Sustainable Investment:
Toward Economic Self-Sufficiency for Americans with Disabilities
The Collaboration to Promote Self-Determination (CPSD) seeks to promote opportunities and eliminate barriers to working and saving while ensuring the preservation of long-term supports necessary to achieving optimal self-sufficiency, independence, and economic security.
46.2 million Americans were living in poverty in 2010.

Persons with Disabilities experienced the highest rates of poverty of any other subcategory of Americans for the tenth year in a row.

It is expected that SSDI/SSI annual payments will reach over $1 trillion by 2023.
Figure 1. Percentage of Estimated Federal and State Expenditures for Working-Age People with Disabilities by Major Expenditure Category, Fiscal Year 2008[1]

$357 Billion in FY2008

Also includes LTSS for PWD via Medicaid & Medicare

[1] Adapted from Livermore, Stapleton and O’Toole (2011, Health Affairs)
We Have Proof that People Can Work When Services Focus on Employment

Success in employment varies widely 2009

Washington State (88%)
Oklahoma (60%)
Connecticut (54%)
Louisiana (47%)
New Hampshire (46%)

2009 - UMASS Boston ICI ID/DD Agency Survey
Understanding the Core Vision

Employment First

Dr. Laura Owens
Executive Director – APSE
www.apse.org
What is APSE?

- APSE is the Association for People Supporting Employment First
- APSE is the *only* national organization with an *exclusive focus* on integrated employment and career advancement opportunities for individuals with disabilities.
- APSE has 3,000 members, and is celebrating its 25th anniversary.
What do we mean by “employment?”

- Typical individual job in the general workforce
- Minimum wage or higher with benefits
- Fully integrated in the workforce, side-by-side with individuals without disabilities
- On employer payroll (not service provider)
- No “special jobs” for people with disabilities
Background: Services & Supports for People with Disabilities

- Adults with disabilities needing some type of assistance have traditionally been offered variety of service options
- Options have included employment in the general workforce, but also facility-based and non-work options, such as day programs, sheltered workshops and day activity centers
- These services are funded primarily by Medicaid, Rehabilitation Services Administration, Mental Health block grants, supplemented by state and county funds
- Variety of options were developed because many people with disabilities were not viewed as capable of succeeding in employment
A Changing Landscape

- **People with disabilities are capable:** Over past 2+ decades, we’ve clearly demonstrated that individuals with even the most significant disabilities can succeed in employment.

- **Employment is the better option:** People with disabilities working side-by-side with their fellow citizens is not only better for the individual – it’s better for the community and society.

- **Policies are changing:** As a result, states and federal agencies are increasingly recognizing that among available service options, employment must be the priority.
Employment First: What Is It?

- General theme:
  Employment in the community is the first/primary service option for individuals with disabilities.

APSE Statement on Employment First

Employment in the general workforce is the first and preferred outcome in the provision of publicly funded services for all working age citizens with disabilities, regardless of level of disability.
Employment First 2013

- 35+ states have some type of “Employment First” movement

- About 2/3 of efforts are directed by state policy units or are legislatively based

- About 1/3 of efforts are grassroots based – i.e., outsiders working to influence state policy and practice

- 23 states have official Employment First legislation and/or polices
Employment First Policies: A Closer Look

• 23 States with a policy: AR, CA, CO, CT, DE, KS, LA, MD, MA, ME, MI, MO, ND, NJ, OH, OK, OR, PA, RI, TN, UT, VA, WA

• 8 have passed legislation (CA, DE, KS, ND, PA, VA, UT, WA)

• Remainder are Executive Orders, policy directives, etc.

• 9 state polices are cross-disability; remainder focused on individuals with intellectual & developmental disabilities
Employment First is not just about “best practice”.

It is about clear public policies that employment is the priority.

- A major focus of Employment First must be on shifting how public resources are used.
- Vast majority of public resources are still used to support non-employment programming and services.
The Role of the Federal Government and Employment First

- Continue and expand CMS efforts to prioritize employment in use of Medicaid funds for services and supports.
- **Strengthen Rehabilitation Act** to ensure that public Vocational Rehabilitation is focusing its resources on employment in the general workforce.
- **Modify IDEA and other education legislation** to focus more strongly on employment, and prohibit use of facility-based services as part of the transition from school-to-adult life.
- Support efforts to **decrease use of sub-minimum wage**.
- **Continue DOJ efforts** to push states to increase community employment.
- Expand access of people with disabilities to **public workforce development system**.
Reforms to Social Security Disability

• Maintain and expand incentives for beneficiaries to pursue employment

Examples:

- Increase SSI asset limit – last changed in 1989 (currently $2,000/individual, $3,000/married couple)
- Strengthen Ticket to Work

• Change the mixed message from Social Security
Social Security’s Mixed Message to People with Disabilities

Yes you can go to work:
- Work Incentives,
- Ticket to Work,
- Medicaid Buy-In

Entitled to benefits due to disability and inability to obtain gainful employment
• We are undergoing a major cultural shift from viewing people with disabilities as incapable of working to viewing them as full participants in the workforce and economic mainstream.

• This is not only better for people with disabilities – it is better for their communities – for society – and for taxpayers.
Costs and Outcomes of Supported and Sheltered Employment

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Supported v. Sheltered Employment

- Cumulative Costs
  - SE: $18,813
  - SW: $46,855

- Cost per Hr. Worked
  - SE: $11.88
  - SW: $17.12

- Cost per Dollar Earned
  - SE: $2.02
  - SW: $9.39

*Individuals in both SE and SW at the same time.*

*Source: Cimera (2011)*
Supported v. Sheltered Employment

- SE is more cost-efficient to taxpayers
  SE: $1.21  SW: $0.83

- SE is more cost-efficient to workers
  SE: $4.20  SW: $0.24

- Regardless of disability or its severity, SE costs less than SW

Source: Cimera (2010)
Using SW before SE…

- **No Sheltered Settings**
  - Earnings: $137
  - Cost: $4,543

- **Sheltered Settings**
  - Earnings: $119
  - Cost: $7,895

42.5% decrease in cost; 15.1% increase in earnings
Summary

• Employment is good.
Thanks!

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Transitioning Toward Excellence Achievement and Mobility (TEAM)

Richard Luecking, Ed.D.
TransCen, Inc.
What we know

• All youth can work with support and opportunity (presumed employability)
• Work experiences and jobs during secondary education = adult employment
• Ongoing support is necessary to sustain employment after school exit for many youth
What it takes

• All partners presume employability
• Employment before school exit
• Early linkages to post-secondary support to retain employment
• Integrated employment remaining the focus of service
The Result

Seamless Transition:

The last day of school looks no different than the day after:
Same job, same support
Resources

• Integrating Service Systems at the Point of Transition for Youth with Significant Disabilities
  http://www.ncset.org/publications/viewdesc.asp?id=705

• Seamless Transition and Long-Term Support for Individuals With Severe Intellectual Disabilities
  (Certo, Luecking, et al., Research & Practice for Persons with Severe Disabilities, 2009)
Achieving a Better Life Experience (ABLE) Act (H.R.647/S.313)
Another Planning Tool for Families

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ABLE Act Background

The Right to Save:

• To live independently, individuals with disabilities must rely on the services that Medicaid and Supplemental Security Income (SSI) provide, yet to qualify for Medicaid/SSI individuals with disabilities may not possess more than $2,000 of assets, earn monthly income of more than $674, or engage in “substantial gainful activity”

• Non-disabled American’s have a wide variety of ways to save for their future and their children’s future, many of which the federal government provides encouragement through tax advantages accounts. IRA, 529, 401K, HSA, and FSA are a few examples
ABLE Act Background

• **ABLE: a new Tool for Individuals and Families**
  – Similar to Section 529 education savings plans for their college-bound children
  – That is easier to establish and less costly than typical special needs trusts
  – That will allow their adult children with disabilities to manage their own (or some of their own) funds

• Individuals with disabilities have been seeking a way to save that allows self-management of funds

• Traditional special needs trusts have not worked for all

• The ABLE Act is intended to offer another tool for individuals and families to consider in their planning
Purpose of the ABLE Act

- To encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life.

- The legislative intent of ABLE Accounts is to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities.

- To supplement, but not supplant, benefits provided through private insurances, the Medicaid program, the supplemental security income program, the beneficiary’s employment, and other sources.
What are the key features of the bill?

1) Creates a new subsection (f) ABLE Account within Section 529 of the Internal Revenue Code

2) Establishes additional qualified disability-related expenses

3) Protects eligibility for federal benefit programs, such as SSI and Medicaid
How does a person with a disability qualify for an ABLE account?

- Any individual who is receiving, deemed to be, or treated as receiving supplemental security income benefits (Title XVI) or disability benefits under Title II of the Social Security Act

  OR

- Any individual who has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months or is blind, and provides a copy of their diagnosis signed by a physician

*NOTE: ABLE account eligibility does not qualify an individual for SSI, Social Security disability, or Medicaid benefits*
ABLE Accounts Will Follow Requirements of Traditional 529 Accounts

- Easy to open and available in any state

- Same annual contributions apply (after $13,000 gift tax rules apply)

- Same tax-free treatment of account applies (Income earned grows tax-free, withdrawals for qualified disability expenses are tax-free)

- Same reporting requirements as traditional 529 apply

- A beneficiary may have either an ABLE account or a traditional 529 qualified tuition program (Multiple ABLE accounts or multiple 529 plans still allowed)

- Rollovers allowed from an ABLE account to traditional 529 if beneficiary is no longer deemed disabled (all other 529 rollovers apply to ABLE accounts)

- Rollovers allowed to other family member’s ABLE account or their traditional 529
What are the Qualified Disability Expenses?

- Education
- Housing
- Transportation
- Employment Support
- Assistive Technology & Personal Support Services
- Health and Wellness
- Miscellaneous Expenses
- Other approved expenses
ABLE Act – Key Provisions

• This is the fourth Congress that the ABLE Act has been introduced and there have been some specific changes that were made to the bill for this Congress. Some of the changes would result in providing more flexibility in the account along with a clear path to bring the accounts to the marketplace. Others have been added to help bring down the costs to the federal budget. Most importantly, all of the changes give the bill a much better chance to passing into law.

• The resulting “ABLE” account would now fall under the 529 program. That means that the tax free, fraud protection, account limits, reporting provisions and rollover provisions that apply to 529’s would now apply to the ABLE account.

• A provision was added that suspends the beneficiary’s SSI check during any period of time the account has assets over $100,000. It is important to note that although the payment is suspended the individual does not lose their eligibility to receive the payment, so that when the assets are spent down it can be reinstated.
ABLE Act Congressional Background

- The bill has **overwhelming bipartisan, bicameral support**
  - 28 Senate cosponsors
  - 127 House cosponsors

- The ABLE Act is led by a bipartisan, bicameral set of Congressional champions, including:
  - Senator Robert Casey, Jr., (D-PA) and Senator Richard Burr (R-NC)
  - Congressman Ander Crenshaw (R-FL), Congressman Chris Van Hollen (D-MD), and Congresswoman Cathy McMorris Rodgers (R-WA)

- The bill has been endorsed by 50 national disability organizations

- The bill was scored in the 112th Congress by Joint Committee on Tax (JCT)

- 2013 Tax Reform Process
From the Cyclical Dependency Model....

**EDUCATION**
- Segregated from class or school
- Often placed on non-diploma track at an early age. Little or no access to general curriculum

**TRANSITION**
- Low expectations
- Weakened school accountability
- Lack of access to transition activities
- Lack of long term supports

**EMPLOYMENT**
- Individual typically placed into expensive segregated options
- Disincentives to work
- Subminimum wages often paid

**HOUSING**
- Often option are institutions, and congregate provider operated group home facilities that regiment people’s lives
- Long waiting list for residential services

**FINANCIAL PLANNING**
- Asset limitation of $2K (has not been revised since 1985)
- Benefits riddled with complexities

This Model results in Chronic Impoverishment, Cyclical Dependency, and Loss of Human Dignity throughout Lifespan.
To the Self-Sufficiency Model

**EDUCATION**
- Inclusion in home school
- Support to earn diploma
- Access to the general curriculum
- High expectations and school accountability

**TRANSITION**
- Transition planning begins at 14
- Work experience required as part of transition
- PSE
- Cross agency/blended and braided funding for ongoing employment supports

**EMPLOYMENT**
- Presumed eligibility for supports via VR, on-stops and local/state programs
- Outcome is integrated employment in general workforce

**HOUSING**
- Focus is on getting person into own home in integrated setting
- On-going, self-directed personalized supports to optimize independence

**FINANCIAL PLANNING**
- Consumers control public resources
- Increase asset limits to $10K

This Model represents Optimal Self-Sufficiency, Independent Living, Economic Empowerment and Full Community Participation
We Can’t Lose Another Generation to Poverty and Segregation
THANK YOU

For more information:
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