



# CENTER-BASED EMPLOYMENT

The Continuum of  
Employment Supports for  
People with Disabilities

A summary report of the public forum, sponsored by the Minnesota  
State Rehabilitation Council and Vocational Rehabilitation Services

June 22, 2011, at the Paul and Sheila Wellstone Center in St. Paul

MINNESOTA STATE REHABILITATION COUNCIL  
AND VOCATIONAL REHABILITATION SERVICES

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*Minnesota*  
Department of Employment and Economic Development



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The nationwide system that provides long-term employment supports for people with significant disabilities is complex and constantly evolving. The system is sometimes viewed as a simple choice between center-based employment and community employment. But the reality is far more complex than an either/or dichotomy. There is in fact a continuum of employment support services. The system encompasses multiple programs and funding streams. It includes billions of dollars in public and private funding, for-profit and not-for-profit organizations, and programs and services offered by all levels of local, state, and federal government. The system spans decades, and its history is marked by constant changes in perception, sharp shifts in philosophy, and frequent controversy about how best to provide employment services for people with disabilities.

In June 2011, the Minnesota State Rehabilitation Council and Vocational Rehabilitation Services convened a day-long public forum to provide a broad overview of how the system has evolved and continues to adapt to changes in public policy, shifts in social priorities, and ongoing debates over center-based and community employment. The forum drew an audience of more than 100 people with widely divergent viewpoints. Clearly there is widespread interest – even where there is disagreement – in learning about the continuum of employment supports for people with disabilities. The topic is once again at the forefront of a national discussion as Congress debates the reauthorization of the Workforce Investment Act and the Rehabilitation Act.

## The Evolution of the System

The historical record of employment supports for people with significant disabilities probably starts in the middle of the 20th century. Up to about the 1950s, people with disabilities typically experienced permanent, in-patient hospitalization or long-term confinement in specialized, segregated

### FORUM PRESENTERS

Kim Peck, Director of Vocational Rehabilitation Services.

David Sherwood-Gabrielson, VRS Director of Community Partnerships.

Jon Alexander, President of the Association of People in Supported Employment (APSE) and Director of Kaposia.

Steve Ditschler, CEO of ProAct and former chair of the State Rehabilitation Council.

Clayton Liend, Vice President of Programs & Services at ODC, Inc. and current chair of the Minnesota Association of Community Rehabilitation Organizations.

Alex Bartolic, Director of the Disability Services Division at the Department of Human Services.

Anna McIntyre, Director of Vocational Services, Midwest Special Services.

John Sherman, Senior Policy Analyst for Vocational Rehabilitation Services.

institutions. But radical change began to occur in the early 1960s. A disability rights movement began to emerge, coinciding with the broader civil rights movements of that era. A grassroots movement for fair and equitable treatment of citizens with disabilities (often spearheaded by empathetic family members, churches and advocacy groups) also sprouted the early proliferation of “day activity centers” and “developmental achievement centers” designed to support daytime activities outside of the home environment.

By the time the 1980s and early 90s rolled around, center-based or sheltered workshops began to develop a model of employment that encouraged full integration within local communities and jobs that paid competitive prevailing wages. In many ways Minnesota was a pioneer in this nationwide movement. In the mid-1980s Minnesota received a substantial multi-year systems change grant from the Office of Special Education and Rehabilitative Services in the U.S. Department of Education. The grant enabled Minnesota to convene stakeholders, including disability advocates and service providers, to begin the work of changing the service delivery model to one that emphasized consumer choice and recognized that





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institutionalization of people with disabilities could be interpreted as a form of discrimination. A few years earlier, the Minnesota Legislature had implemented a rule change that led to reform initiatives within the state. Sheltered employment and subminimum wages didn't disappear – and in fact they still exist today – but the movement toward independence and competitive employment definitely gained momentum as service providers and policy makers adopted a new set of views on training, education and employment for people with disabilities.

In 2001 the Rehabilitation Services Administration changed the federal regulations so that, for public Vocational Rehabilitation programs, sheltered employment would no longer be accepted as a valid employment outcome. As a result, vocational rehabilitation professionals shifted their focus to “supported employment” (competitive employment with supports), which is outcome-based. Rather than pursuing long-term employment by training people with disabilities in segregated, stand-alone facilities adapted to meet their needs, vocational rehabilitation programs began channeling resources to individual workers, providing necessary training supports and adaptations within the traditional (and thus desegregated) workplace.

### DEFINITIONS

#### Center-Based

**Employment:** A facility where most employees have disabilities, and have access to job-related assistance and supervision at all times. Also known as a Sheltered Workshop.

#### Competitive

**Employment:** Full- or part-time work in the general labor market at or above minimum wage. Coworkers may or may not have disabilities.

**Integrated Setting:** A site where individuals with and without disabilities work or receive services at the same level.

#### Supported

**Employment:** A system of supports that help people with significant disabilities find and maintain employment in an integrated setting.

In Minnesota, uniquely among the American states, a state-funded Extended Employment (EE) program has for the past two decades sought to provide ongoing employment support services to Minnesotans with significant disabilities to maintain and advance in their employment. The program contracts with 32 state-certified community rehabilitation programs (CRPs) that provide the ongoing supports to meet the needs of people with disabilities who want to work and employers who need qualified employees. The program is relatively modest – the Minnesota Legislature appropriates about \$13 million a year for the EE activities – but no other state does anything comparable.

At the same time, segregated work settings continue to be supported by federal Medicaid dollars, typically in day training and habilitation (DTH) facilities. In Minnesota, for example, the Department of Human Services spent nearly \$300 million on DTH services in 2009. (This figure includes funding from Medical Assistance, Medical Assistance home and community-based waivers, county funds, procured work contracts, sales of goods and services and vocational rehabilitation services funding.) The department provided access to DTH facilities to more than 16,000 people, 61 percent of whom worked in a segregated facility of one kind or another. Of the people who worked in a facility, the majority worked 10 hours a week or less, and 85 percent of them earned a wage that is less than the federal minimum.

## The Fundamental Question

To what extent should center-based employment continue to be available, if at all? That is perhaps the fundamental and underlying question. It certainly provided the impetus for much of the discussion at the SRC-sponsored forum.

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Although center-based employment is still a common practice, the trend lines are clearly moving in another direction. There is virtually no disagreement that people with significant physical and intellectual disabilities should have the opportunity to seek and obtain successful employment in their local communities. That's as close to being a settled question as anything in the world of disability employment. Steve Ditschler, one of the panelists in the public forum, put it this way: "We're all looking for the same thing. Employment at the highest level possible, integrated at comparable wages in the community, is the ultimate goal. I don't think you'd hear that differently from anybody. How we get there, there might be some differences."

To say that "there might be some differences" is perhaps to understate the nature of the debate. The transition from center-based to community-based employment presents significant challenges. Contrasting institutional prerogatives, incompatible funding mechanisms, inconsistent government mandates, competing family interests, fluctuating markets and consumer resistance are chief among the complicating factors. The complexity of the system and, to a certain extent, the emotionally charged nature of the discussion, has led to a lively and sometimes polarizing national debate.

The Rehabilitation Services Administration in 2001 effectively "put a stake in the ground" by excluding center-based employment as an acceptable employment outcome for the Vocational Rehabilitation program. That policy codified the institutional preference for fully integrated, community-based employment at competitive wages. With varying degrees of success, public Vocational Rehabilitation programs across the nation have embraced that employment model.

Nevertheless, center-based employment remains a meaningful option for many individuals, and continues to be supported



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by large organizations and substantial sums of money. Identifying where center-based employment rests on the continuum of services for people with disabilities, and determining whether and when it is an appropriate choice for any particular individual, are the core issues that have yet to be answered definitively.

Steve Ditschler is the CEO of ProAct, Inc., an Eagan-based organization that provides center-based and extended employment services, among other supports, for about 1,100 clients annually. He warned against allowing the benefits of the community-based ideal to erode the availability of consumer choice. "I clearly understand [center-based employment] is not the first choice and maybe not the preferred choice," he said. "But I would be the last one to say we've got to eliminate a specific model."

Indeed, consumer choice is probably the most common defense of center-based employment. Although a segregated workplace that pays a subminimum wage seems, to many observers, both discriminatory and exploitative, there are in fact many people with disabilities who, when given the choice, steadfastly prefer the center-based option.

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"I think there is a variety of reasons why people choose center-based employment," said panelist Clayton Liend, the CEO of the Occupational Development Center based in Thief River Falls. "A lot of people that are coming in for employment for the very first time have no idea of what the possibilities are out there, or even what they are capable of. A lot of times people are just scared to go into the community because of whatever has already happened to them in their lives. They're not ready to make that commitment to be out in the communities yet, and we work with them to get beyond that that – to be able to move within the community."

## Moving from Center-based to Community Employment

Minnesota Vocational Rehabilitation Services, in conjunction with two community rehabilitation programs (CRPs), decided to test whether people with significant disabilities might be induced to move from center-based employment into a more integrated community setting. Using federal stimulus funds from the American Recovery and Reinvestment Act (ARRA), Vocational Rehabilitation Services awarded two "conversion grants" totaling about \$500,000. The grants

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were awarded to Functional Industries in Buffalo and Midwest Special Services in St. Paul to test whether about 120 individuals could make the transition to community-based employment.

Results from the conversion project are still being evaluated, but the preliminary conclusion is that, for a wide variety of reasons, it is difficult to move people out of center-based employment. The projects discovered resistance to making that move, particularly by some older individuals who had been working in a center-based setting for many years. The reasons were varied – reluctance to leave the comfort of a safe and secure workplace, unavailability of adequate transportation coupled with an inability or unwillingness to learn how to use public transportation, reluctance to learn new job skills in a new setting.

The experiment tended to support the notion that any change can be a difficult and traumatic endeavor for anyone. It also suggested that, faced with an array of choices, individuals often act in unpredictable ways, particularly during extremely harrowing economic times such as these.

John Sherman, a policy analyst for Vocational Rehabilitation Services, summarized the results this way: "Basically, the people who were saying, 'I really don't, I'm not interested in trying that grand leap into the community,' were people who had been in a work situation in the center-based setting for probably a good chunk of their working career. So I think the argument could be made that a lot of it is, 'This is sort of my job, my home, my friends. Why would I give them up and go out into a different workplace with a different set of situations?'"

But the reverse is true of younger workers, Sherman said. The younger people seemed much more willing to consider the option of moving into community employment. "A lot of these new participants, I suspect, came up out





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of transition programs, have family supports that have taken a look at different models for employment, and view this as not quite as risky.”

Vocational Rehabilitation Services is now in the process of evaluating the results of the conversion projects. Preliminary results suggest that less than a third of the participants will have made the transition to community employment. A report on the conversion projects will be published and be available online at [www.positivelyminnesota.com/vrs](http://www.positivelyminnesota.com/vrs).

### The Subminimum Wage Question

One of the most contentious issues in the discussion of center-based employment is the question of subminimum wage. Some national advocacy organizations depict center-based employment as a form of exploitation: “Segregated and Exploited” is the title of a 57-page position paper by the Disability Rights Network, which calls for an immediate end to center-based employment and the minimum wage exemptions it sometimes relies on. The report is available here: <http://www.ndrn.org/images/Documents/Resources/Publications/Reports/Segregated-and-Exploited.pdf>

Jon Alexander is president of the Association of People in Supported Employment (APSE), and CEO of Kaposia, a St. Paul organization that has eliminated center-based employment from its portfolio of vocational rehabilitation services. Kaposia instead focuses on providing clients with supports that enable community-based employment. Alexander noted that APSE has called for “a complete phase-out of the subminimum wage for all individuals with disabilities by the end of 2014”, but only under a laundry list of conditions that are sympathetic to the concerns center-based employers. The APSE position paper can be found here: <http://goo.gl/MK115>



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The U.S. Department of Labor currently allows qualifying center-based operations to bypass federal minimum wage laws: <http://www.dol.gov/compliance/topics/wages-subminimum-wage.htm>

Sean Roy, a PACER Center staff member and former chair of the State Rehabilitation Council, pointed out one of the dilemmas raised by the APSE position: “We’ve been asked to make comment on the subminimum wage issue as a family organization, and one of the things I’m having trouble getting past is the idea if we eliminate subminimum wage, we’re essentially going to eliminate an entire service category of people with disabilities. There’s not going to be an option. If we think that all of a sudden subminimum wage is going to be gone and the community is all of a sudden going to embrace this whole population of people with disabilities, how is that going to look and just what do you say to that fear?”

Alexander, who said his organization believes it could take up to a decade for people with severe disabilities working in the community to become status quo, responded: “Yes, there is the fear ‘Oh, what are people going to do if this isn’t

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an option?’ And what we’re saying is if we do this right, we could [end subminimum wage] in five years. I get that it might take longer, and I’m okay with picking another number. But I think we’re going to have to pick a number and start working towards that.”

## Conclusion

Vocational rehabilitation public policy for people with disabilities is an especially timely issue, as Congress debates reauthorization of the Workforce Investment Act and changes to the Rehabilitation Act. The large attendance and lively discussion at the State Rehabilitation Council’s public forum in June demonstrated that the matter of center-based employment is far from settled. The complexity of the issues and the deeply felt convictions that characterize the debate ensure that the conversation will continue. The forum reached no firm conclusions, but that wasn’t its purpose.

Kim Peck, director of Vocational Rehabilitation Services, described the purpose of the public forum this way: “The objective of today’s forum is really to bring the national discussion, the national dialog and debate – to bring it to a local level. They say that all politics is local, and to a large degree I believe this. And I think that each and every one of us can play a significant role in influencing policy, not only at the state level, but at the federal level. But in order for us to do this, we need to have a good understanding of what is the reality, what are the challenges, what are the issues.”

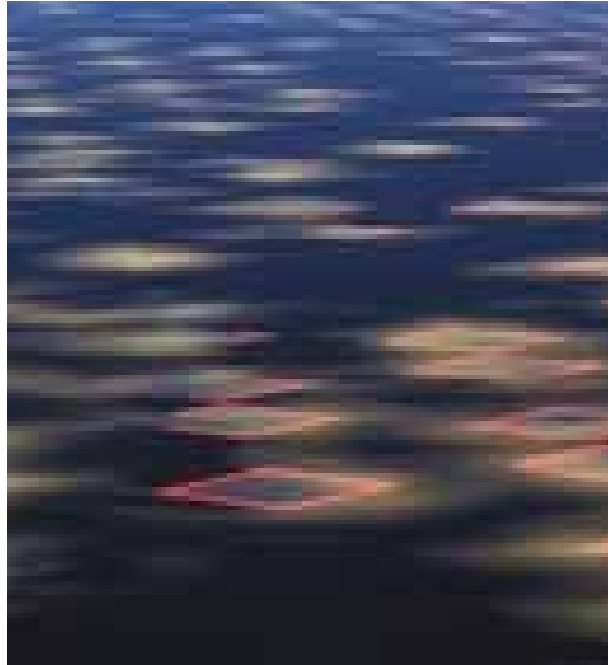
If there was a consensus that emerged from the public forum, it was probably this: that center-based is for the time being, and is likely to remain, a significant piece of the employment services system for people with significant disabilities. All participants agreed that current trends suggest a clear preference for integrated, community-based, competitive employment. The system has not yet evolved to that point, but there does seem to be a general sense that



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almost no one seeks to increase the incidence of center-based employment, but to slowly diminish it, or find a substitute for it. In the meantime, it remains crucial that individuals and their families need to have their choice about what’s best for them.

At least in the near term center-based employment still has a place on the continuum of services. But the conversation about it is far from over, and is certain to continue into the future. ■



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