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SWTCIE Practice Brief

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Engaging 14(c) Certificate Holders to Increase Competitive Integrated Employment

About the Subminimum Wage to Competitive Integrated Employment (SWTCIE) National Evaluation. In September 2022, the Rehabilitation Services Administration awarded five-year grants for Disability Innovation Fund demonstration projects. As part of the Subminimum Wage to Competitive Integrated Employment program, these federal fiscal year 2022 grants provided funding to 14 state vocational rehabilitation agencies to implement Innovative Model Demonstration projects. These projects aim to decrease subminimum wage employment and increase competitive integrated employment for people with disabilities who are currently employed in or contemplating subminimum wage employment. To achieve these goals, the projects will create innovative models for dissemination and replication that (1) identify strategies to address barriers to accessing competitive integrated employment, (2) provide integrated services that support competitive employment, (3) support participants' integration into the community through competitive employment, (4) identify and coordinate wraparound services for participants who obtain competitive employment, (5) develop and disseminate evidence-based practices, and (6) provide readily accessible and transformative business models that entities with section 14(c) certificates can adopt.

Introduction

This practice brief explores how Subminimum Wage to Competitive Integrated Employment (SWTCIE) projects engage 14(c) certificate holders to move workers from subminimum wage employment (SWE) to competitive integrated employment (CIE). It summarizes results from interviews with staff from four SWTCIE projects (Indiana, Iowa, Ohio, and Texas) held in September 2023. The lessons learned could help vocational rehabilitation (VR) agencies and other organizations interested in partnering with 14(c) certificate holders to promote CIE. These findings describe early engagement efforts, and they are not representative of all SWTCIE projects or VR agencies.

Exhibit 1. Promising practices for 14(c) engagement

Promising practice	Examples
Communicate openly	• Establish **open communication** between the project and partners. • **Solicit, engage, and address concerns** or barriers, such as establishing financial incentive structures and developing trainings to address 14(c) entities' concerns. • Use a **team approach** and plan services with 14(c) entities, project leaders, VR field staff, and local county boards.

Promising practice	Examples
Build on and invest in relationships	• **Designate one VR representative to each provider site** as a point of contact to streamline communication and strengthen relationships. • Build on **current working relationships** between VR and 14(c) entities. • Consider **leveraging others' knowledge**, such as that of Section 511 employment specialists. • Work collaboratively with partners and **use feedback from SWTCIE partners to inform decisions** about the project.
Have a positive mindset	• **Focus on CIE and the opportunities it can provide** instead of what workers and families anticipate they might lose if they leave a 14(c) entity. • **Stand firm with the goals of the SWTCIE project** to advance participants in CIE and do not let negative concerns be a deterrent. • Choose to **focus on what the project can affect** and do that well.
Lean on experts	• **Educate 14(c) facility staff using experts** who have had success with a transition from SWE to CIE. • Bring organizations from other states to **provide a national perspective** on transitioning people with disabilities from SWE to CIE. • **Provide research-based information and facts to the organization's leaders**. Some 14(c) leaders want evidence about the success of CIE.

Background on 14(c) certificates

Section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 201) permits employers that receive a certificate from the U.S. Department of Labor's Wage and Hour Division to pay workers special minimum wages, which are less than the federal minimum wage of $7.25 per hour, if the worker's disability limits their capacity to work (Curda 2023). The number of employers authorized to pay subminimum wages under the 14(c) certificate regulation decreased from 3,117 in 2010 to 1,567 in 2019 (Curda 2023). As of October 2023, 736 employers that hold 14(c) certificates employed more than 42,000 people with disabilities in SWE.

The SWTCIE projects will vary in how they incorporate employers that hold 14(c) certificates. At least nine SWTCIE projects (Florida, Illinois, Indiana, New York, North Carolina, Ohio, Pennsylvania, Texas, and Virginia) will offer services through 14(c) certificate holders. These partnerships aim to build service capacity, create more CIE opportunities for people with disabilities, and potentially encourage providers to transform their businesses from offering SWE to CIE. ◢

Findings

Below are summaries of the four projects discussed in this brief.

Spotlight on Indiana

The Indiana Supported Employment Plus SWTCIE project began the engagement process by surveying all 14(c) certificate holders in the state to learn their perspectives on CIE. The team then conducted outreach phone calls to eight 14(c) entities. They selected entities in both rural and urban geographic locations that have CIE built into their organizations' structures, have a large number of participants in SWE who were interested in CIE, and have goals that align with the project. The team selected four 14(c) entities serving seven sites and secured agreements with them as partners for the project. The team approached conversations using a "how can we help you?" strategy. This approach uncovered challenges the 14(c) entities faced, such as inadequate staff capacity, limited resources, and lack of education on how to transition from SWE to CIE. The team offered training, an onsite dedicated VR counselor, and a 20 percent enhancement payment to providers linked to project-specific services as an incentive for partners who reach a service fidelity level of 80 percent.

Spotlight on Iowa

IA

The Iowa Blueprint for Change project invited all 14(c) certificate holders in the state to participate in the development of customized employment services. The project then invited the two 14(c) certificate holders who chose to offer customized employment services to participate in the SWTCIE project. One of the 14(c) entities is in a rural area and the other is in an urban area. Both entities have a high percentage of participants in SWE and are serving participants in both SWE and CIE. Project staff reported that the funding, training, and technical assistance that Iowa Vocational Rehabilitation Services will provide to the 14(c) entities increased buy-in for participation. The team also held and continues to hold listening tours with current and former 14(c) certificate holders to understand their reluctance to transitioning from SWE to CIE. The listening tours provide insight on how empowering the success stories from individuals who transitioned from SWE to CIE are for certificate holders. The team used feedback from previous listening tours to create a curriculum called Everyone Can Work. They also created a playbook outlining how 14(c) entities can promote CIE in their business models, and they share a newsletter to keep interested 14(c) certificate holders engaged with the project.

Spotlight on Ohio

OH

The Ohio Works4Me SWTCIE project team used a statewide workgroup to help select 14(c) certificate holders in Northeast Ohio. The project identified 14(c) certificate holders with the largest number of participants in SWE that offered a range of employment supports in urban and rural areas. The team invited selected 14(c) certificate holders to be a part of a county-specific steering committee to collaborate and help design the SWTCIE project. The team focused on expansion efforts, such as adding new service providers for VR, having a consultant locate CIE opportunities, helping 14(c) entities develop strategic plans to transition from SWE to CIE, and providing training. The team used a collaborative approach to solicit 14(c) certificate holders' input on the best methods to serve people in their facilities. Based on their input, the project will provide participants with new services, including a family engagement specialist to help people overcome barriers to CIE and benefits counseling and work incentives. The team also plans to offer incentives to 14(c) certificate holders, including the opportunity to become VR providers. Although they will start informally, 14(c) providers will sign a fee-for-service contract to provide SWTCIE services, with payment exceeding waiver reimbursement amounts. The providers will also receive training and technical assistance and a bonus incentive for placing participants in CIE.

Spotlight on Texas

TX

The Texas Beacons of Excellence SWTCIE project sent emails to all 14(c) certificate holders in the state and requested a letter of support from entities interested in partnering with the SWTCIE demonstration. The team then held virtual information sessions and in-person meetings with those who responded. The team focused on highlighting the benefits of participation with the 14(c) certificate holders. For example, they stressed the impact the project would have in assisting people to attain CIE, discussed how the facilities could profit and be an example for other facilities that may have concerns about transitioning from SWE to CIE, and emphasized that funds would be available to partners for implementation. Through these conversations, they discovered hesitancy to transition from SWE to CIE because of challenges associated with changing their business models, and limited education about CIE. The team will conduct a needs assessment with family members and staff at 14(c) facilities to obtain more information on preferred training topics. The project will use the information to create a holistic training approach with multiple modes and methods to provide training and education.

Project roles of 14(c) certificate holders

Employers that hold 14(c) certificates will play diverse roles in the SWTCIE demonstrations. Many projects will rely on 14(c) certificate holders to identify participants in SWE to enroll in the SWTCIE demonstration. For example, 14(c) provider partners in Ohio will join a local steering committee to develop processes to move people from SWE to CIE and will identify participants from their facilities who they expect will be interested in CIE. Several projects plan to train staff from 14(c) certificate holders to deliver employment

services, such as individual placement, support, and customized employment (as in Indiana and Iowa), or social skills and financial literacy services (as in Ohio).

The diverse roles of 14(c) certificate holders reflect the varying relationships they have with VR agencies. Some 14(c) certificate holders partnering with SWTCIE projects are themselves VR employment service providers. For example, the Indiana project benefits from partnering with four 14(c) entities that have been VR employment service providers for many years. These 14(c) entities will receive training, participate in fidelity reviews, and deliver services to participants in exchange for financial incentives from the VR agency. The Ohio project aims to build capacity by assisting interested 14(c) providers in the state to become VR service providers with the goal of transforming their business models to include supports focused on CIE. In Texas, VR staff will be embedded in 14(c) entities at the beginning of the project to educate 14(c) certificate holder staff about CIE. As the services develop, the team plans to hire a project site coordinator to provide ongoing technical assistance that addresses barriers to CIE and training needs. Across the projects, 14(c) entities with more formal roles have signed memorandums of understanding describing roles and funding.

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By hearing and listening to [the 14(c) providers] we have been able to speak to their concerns and try to find ways to help them with the concerns that they have had.

SWTCIE project leader

Some projects also deeply involve 14(c) certificate holders in project planning. For example, the Ohio project includes 14(c) entities on a local steering committee along with local VR staff, local community boards, and SWTCIE project staff. According to their staff, building the project with the advice of steering committee members helps the project address concerns and increase buy-in. Similarly, the Iowa project organized listening tours to speak with staff from 14(c) facilities that are not formal partners. Through these ongoing tours, project staff seek to learn about concerns and potential incentives as they engage more 14(c) entities.

Identification

Staff that we interviewed reported using different approaches to identify 14(c) certificate holders for partnerships, but many looked at similar characteristics. Most projects considered including rural and urban 14(c) facilities that had many workers in SWE who might be interested in transitioning to CIE. For example, to meet its annual enrollment goals for the SWTCIE demonstration, Texas selected facilities for which it expected it could enroll at least 10 workers per year. Iowa focused on demographics of workers, such as numbers of youth and adult workers, to align with the grant's performance measures. The Ohio project's statewide workgroup advised choosing a county with many employment supports and another with fewer supports within the region they selected for the project. They spoke with local county boards of developmental disabilities to develop their outreach approach and understand which partners within those counties were already helping people move toward CIE.

Some projects established new relationships with 14(c) entities, and others built on prior work. For example, Iowa and Texas VR staff were familiar with the contexts and needs of the 14(c) entities they partnered with but had not worked closely with them. Both leveraged knowledge gained through interactions required through Section 511 of the Rehabilitation Act to determine entities that would be amenable to transitioning to CIE. The Indiana project selected 14(c) certificate holders that had CIE built

into the structure of their organizations and whose mission aligned with the SWTCIE demonstration.

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Through these pilots, we will gain insight as to the systemic barriers that make it more attractive to stay in an older model [providing SWE]. I think with providers, no one wants to be the first, but no one wants to be the last to change [to CIE] either. We will be able to dissect where it is not working for a provider, and that is where the opportunity for this project is ripe.

SWTCIE project leader

Engagement

Many facilities are willing to transition to CIE but do not have clear direction, and education and technical assistance could help them move forward. To address their concerns about transitioning from SWE to CIE, projects often provide training and education, share success stories, and establish clear financial incentives for CIE.

The projects use various strategies to engage with 14(c) entities that are not ready to be formal partners. To learn about their concerns and inform them about potential incentives the project can offer, some projects provide virtual information sessions or meet with 14(c) certificate holders individually. The Iowa project communicates project updates by newsletter.

References

Curda, Elizabeth H. "Subminimum Wage Program: DOL Could Do More to Ensure Timely Oversight." 2023. https://www.gao.gov/assets/gao-23-105116.pdf.