

Galt Global Review

People with Disabilities Benefit from Set-aside Programs

By Faye Mallett, February 17, 2009

National studies consistently prove that most people with disabilities want to work, but more than two-thirds remain unemployed due to incorrect perceptions, unfair employment practices, and barriers to accessibility.

According to a survey conducted in 2006 by Cornell University and the American Association of People with Disabilities, a "dramatic gap" in unemployment and poverty separates people with disabilities from those without.

"The employment gap between people with and without disabilities is long-standing," Andrew Houtenville, director of Cornell's Rehabilitation Research and Training Centre on Disability Demographics and Statistics, told press.

The Cornell survey cited employment figures of people with disabilities at 38%. These results correlate with current data from the recent U.S Census Bureau statistics on disabilities, which state 44% of people with a "non-severe disability" and 13% with a "severe disability" as employed.

STATE REHABILITATION

The U.S. government allots a large budget for programs that support individuals with disabilities. The options for people with disabilities who are seeking employment typically fall under the jurisdiction of these government-funded, "state rehabilitation" programs.

These programs cover basic support, vocational training, and job "readiness" services designed to transition people with disabilities into regular employment. Yet in spite of these costly programs, the majority of individuals with disabilities remain unemployed.

The main criticism levied against rehabilitation programs is that they actually provide an "economic disincentive to work," states the Center for an Accessible Society. As U.S State Senator, Edward Kennedy wrote: "The high unemployment rate among people receiving federal disability benefits is not because their federal benefits programs have 'front doors that are too big - i.e., have eligibility criteria that are too loose - but because they have 'back doors that are too small' - i.e., once persons are on the rolls, it is too risky to come off."

Research consistently shows that as an individual relies more upon these federal benefits programs for assistance, they are likely to become more and more dependent on welfare, training, or disability services. The longer one relies on support systems, the more isolated they become from the resources, experience, and networks gained by mainstream employment.

SET-ASIDE PROGRAMS

Set-aside legislation is an effective solution to the issue. In the U.S., more than 40 states have set-aside legislation that facilitates employment for tens of thousands of adults with disabilities.

The set-aside laws are simple: A small percentage of government contracts are taken out of the competitive bid process and awarded to nonprofit organizations that employ individuals with disabilities.

This means that money is invested into programs that create economic independence and self-reliance of people with disabilities.

Considering the following, set-aside laws provide “win-win” benefits to government entities, individuals with disabilities, and to society at large:

- The government is the largest procurer of goods and services. Individuals with disabilities are some of the largest consumers of tax supported programs and services.
- When individuals with disabilities gain employment, they are able to reduce or eliminate their reliance on government funded programs and services. In addition, they add to the tax base by becoming tax payers.
- Society benefits from having fuller, more diverse employment and by reductions in the need for tax funded support services.

According to the Oregon Rehabilitation Association, “Set-aside laws create a partnership that results in jobs, increased independence, and a greater self-worth for citizens with disabilities.”

In 1977, Oregon passed a set-aside law to allow public agencies to directly negotiate with nonprofit Qualified Rehabilitation Facilities (QRFs) serving people with disabilities. A survey of this program in 1994 showed that contracts with over 100 public agencies exceeded \$17 million annually. It also demonstrated that one-third of workers with disabilities no longer required public support, including funding for training, welfare and food stamps.

As stated by the Oregon Rehabilitation Association, “For every dollar spent by Oregon’s public agencies in the purchase of goods and services from QRFs, more than \$.35 is returned in the form of reduced public support and increases in payroll taxes from workers with disabilities.”

Yet despite these benefits, lobbyists in Oregon are currently fighting for the continued protection of the set aside law. Opponents are trying to make it harder for people with disabilities to find work through QRFs.

According to Dennis R. Moore, Ph.D., Executive Director of Galt Foundation, a QRF registered in Oregon and Oklahoma, set-aside laws are occasionally challenged by for-profit companies who argue that it is unfair for non-profit companies to not have to compete. As Moore points out, however, non-profits acquire a very small percentage of available contracts. In Oregon it is less than 1%.

We sat down with Moore recently to discuss what Galt Foundation does and the “win-win” benefits of Set-Aside Legislation.

What are the options available to a disabled person who is seeking employment?

State rehabilitation programs, i.e. job training & work readiness, any number of non-profit organizations such as Galt Foundation, or for-profit agencies.

What defines a disabled person by law?

It's a two-phase issue. First, a person has to have a proven condition, i.e. medical, psychological or physical, that directly affects their ability to gain employment. Secondly, this condition must be assessed by a professional and be shown to be severe enough that the individual cannot participate fully in competitive employment without assistance.

At Galt Foundation, 36% of our employees qualify with psychiatric disorder (e.g. bipolar disorder, depression), 30% have physical impairments (e.g. back injury, amputation); 15% have chronic medical conditions (e.g. epilepsy, multiple sclerosis), and the remainder include cognitive disorders (e.g. head injuries, developmental disabilities) and hearing and visual impairments.

What does Galt Foundation offer that is different from Government programs?

Government programs offer an array of services to disabled people, including vocational and re-training programs. The only thing we do is get people who have a disability a job. Studies have shown that the best predictor of stable, future employment is getting a job and gaining direct work experience. Therefore, in the entire array of services offered in rehabilitation programs, job placement is the best predictor and the most effective service for people to gain skills, experience, and confidence.

As a temporary staffing agency, we welcome and cater specifically to people with disabilities. We assess their skills, test their abilities and, most importantly, give them multiple chances. We are committed to working with people to assist them as long as they are sincere and willing to put the effort in - this is the mission of our organization.

Can you expand upon positive aspects of set-aside programs?

Set-aside programs involve very simple legislation that actually works without costing government any additional money. Considering that individuals with disabilities are some of the largest consumers of tax funded programs & services, it makes economic sense to take contracts that would be purchased by the government anyway, and award them to non-profit agencies that provide employment for individuals with disabilities.

In the U.S, more than 40 states have set-aside legislation. What has been the economic impact on the "state expenditure of their dollar?"

Studies have documented that for every dollar spent on goods & services, there is a 30-40 cent return on every dollar spent.

Why should these laws be strengthened?

It's simple: these are laws that produce social and economic benefit to government, the individuals gaining employment, society in general.

The social support and service programs designed to assist individuals with disabilities are among the largest and most costly segments of government.

Set-aside legislation proves that sometimes simple, straightforward, business-oriented responses to social needs can produce outcomes that can match - and exceed - those of costly tax funded services.

The benefits of collaborative arrangements between government entities and nonprofit organizations that serve individuals with disabilities have been clearly documented in the United States.

For more information on Galt Foundation, go to <http://www.galtfoundation.org/>