemented policies to divert funding away from sheltered work environments. Jane Gallivan and colleagues from the Office of Adults with Cognitive and Physical Disability, Department of Health and Human Services in Maine described their experiences in moving towards the closure of all sheltered work settings<sup>15</sup>. The introduction of a closure policy in Maine grew from a groundswell of opinion, from mostly advocates and state services, that sheltered settings were no longer an appropriate daily activity for persons with disabilities. While many service providers moved towards the closure of sheltered settings, on the basis that their ethos no longer aligned with non-integrated work options, a small group of service providers resisted this change.

The Department of Health and Human Services (DHHS) therefore introduced a policy, underpinned by two pieces of legislation, whereby they would no longer permit federal Medicaid funds to be used towards the maintenance of sheltered work settings. The funding mechanism in the US requires states to 'match' federal Medicaid funding. The decision to no longer permit Medicaid funding, in essence, meant that no funding would be provided for these services at state level. Since the initiation of this policy towards closure in 2000, only one sheltered work setting currently exists in Maine. In the absence of state funding, this facility aims to become a fully commercial business, trading on the funding of successful contracts.

---

<sup>11</sup> Dr Chas Moseley, Associate Executive Director, National Association of State Directors of Developmental Disability Services (NASDDDS), personal communication, 28 April 2009

<sup>12</sup> Inge K, Wehman P, Revell W, Erickson D (in press). Survey Results from a National Survey of Community Rehabilitation Providers holding Special Wage Certificates. *Journal of Vocational Rehabilitation*.

<sup>13</sup> Rusch FR & Braddock D (2004). Adult day programs versus supported employment (1988-2002): spending and service practices of mental retardation and developmental disabilities state agencies. *Research and Practice for Persons with Severe Disabilities*, 29, 4, 237-242

<sup>14</sup> Ibid

<sup>15</sup> Jane Gallivan, Director, Office of Adults with Cognitive and Physical Disability, Department of Health and Human Services, Conference Call 7<sup>th</sup> May 2009.

To further support the closure of sheltered employment options, the DHHS in Maine developed outreach services and guidance material for service providers wishing to close these services. Indeed, at nationwide level, a number of initiatives in the US now provide supports to service providers making this transition. Since 2006, for example, the National Association of State Directors of Developmental Disabilities Services (NASDDDS) has partnered with the Institute on Community Integration at the University of Massachusetts, Boston to launch the State Employment Leadership Network (SELN), a multi-state technical support initiative established to assist state developmental disability agencies promote integrated work options for people with disabilities. Similarly, Virginia Commonwealth University, in association with the Institute for Community Inclusion (ICI) at the University of Massachusetts Boston, has received funding from the Office of Disability Employment Policy (ODEP) at the US Department of Labor for the T-TAP Project. T-TAP aims to increase the capacity of Community Rehabilitation Programme and other community-based providers who currently operate Section 14 (c) programmes to evolve their programmes to integrated employment options<sup>16</sup>. Finally, Employment First policies introduced across six states<sup>17</sup> throughout the US aim to make employment the first day service option for people with intellectual or developmental disabilities<sup>18</sup>. Employment in this context is defined as a job in an integrated setting with a competitive wage.

The withdrawal of sheltered work options requires consideration of alternate day activities for those individuals participating in these services. Clearly, integrated employment is a key objective. Data from the GAO review of Section 14 (c) work centres, however, reveal that in the year preceding the survey, only 5% of persons nationwide had moved to a community-based job earning either the special minimum wage or at least the minimum wage. Another 4% moved to a higher paid position within the work centre where they were employed and were now being paid at or above the minimum wage. These data however should be contextualised as the movement of individuals from Section 14 (c) work centres in the absence of a policy of closure. They reflect the likelihood of a person entering employment through existing sheltered settings and differ from the pattern observed where there is an explicit goal to redirect resources from one service provision to another<sup>19</sup>.

Another option for those no longer availing of sheltered work options is 'community-based non-work' (CBNW). This service is defined by the Institute for Community Inclusion as non-job-related supports focusing on community involvement such as educational, voluntary and recreational activities. These activities are community-based and do not involve payment. Community-based non-work is a fast growing sector within disability service provision in the United States. Data on those participating in CBNW have been included since 1996 in the Institute for Community Inclusion's National Survey of Day and Employment Programs for People with Developmental Disabilities. These data reveal that CBNW programmes had increased on an ongoing basis and, by 2001, were being provided to approximately 84,000 individuals nationwide. While these programmes undoubtedly increase the opportunities for people with disabilities to

---

<sup>16</sup> <http://www.t-tap.org/contact/contact.html>

<sup>17</sup> SELN Working Document Q&As on State Employment First Policies. March 2008 Revised

<sup>18</sup> [http://www.communityinclusion.org/article.php?article\\_id=202](http://www.communityinclusion.org/article.php?article_id=202)

<sup>19</sup> Butterworth J, Fesko SL, Ma V (2000). Because it was the right thing to do: Changeover from facility based services to community employment. *Journal of Vocational Rehabilitation*, 14, 23-35

participate in community-based activities, they have come under criticism for their lack of defined standards such as the minimum number of hours a person engages in these programmes, the appropriate staff person ratio, etc<sup>20</sup>.

**(5) How are sheltered work services regulated? Are there federal or statewide standard inspections, and if so, who undertakes these inspections?**

The Wage and Hour Division (WHD) of the Department of Labor has responsibility for the administration of Section 14 (c) Special Minimum Wage Programs. WHD approve applications and ongoing renewals for new Section 14 (c) Certification. Most of the applications are renewals as the majority of workers remain in these programmes on an ongoing basis. Work centres and hospitals are required to renew their certification every 2 years, while businesses and schools are required to apply for renewal on an annual basis.

WHD undertakes a monitoring and evaluation role in determining employers' compliance with Section 14 (c) legislation. Employers are selected for monitoring either on the basis of complaints or by self-initiated investigation. Where a determination is made that an employer is in breach of Section 14 (c), typically by underpaying employees, the employer is required to pay back wages to a two year period from the investigation. Employers are also obliged to review each worker's wage every six months and to adjust annually on the basis of inflation. Acknowledging the difficulties employers can face when estimating pay based on productivity, the Department of Labor encourages employer compliance by providing training and outreach supports to employers.

The GAO review is critical of the Department of Labor's management of the Special Minimum Wage Program and states that the programme has a low priority for the Department which focuses more resources towards the detection of child labour violations and the protection of low-wage workers. As a consequence, enforcement of compliance with Section 14 (c) legislation has been primarily limited to WHD's reviews of applications. Few self-initiated investigations have been undertaken.

**(6) What typical hours of work do people in work in supported employment in the other jurisdictions? At what wages relative to other workers?**

The number of hours an individual engages in supported employment is self-determined based on an individual's choice but cannot exceed 40 hours per week. Some individuals, however, choose to work less than 40 hours in order to preserve health care and other benefits<sup>21</sup>.

Data from the Office of Adults with Cognitive and Physical Disability, Department of Health & Human Services, Maine are available from 40 agencies providing supported employment services during a 'snapshot' week in August 2007<sup>22</sup>. Of

---

<sup>20</sup> Sulewski JS, Butterworth J & Gilmore DS (2006) Community-based non-work services: Findings from the National Survey of Day and Employment Programs for People with Developmental Disabilities. *Research to Practice*, 42, 1-4.

<sup>21</sup> Initiatives to enable those with disabilities engage in work activities without fear of losing benefits were outlined in a previous report on sheltered and supported work options prepared for the NDA Board.

<sup>22</sup> <http://www.employmentforme.org/data.html>



the n=675 individuals engaged in supported employment at that time, the number of hours worked ranged 0 to 40 hours, with an average of 10.51 hours. The hourly rate ranged from \$0.19 to \$25.00, with an average rate of \$6.62. These data however reflect practices in only one state. Rogan et al., (2002)<sup>23</sup> note considerable variation in the supported employment programmes offered by different states. Data cited for the fiscal year 1998 identified the average hours worked per week at 25 hours, with one state recording a high of 36 hours, and another a low of 18 hours. The authors note that 'while it is not surprising to find discrepancies among states, it is worthwhile to investigate factors that promote or impede supported employment given that all states must abide by the same federal legislation and regulations' (p. 50). Similar data emerges from detailed case studies of n=50 employees with significant disabilities served by the Community Work Services in Madison, Wisconsin<sup>24</sup>. The numbers of hours spent working ranged 6-30.5 hours, with an average of 20. The wages earned by these employees average \$5.76 per hour, a rate marginally above the \$5.70 legal minimum wage.

These data should be placed in the context of the Office of Disability Employment Policy, US Department of Labor who state 'supported employment is a program to assist people with the most significant disabilities to become and remain successfully and competitively employed in integrated workplace settings' and that 'increasingly, supported employment programs seek to identify jobs that provide wages above the minimum wage, fringe benefits and career potential'. The ethos that underpins competitive wages for supported employees stems from the inception of this model in the 1980s where a key value of the supported employment was 'a conviction that people with disabilities should earn wages and benefits equal to that of co-workers performing the same or similar jobs' (Brooke et al., 1997; p.4<sup>25</sup>). In addition, supported employment, as defined by the Rehabilitation Act Amendments of 1998, refers to 'competitive work in integrated settings'. The term competitive is defined as 'employment at or above the minimum wage, but not less than the customary wage received by non-disabled workers performing comparable jobs for the same employer'<sup>26</sup>.

### **(7) Any particular dos and don'ts in transitioning from sheltered to supported options?**

High performance states, as defined by a state having a high rate of individuals with intellectual and developmental disabilities in integrated employment, have been examined to identify factors that have contributed to the successful transition between sheltered and competitive work options<sup>27</sup>. A common theme emerges from these states, which include Washington, Colorado and New Hampshire. In all cases a clear vision of full community integration was present. These values were sustained and transmitted through key stakeholders who

---

<sup>23</sup> Rogan P, Novak J, Mank K & Martin R (2002). From values to practice: State level of implementation of supported employment. *Journal of Vocational Rehabilitation*, 17, 47-57

<sup>24</sup> Brown L & Shiraga B & Kessler K (2006). The quest for ordinary lives: the integrated post-school vocational functioning of 50 workers with significant disabilities. *Research and Practice for Persons with Severe Disabilities*, 31, 2, 93-121.

<sup>25</sup> Brooke V, Inge KJ, Armstrong AJ & Wehman P (1997). *Supported Employment Handbook*. Virginia Commonwealth University VA.

<sup>26</sup> Rogan P, Novak J, Mank K & Martin R (2002). From values to practice: State level of implementation of supported employment. *Journal of Vocational Rehabilitation*, 17, 47-57

<sup>27</sup> Hall AC, Butterworth J, Winsor J, Gilmore D & Metzger D (2007). Pushing the employment agenda: Case study research of high performing states in integrated employment. *Intellectual and Developmental Disabilities*, 45, 3, 182-198

maintained good working relationships over the duration of change. Clear goals for change were present in all high performance states; the clearer the goal, the more likelihood the system achieved change. Flexibility was essential in terms of funding arrangements and service delivery to enable service providers manage supports to best meet the needs of individuals. The collection of individual and provider level data provided an accurate assessment of achievements and identified where problems were encountered. Finally, training initiatives were supported on an ongoing basis to reinforce the vision and ethos behind community integration and to showcase new and innovative practices.

Lisa Sturtevant (Office of Adults with Cognitive and Physical Disability, Department of Health & Human Services) was consulted regarding the experiences in Maine following their policy to cease funding of sheltered workshops; a policy that would effectively result in their closure across the state. An important issue cited by Ms Sturtevant is the fidelity of the supported employment model selected to replace the sheltered work option. For the Department of Health & Human Services in Maine, for example, some supported employment options do not reach the criterion of 'inclusion'. Mobile works crews, for example, whereby groups of persons with disabilities work together at different integrated work sites, were not perceived to promote inclusion. Ms Sturtevant also commented that appropriate and timely job supports are essential as those who may not be successful on their first experience of supported employment have been found to transfer successfully on alternate placements<sup>28</sup>.

An important consideration in the process of transitioning from sheltered to open employment options is the perception of family and staff<sup>29</sup>. Strategies are required to reduce any fear of job losses on the part of those employed in a supervisory capacity in sheltered settings. Similarly, the concerns of family members must be addressed as they move from a situation where their relative with a disability was engaged in employment on a nine to five, five day a week basis, to a situation where a part-time community-based position is part of a flexible programme of community-based integration<sup>30</sup>.

## **(8) What percentage of people transfer from sheltered to supported options**

Addressed in Section (4)

## **(9) What do we know of quality and personal outcome measures in these settings?**

Supported employment has achieved carefully documented positive outcomes. Engaging in a meaningful day activity is associated with positive quality of life outcomes (Sinnott-Oswald et al., 1991<sup>31</sup>; McCraughrin et al., 1993<sup>32</sup>; Eggelton et

---

<sup>28</sup> Murphy ST, Rogan PM, Handley M, Kincaid C Royce-Davis J (2002). People's situations and perspectives eight years after workshop conversion. *Mental Retardation*, 40, 1, 30-40

<sup>29</sup> West M, Revell G, Wehman P (1998). Conversion from segregated services to supported employment: a continuing challenge to the VR service system. *Education and Training in Mental Retardation and Developmental Disabilities*, 33, 3, 239-247.

<sup>30</sup> Jaffe J (2008). Employment in New Jersey: A mixed review. *People & Families*, May 2008, 7-12

<sup>31</sup> Sinnott-Oswald M, Gliner JA & Spencer KC (1991). Supported and sheltered employment: quality of life issues among workers with disabilities. *Education and Training in Mental Retardation*, December, 388-397.

<sup>32</sup> McCraughrin WB, Ellis WK, Rusch F & Heal LW (1993). Cost-effectiveness of supported employment. *Mental Retardation*, 31, 41-48

al., 1999<sup>33</sup>; Verdugo et al., 2006<sup>34</sup>) and improvements in skills of adaptive behaviour<sup>35</sup>. The latter finding, from a comparative study of persons with profound levels of disability, suggests that beneficial skills are learned and maintained in integrated, but not in sheltered work settings. In addition to the benefits accruing to the individual employee, supported employment addresses the escalating costs of maintaining individuals on disability allowances<sup>36</sup>. Economic studies comparing the cost of sheltered versus supported employment have illustrated that supported employment is a more cost-effectiveness work model than sheltered work options<sup>37</sup>. It is important, however, to be mindful of the fluctuating costs of supported employment, especially for those employees with more significant needs<sup>38</sup>.

**(10) Does the literature identify any groups of people who don't benefit from supported employment or who may need a sheltered work setting?**

Supported employment was introduced as a potential solution to the difficulties experienced in moving persons from sheltered settings into positions of employment. Sheltered settings were originally based on a 'readiness' paradigm whereby an individual received prerequisite skills that were deemed necessary for successful employment<sup>39</sup>. A flow-through model operated whereby people were trained first and then placed in employment. In practice, however, this flow-through model did not succeed. During the mid 1980s, at the inception of supported employment, the average flow through from sheltered to open employment took between 47 and 58 years<sup>40</sup>. The failure of the flow-through model led to a change in emphasis from the traditional 'train and place' model to the supported employment 'place and train' model<sup>41</sup>. This model is characterised by four key elements (1) paid employment (2) integrated settings (3) publicly subsidised supports and (4) severe disability. This latter, key component of the supported employment model must be emphasised when addressing the issue of whether some individuals with disabilities require sheltered work settings.

The Rehabilitation Act is the primary piece of legislation in the US guiding the implementation of vocational rehabilitation programmes. In 1986, the Act was

---

<sup>33</sup> Eggelton I, Robertson S, Ryan J & Kober R (1999). The impact of employment in the quality of life of people with intellectual disability. *Journal of Vocational Rehabilitation*, 13, 95-107.

<sup>34</sup> Verdugo MA, Jordan de Urries FB, Jenaro C, Caballo C & Crespo M (2006). Quality of Life of Workers with an Intellectual Disability in Supported Employment. *Journal of Applied Research in Intellectual Disability*, 19, 309-316.

<sup>35</sup> Stephens DL, Collins MC, Dodder RA (2005). A longitudinal study of employment and skill acquisition among individuals with developmental disabilities. *Research in Developmental Disabilities*, 26, 469-486.

<sup>36</sup> Wehman P, Revell G, Kregal J (1998). Supported Employment: A Decade of Rapid Growth and Impact. *American Rehabilitation*, 24 (1) 31-43.

<sup>37</sup> Cimera R (1998) Are individuals with severe mental retardation and multiple disabilities cost-efficient to serve via supported employment programs? *Mental Retardation*, 36, 4, 280-292.

<sup>38</sup> Cimera R (2007) The cost-effectiveness of supported employment and sheltered workshops in Wisconsin (FY 2002 – FY 2005). *Journal of Vocational Rehabilitation*, 26, 153-158.

<sup>39</sup> TenBroek J & Matson F (1959) *Hope deferred: Public Welfare and the Blind*. Berkeley CA: University of California Press. Cited by K Storey (2000) Why employment in integrated settings for people with disabilities? *International Journal of Rehabilitation Research*, 23, 103-110.

<sup>40</sup> Bellamy GT Rhodes LE Bourbeau PE Mank DM (1986). Mental Retardation services in sheltered workshops and day activity programs: Consumer benefits and policy alternatives. In *Competitive Employment Issues and Strategies* (edited by FR Rusch) p257-71. Baltimore: Paul H Brookes.

<sup>41</sup> Murphy ST and Rogan PM (1995). *Closing the Shop: Conversion from Sheltered to Integrated Work*. Baltimore: Paul H Brookes.

amended to include supported employment as a legitimate outcome of the vocational rehabilitation programmes for people with 'severe handicaps'. Amendments to the Act in 1992 (PL 102-569) introduced the 'presumption of benefit provision'. The presumption is that people with disabilities are presumed to benefit from vocational rehabilitation services in terms of an employment outcome unless the state vocational rehabilitation service can demonstrate clearly that the individual is incapable of accruing such benefits. Put simply, a person with a disability is deemed to benefit from engagement in employment unless clear and convincing evidence is put forward to the contrary. This presumption has strengthened the priority to serve individuals with severe disabilities and is reflected in the revision to the Rehabilitation Act that identifies the target population of supported employment as those with the 'most severe disabilities'. The addition of the word 'most' was intended to ensure that supported employment programmes prioritise those with significant disabilities. In fact, where states cannot provide services to all those deemed eligible for services, the state must serve those with most severe disabilities first<sup>42</sup>.

Although the target population for supported employment is identified as those with more severe levels of disability, data available to the mid 1990s suggests that this population was, in fact, not well served. Wehman et al., (1998) illustrate how in 1988 almost half of those with intellectual disabilities participating in supported employment had mild levels of intellectual disabilities, while only 12% had severe to profound levels of intellectual disability. In 1995, the situation remained similar with 51% of those with intellectual disabilities being classified as having a mild level of disability and only 10% being identified as having a severe to profound level of intellectual disability. Comparative data on those in sheltered and supported employment settings has found that while IQ is not a predictive variable related to positive work outcomes, behaviour problems, level of functioning, self-determination and the presence of psychiatric symptoms are significant predictors<sup>43</sup>. Level of ability is therefore not considered a determinant of employment outcome.

#### **Appendix 1:**

The following individuals were contacted via email and/or conference call during the compilation of this report:

- (1) Paul Wehman PhD, Professor of Physical Medicine and Rehabilitation Medical College of Virginia, Virginia Commonwealth University, Virginia.
- (2) Grant Revell, VCU-RRTC, Virginia Commonwealth University, Virginia.
- (3) Robert Cimera, College of Education, Health & Human Services, Kent State University, Kent, Ohio.
- (4) Jane Gallivan, Director, & Lisa Sturtevant MR Services, Bill Hughes, Office of Adults with Cognitive and Physical Disability, Department of Health and Human Services, Maine.

---

<sup>42</sup> Rogan P, Novak J, Mank K & Martin R (2002). From values to practice: State level of implementation of supported employment. *Journal of Vocational Rehabilitation*, 17, 47-57

<sup>43</sup> Martorell A, Gutierrez-Recacha P, Pereda A & Ayuso-Mateos JL (Identification of personal factors that determine work outcome for adults with intellectual disability. *Journal of Intellectual Disability Research*, 52, 12, 1091-1101

(5) Chas Moseley, Associate Executive Director, National Association of State Directors of Developmental Disability Services (NASDDDS), Washington.

(6) Judy Shanley, US Department of Education, Office of Special Education Programs, Washington.

(7) Mike Collins, Executive Director, & Joan Durocher, Senior Attorney Advisor, National Council on Disability, Washington

(8) Paul Marchand, Director of Public Policy, the ARC & Director of Disability Policy Colloboration, United Cerebral Palsy.