

Department of Human Services 2009-11 Policy Option Package

Division Name: Children Adults and Families

Program Name: Office of Vocational Rehabilitation Services (OVRs)

Policy Option Package Initiative: Seniors and people with disabilities live safely and independently in their communities.

Policy Option Package Title: OVRs Work Incentives Network

Policy Option Package Number: 203

Related Legislation: Not applicable

Summary Statement:

This POP provides coordinators and staff to provide benefits counseling to people with disabilities, addressing the lack of knowledge and misunderstandings about available work incentives, and the fear of losing healthcare coverage, which prevent many people with disabilities from even seeking employment services. Fear of loss of public benefits is a major barrier to employment for Oregonians with disabilities, many of whom rely solely on federal Supplemental Security Income (SSI), Social Security Disability Income (SSDI), and Medicare and Medicaid health services.¹ Pilot programs show benefits planning overcomes this misunderstanding and results in significant increases in employment and income within this population, thus reducing their dependence on public benefits and health-related costs. Currently Oregon has limited benefits and work incentives planning supports and services program.

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would expand the Oregon Work Incentives Network pilot project. CAF is proposing funding for 1 FTE OVRS program coordinator, 6 FTE contract work incentive coordinators and 6 FTE contract information and referral specialists for the 2009-2011 biennium. The pilot Oregon Work Incentives Network served 420 people in the 6 month project start-up period. The Network would expect to serve a minimum of 1,200 people in the first year of the biennium and 1,500 in the second year. The Oregon pilot was based on a study by the state of Vermont in 2004 where 15 percent of their VR caseload received benefits and work incentives planning supports and services and obtained or advanced in competitive employment. The group

¹ US General Accounting Office 1996; Johnson-LaMarche and Baird, 1997

had an average increase in earnings of \$225 per quarter as compared to \$35 per quarter for those VR clients who received VR services, but no benefits planning. Costs in Medicaid state plan services consistently decreased for this population. Additionally, this group was the only sub-group in Vermont's Medicaid Buy-In that saw a consistent increase in earnings after enrollment.² Using Vermont's formula, Oregon might expect increased income tax revenues of \$1,696,099 from providing benefits and work incentives planning supports and services.³

2. WHY DOES DHS PROPOSE THIS POP?

In 2006 313,000 non-institutionalized Oregonians of working age (21-64) experienced a disability. Forty three percent of that population worked, as compared to 79 percent of Oregonians without a disability. Only 11.4 percent of those with disabilities not working actively sought work. About one-fifth (22 percent) or a total of 16,117 Oregonians with disabilities worked full-time with a median income of \$30,000. In the same period, 51 percent, or a total of 506,544 Oregonians without disabilities worked full-time with a median income of \$36,000. The poverty rate of working age Oregonians was 26.7 percent as compared to 9.4 percent of those without disabilities⁴.

OVRS Work Incentives Network will provide funding to a program that increases the employment and incomes of Oregonians with disabilities, while reducing their dependence on public benefits and health-related costs.

Currently Oregon has limited benefits and work incentives planning supports and services program. Funded through a Social Security grant, the Work Incentives Planning and Assistance program (WIPA) provides the

² *The Impact of Specialized Benefits Counseling Services on Social Security Administration Disability Beneficiaries in Vermont*; Journal of Rehabilitation Volume 70, No. 2, 5-11; Tremblay, Smith, Xie and Drake 2004

³ 2008 Oregon Office of Vocational Rehabilitation Services Fact Sheet

⁴ 2006 American Community Survey and Rehabilitation Research and Training Center on Disability Demographic and Statistics 2006 Disability Status Report Oregon

state with 3 work incentives planners housed in Portland at the Oregon Advocacy Center, serving only SSI and SSDI recipients who are working or have a concrete work goal. Oregon's Work Incentive Network staff currently operates as a pilot via contracts with 6 Centers for Independent Living, through a time limited Medicaid Infrastructure Grant.

This POP would provide funding to expand these limited services by placing staff throughout the state, providing information and supports on federal and Oregon state specific work incentives to all people with a disability regardless of federal benefit or work status. The Work Incentives Network will develop culturally sensitive outreach strategies and marketing materials, and will track the outcomes of those efforts to insure that individuals from culturally, ethnically and linguistically diverse backgrounds have access.

Other DHS services and programs would be positively affected by the Work Incentive Network. For example, people in the Temporary Assistance for Needy Families program who receive assistance from DHS to get on SSI could be served by the Work Incentives Network when they apply to Social Security, providing early information about the effect of work on their upcoming benefits as well as providing ongoing support to re-enter the workforce. Access to employee benefits, particularly health insurance is often a barrier to finding a job for people with disabilities.⁵ Increased use of existing programs, such as the Employed Persons with Disabilities (Oregon's Medicaid Buy-In program) and Oregon's Individual Development Accounts, would allow people with disabilities to work even for employers whose benefits are insufficient for people with disabilities, as is increasingly the case in today's labor market. This gives people with disabilities the opportunity to become taxpayers, homeowners, and integrate them back into our communities. Providers from other divisions in DHS could use the Work Incentives Network in planning individual supports and services according to each client's goals, so they are not limited to what can be afforded through DHS funding alone.

⁵ *Quality Employment Outcomes: Benefits for Individuals with Disabilities*; Lusting, Strauser, Donnell, 2003

This POP is not mandated.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?

The Work Incentives Network will directly serve the DHS mission to help people become independent, and to be able to better support families. Additionally, research shows that being employed is better for the health of people with disabilities. National research shows that people with disabilities are twice as likely to drop out of high school and lack health insurance; that they are less likely to socialize, eat out, or attend religious services than their non-disabled counterparts; that 25 percent live in poverty, compared with 9 percent of those without disabilities and only 34 percent say they are very satisfied with life, compared with 61 percent of those without disabilities.⁶ As a group, people with disabilities who are employed are likely to remain employed for long periods of time and live healthier, longer and more satisfying lives than those who are not employed.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This POP is tied to the following 2007-2009 DHS Key Performance Measures:

- #3: OVRs closed-employed: If national statistics hold true to Oregon, people who receive VR services and benefits and work incentives planning supports and services should increase the numbers of successfully closed and employed VR clients.
- #29 Customer Service: The provision of benefits and work incentives planning supports and services should increase DHS customer’s satisfaction with services.

⁶ Disabilities: Current Trends; Social Workers Help Starts Here Website: <http://www.helpstartshere.org/Home.html>, 2008

In addition, the Work Incentives Network pilot project has a database collection system that will can track the impact of benefits and work incentives planning supports and services on clients from all Divisions and offices, including increases in employment and decreases in usage of public assistance programs. The Work Incentives Network can provide monthly and annual reports to OVRS Administration on aggregate statewide and specific local/regional data showing the various impacts of services on client employment, wages and use of state funded and federal programs.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

This POP does not require a change to an existing statute or require a new statute.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Alternatives considered included providing benefits and work incentives planning training to all DHS staff through national consultants who put on workshops in Oregon twice a year. Due to the complexity and interaction of the 13 federal and 30 Oregon specific work incentive programs it would be impractical for staff to retain and stay current on the information needed to properly and safely provide assistance in benefits planning to their clients. Attending a workshop one day per year gives staff some insight into SSI/SSDI work incentives, but the national consultants do not touch on the 30 Oregon specific programs available. It would not be fiscally responsible for staff to attend these workshops as the cost is currently \$200 per person.

Past efforts to establish and sustain a benefits and work incentives planning supports and services system in Oregon have failed due to a lack of expert technical assistance and training, programmatic oversight and monitoring and availability of continuing funding.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Many Oregonians with disabilities are capable of being employed, but continue to rely on state and federal public assistance programs because they lack the knowledge and understanding of how work incentives programs can assist them in obtaining, maintaining and advancing in employment. Not funding this POP would mean:

- Lost tax revenues for Oregon.
- Continued high unemployment rates for Oregonians with disabilities.
- A continued increase in the numbers of Oregonians receiving SSI: In 2005 60,557 people received SSI and in 2006 that number rose to 62,350. Over 1/3 of this population is “dual eligible”⁷. This means they receive both SSDI and SSI, Medicaid and Medicare and are most likely of working age. A majority receive dual benefits as a result of a disability and a parent or spouse’s SSDI benefits.
- An increased reliance on Medicaid and other state programs due to unemployment.
- An increased number of people entering and staying on state and federal benefits programs including TANF (welfare) and disability programs (including Medicaid home and community based waivers) and thereby an increase in the cost of public assistance programs.
- A decrease in opportunities for self-sufficiency and financial literacy.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The Work Incentives Network will have a direct positive effect on many departments and agencies in the State, including tribal and local governments.

The Oregon Business Plan (OBP) states: “Creating and retaining a world-class workforce is an integral part of a prospering economy. If Oregon is to compete globally, it must be able to attract, retain, and train a

⁷ US Social Security Administration Reports: State Statistics 2005; SSI Recipients by State and County 2006

workforce that can compete with any in the world. To achieve this goal, we must create new high performance work environments and flexible, responsive education and job training programs that are competency-based, responsive to the demands in a rapidly changing labor market, and are tied to new technologies, customer needs, and evolving production processes. To address the upcoming labor shortage, Oregon must drastically expand its pool of qualified workers, and we must take steps to ensure that all Oregonians are able to participate in the workforce.”

Included in the OBP key initiative “Meet Targeted Workforce Needs of Industry” is the following introduction to action steps in collaboration with the Oregon Business Leadership Network: “Increase Inclusion of People with disabilities in the competitive workforce: Individuals with disabilities represent a highly qualified worker pool that, with proper accommodation, can bring much needed skills and talent to the workforce. We must adopt business strategies that demonstrate that recruiting and retaining workers with disabilities is good for business.”⁸

There is a direct positive fiscal correlation for each town, city and county in Oregon for each person who uses Work Incentives Network supports and services to assist them in re-entering the workforce. People who are employed will have more disposable income to boost community business revenues, as well as paying state and federal taxes. Nationally, people with disabilities have a combined income of more than \$1 *trillion* with \$220 billion in discretionary income.⁹

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 2009

End Date (if applicable): _____

⁸ Oregon Business Plan 2006

⁹ “Disability: Dispelling The Myths”; Center for Workforce Preparation, An Affiliate of the US Chamber of Commerce 2006

a. Will there be new responsibilities for DHS? Specify which division(s) and describe their new responsibilities.

- | | |
|---|---|
| <input type="checkbox"/> Administrative Services | <input type="checkbox"/> Addictions and Mental Health |
| <input checked="" type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Division of Medical Assistance Programs | <input type="checkbox"/> Seniors and People With Disabilities |

1 of the current Medicaid Infrastructure Grant LD positions would be converted to a permanent CAF/OVRS position (to coordinate the Work Incentives Network and oversee the Work Incentives Network contract positions).

b. Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) and describe how it will be affected.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Human Resources | <input type="checkbox"/> Payment Accuracy and Recovery |
| <input type="checkbox"/> Information Security/Privacy | <input type="checkbox"/> Investigations and Training |
| <input type="checkbox"/> Document Management | <input type="checkbox"/> Facilities |
| <input type="checkbox"/> Audit and Consulting | <input type="checkbox"/> Contracts and Procurement |
| <input type="checkbox"/> Information Services (computers) | <input type="checkbox"/> Budget, Planning and Analysis |
| <input type="checkbox"/> Financial Services (accounting) | <input type="checkbox"/> DHS Office of Communications |

The addition of 1 OVRS FTE would add to the workload of Human Resources.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

There are no anticipated changes to client caseloads. There would be an addition of benefits and work incentives planning supports and services available to all current caseloads.

- d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

One current Limited Duration position would be made a permanent OVRs FTE and would work for 24 months of the biennium.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Please see fiscal analysis spreadsheet.

- f. What are the ongoing costs?**

Please see fiscal analysis spreadsheet.

- g. What are the potential savings?**

Yet to be determined.

- h. Based on these answers, is there a fiscal impact?**

There will be a fiscal impact; however, the savings will offset the impact.

- i. What are the sources of funding and the funding split for each one? Include grant names and fund type, such as “Medicaid, General and Federal Funds.”**

State General Funds are requested.