

September 26, 2022

The Honorable Cathy McMorris Rodgers
Republican Leader
House Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, D.C. 20515



Dear Ranking Member McMorris Rodgers,

On behalf of SourceAmerica[®], thank you for the request for information titled *Disability Policies for the 21st Century: Building Opportunities for Work and Inclusion*. We appreciate the opportunity to provide some insights into disability employment.

As a Central Nonprofit Agency for the AbilityOne[®] Program, SourceAmerica has been a leading job connector for people with disabilities for almost 50 years. We create meaningful employment opportunities and expand choices for people with disabilities by delivering high-quality, mission-essential products and services to federal agencies. Nearly 400 community-based nonprofit organizations in the SourceAmerica network employ approximately 36,000 people with disabilities nationwide on AbilityOne contracts with an average wage of \$15.52 per hour. It is also important to note that over 2,500 veterans with disabilities are employed through the AbilityOne Program. Career opportunities include facility support services, fleet maintenance, manufacturing, custodial, and information and communications technology.

With nearly 70% of Americans with disabilities unemployed, more must be done to increase the employment of people with disabilities and remove barriers to advancement and inclusion. Throughout our history, SourceAmerica has been committed to expanding opportunities for people with disabilities. Over the years, we have seen firsthand what does and does not work. SourceAmerica has modernized and adapted its policies and workforce practices to ensure that they support the economic and social inclusion of people with disabilities.

Thank you again for the opportunity to provide the committee and Congress with information regarding removing barriers to employment and community inclusion for individuals with disabilities. We appreciate your thoughtful policy work on this issue and look forward to further collaboration with you and your team. If you or your staff have any questions about the information presented here or beyond, please contact me at RTerrazas@SourceAmerica.org.

Sincerely,

A handwritten signature in black ink that reads "Ricardo Terrazas".

Ricardo Terrazas
Vice President of Government Affairs
SourceAmerica

SourceAmerica
Response to Request for Information
House Energy and Commerce Committee Republicans

ACCESS TO LONG-TERM SERVICES AND SUPPORTS

RFI 1.3(A) Should Congress reevaluate the asset eligibility requirements for SSI that allow for Medicaid eligibility?

We believe the current asset and income limits on the SSI program present a significant disincentive to work for people with disabilities, particularly those with costly healthcare needs. In most states, SSI eligibility is linked to Medicaid and Medicare eligibility, which are critical healthcare supports for many individuals with disabilities. Fear of losing eligibility for benefits creates a no-win situation for workers who may choose to work fewer hours or forgo raises. This is a national issue that we also observe within the AbilityOne workforce. In addition, earlier this year Executive Order 14026, Increasing the Minimum Wage for Federal Contractors, went into effect and raised the minimum wage for federal service contractors to \$15 per hour. The majority of nonprofit agencies in the SourceAmerica network perform service contracts. In the absence of changes to the asset and income limits, increased wages amplify the challenge of balancing work and benefits for those in need of SSI supports.

The asset and income limits for the SSI program was the number one issue of concern for program participants and their families at the 2022 SourceAmerica Grassroots Advocacy Conference. The current asset limit for individuals and couples has not been updated since 1989 and is currently \$2,000 for individuals and \$3,000 for couples. We believe the benefit should be raised to reflect 2022 dollars and indexed with inflation so that it continues to appropriately adjust over the lifetime of the program and beneficiary.

As currently structured, the program penalizes beneficiaries for proactively saving income and for accepting housing or other financial supports from relatives. In-kind money saving behaviors should be encouraged, not penalized. The ability to save can help beneficiaries build up their assets and choose to transition off SSI benefits into higher income employment knowing they have a safety net available to cover the costs of necessary resources no longer covered by programs made available through SSI eligibility.

There are also unfair penalties for married couples in the SSI program. Current law restricts SSI recipients to \$2,000 per month in earnings; resources exceeding this threshold result in a dollar-for-dollar reduction in the amount of monthly SSI benefits and could result in a complete loss of benefits and ineligibility. The maximum SSI benefit is \$794 per month for an individual and \$1,191 for married couples. Additionally, individuals receiving SSI can have up to \$2,000 in assets; married couples are limited to \$3,000.

We believe Congress should consider eliminating the “marriage penalty,” modernize the substantial gainful activity limit, increase benefits to reflect inflation, allow for more income to be placed in savings by raising the asset limit, and repeal penalties for people who receive assistance like food or shelter from friends and family members.

RFI 1.3 (D) How can Congress use existing eligibility pathways to support people with disabilities?

Our nonprofit agency network frequently raises concerns regarding the complexity of federal resources and the difficulty in navigating through the various agencies and federal programs for AbilityOne employees and their families. In response to a request for information in 2021, along with the Consortium for Constituents with Disabilities, we made the following recommendation:

At one time, the Social Security Administration funded positions called “navigators” to assist disability beneficiaries in dealing with the numerous rules and regulations involved in returning to work. The DOL Veterans Employment and Training Services (VETS) has recently piloted a “navigator” program to assist service members transitioning from the military. Given the complexities confronting consumers, claimants, and constituents of the federal government’s many program serving people with disabilities, it would make sense to extend the concept of a navigator program to all applicants and beneficiaries of federal programs who could benefit from such guidance.¹

ACCOMODATIONS IN DAILY LIFE AND IN THE COMMUNITY

RFI 2.1 (C) Should Congress consider increasing the allowable age for qualifying for ABLE Accounts?

Congress should increase the allowable age for qualifying ABLE accounts to better facilitate independence, employment readiness, and access to appropriate health care and financial tools for people with disabilities. Not all disabilities are diagnosed or present at birth or in childhood and a person can become disabled at any time. Our nation’s veterans make up a large part of the American workforce with disabilities and those with disabilities who are unemployed. Service to our country can cause injuries and disabilities both seen and unseen, and the timing of those disabilities and their diagnosis for these servicemembers can greatly vary depending on their individual circumstances.

Veterans are one of many examples of individuals with disabilities left behind by the age limit of 26. We applaud your work in championing ABLE accounts and look forward to working with you to increase their utilization. We support H.R. 1219, the ABLE Age Adjustment Act, which would raise the qualifying age from 26 to 46 to achieve the goals of the program.

BARRIERS TO INTEGRATED EMPLOYMENT

SourceAmerica experience in 14(c) transition: Recognizing that the continued use of 14(c) special minimum wage certificates should be discontinued in the AbilityOne Program, SourceAmerica’s Board of Directors announced in March 2019 that the use of 14(c) would be phased out for all AbilityOne employees over a three-year period. In October 2019, we launched a 14(c) Transition Program to provide technical and financial resources to SourceAmerica affiliated nonprofit agencies to achieve this objective. More recently, the U.S. AbilityOne Commission®, the independent agency that oversees the AbilityOne Program, issued a rule that prohibits payment of subminimum wages on contracts within the AbilityOne Program, effective October 19, 2022. It is important to note that by October 19, 2022, 97% of AbilityOne authorized providers will have certified that they do not use 14(c) certificates on their AbilityOne contracts and will be in

¹Response to RFI OMB-2021-0005

compliance with the rule. The remaining nonprofits, only 3%, will require additional transition time and we will work with them to ensure that this process is completed quickly but without harm to employees.

In December 2020, the SourceAmerica Board of Directors voted to support legislation which would eliminate the use of special certificates issued under section 14(c) of the Fair Labor Standards Act. Based on our experience, additional funding and resources are needed to help organizations ensure that individuals currently working under those certificates are not inadvertently left behind as a result of that change. The Transformation to Competitive Integrated Employment Act (H.R. 2373), introduced by you and Congressman Bobby Scott, would provide critical supports to ensure the continued employment of people with significant disabilities.

Our 14(c) Transition Program has demonstrated that, with the right package of tools and resources, most employees who transitioned off 14(c) certificates remained employed. Through the program, SourceAmerica offered five categories of support to our nonprofit network: training to use job matching and customized employment to match workers with disabilities to competitive wage jobs; resources to support productivity enhancements and efficiencies that can increase a worker's productivity level on the job; financial grants to help agencies transform their service models and business lines; affinity groups to support knowledge translation and best practices; and consulting by recognized experts in disability employment.

SourceAmerica support for CAPABILITY Act: Many states lack the funding required to help Americans with intellectual and developmental disabilities transition from school to the workforce. Currently, just 21% of young Americans with intellectual disabilities are employed. This trend continues into later life, meaning fewer adults living with disabilities are ever able to join the workforce. Therefore, it is important to be proactive in maximizing the skills and talents of America's youth with disabilities.

Legislation you sponsored several years ago, the Customized Approaches to Providing and Building Independent Lives of Inclusion for Transition-aged Youth (CAPABILITY) Act of 2019, recommended programs that would result in customized work opportunities and expand access to fair-wage jobs in integrated workplaces. A demonstration project that SourceAmerica conducted with Pathways showed that economic and social gains can be made through investment in evidence-based customized employment.²

Key components of the CAPABILITY Act that we believe would expand access to fair-wage jobs in integrated workplaces and promote independent living are: the delivery of evidence-based transition-age youth with disabilities; dedicated funding to build capacity within provider organizations and promote long-term stability; development of models for replication in other states; and competition across states for funding based on their ability to steward resources to provider organizations and maintain high standards for outcome evaluation.

Through legislation like the CAPABILITY Act, young Americans with intellectual and developmental disabilities can successfully transition from school to the workforce.

² SourceAmerica Pathways to Careers: A Case Study in Customized Employment March 17, 2021

RFI 3.2 (A) “Should all federal departments and independent agencies be required to have accommodation programs similar to DOD’S Computer/Electronic Accommodations Program?”

The Department of Defense’s Computer/Electronic Accommodations Program (CAP) has been a leader in addressing the issue of providing assistive technology (AT) to DoD employees and wounded soldiers. Since its establishment in 1990, it has provided over 120,000 accommodations. Last year, as part of the Consortium for Constituents with Disabilities, we made the following recommendation:

In the past, CAP used its statutory authority, along with adequate funding levels to provide AT services and AT devices for federal employees of DoD and other federal agencies. As of Fiscal Year 2021, CAP was not adequately funded to provide AT devices and accommodations for employees of non-DoD federal agencies. DoD/CAP remains an informational resource and will continue to provide AT services, including needs assessments and consultation services, for all federal agencies. CAP should once again be available to provide technology accommodations to all federal employees.³

Utilizing assistive technologies is one way to increase employment opportunities for people with disabilities, and SourceAmerica has been very proactive in investing in AT for our AbilityOne workforce. For example, SourceAmerica has a Productivity Engineering Department that provides training in workstation design and process analysis. The team also designs customized work aids to enhance performance and improve productivity.

For example, SourceAmerica productivity engineers designed the Glove Assist to help a person safely and properly put rubber gloves on without the help of another individual. Several employees on a custodial crew at Ka Lima O Maui, a SourceAmerica network nonprofit based in Hawaii, needed help putting on their work gloves. With the Glove Assist, workers can easily put their gloves on by themselves. Adrian Rodriguez noted, “Life was harder as I had to ask my coworkers to assist me in putting on gloves. Glove Assist saves a lot of time for me during the day.”

Cutting explosion suppression foam for C130s and F-15s is critical work that must be done with precision. At Middle Georgia Diversified, a nonprofit located in Georgia, SourceAmerica’s productivity engineers helped develop ergonomically designed drills. The equipment can be more easily operated by employees who have issues with hand and arm strength, helping ensure that the nonprofit’s manufacturing process meets the military’s standards.

RFI 3.1 B “Should Congress consider tax credits or tax deductions for employers to support workplace accommodations? If yes, what restrictions, if any, should be made on how such tax credits or deductions are used? Similarly, should such tax credits or deductions be limited to small employers or other categories of employers?”

SourceAmerica takes the position that Congress should create incentives for employers – across all sectors – to provide workplace accommodations to support the inclusion of people with disabilities. The Job Accommodation Network has estimated the average cost of workplace accommodations to be between \$500 and \$600. There are many accommodations that can be made at no cost to an employer. The return on

³ Response RFI OMB-2021-0005

investment is significant because people with disabilities are an incredibly diverse community that creates tremendous value to workplace culture and business innovation.

We encourage your committee and Congress to consider financial levers (tax credits, grants, etc.) which could benefit organizations with nonprofit status that are currently employing and seeking to employ individuals with disabilities. While our network is mission-centered on employing individuals with disabilities and already provides accommodations, their ability to financially support further employment opportunities would be broadened significantly if organizations like theirs were included in any kind of incentive or subsidy program for these services.