



NCCD

Nebraska Consortium for Citizens with Disabilities

PEOPLE WITH DISABILITIES DESERVE
EQUAL EMPLOYMENT OPPORTUNITIES

Policy Brief on Employment

By

Nebraska Consortium for Citizens with Disabilities

Introduction

Employment is a critical component to ensuring equal opportunities for people with disabilities and allowing them to live independently as active, participatory members of Nebraska communities. Data reported by the Bureau of Labor Statistics demonstrates that people with disabilities are employed at significantly lower rates than people without disabilities. Many people with disabilities face major obstacles when looking for employment, such as qualifying for health insurance and challenging the stereotype of inability that society places on them. Many of these obstacles are due to the lack of knowledge about the benefits of hiring people with disabilities and to governmental policies that are disincentives for people with disabilities to enter, return, or advance their careers within the workforce. Member organizations of NCCD recognize these struggles and work to educate decision makers and help individuals with disabilities achieve their goals of obtaining competitive employment.

Statistics

Using information from the American Community Survey, Cornell University released its 2015 Disability Status Report.¹ They state that the employment rate of working-age people with disabilities in Nebraska was 47.7% compared to 85.3% for working-age people without disabilities. The difference is also striking when you look at full-time/full-year employment. Only 31.7% of Nebraskans with disabilities are employed full-time in year around jobs, while 66.7% of those without disabilities are similarly employed. Table 1 contrasts Nebraska to the United States as a whole.

Table 1

Category	Nebraska	US
Working-age* w/disabilities employed	47.7%	35.2%
Working-age w/o disabilities employed	85.3%	78.3%
Working-age w/disabilities full time/full year (35 hrs+) employment	31.7%	22%
Working-age w/o disabilities full time/full year (35 hrs +) employment	66.7 %	58.6%
W/disability in poverty	25.8%	27%
W/o disability poverty	10.2%	11.6%

The picture for Nebraska is much better than that of the country as a whole. Based on several different measures, Business Insider ranks Nebraska as the 5th best economy in the US and Washington, DC.² (However, non metro areas don't fare as well as metro areas.)³ We can be

¹ www.disabilitystatistics.org

² Business Insider <http://www.businessinsider.com/state-economy-ranking-q4-2015-2016-1>

³ Omaha World Herald <http://www.omaha.com/money/nonmetro-areas-of-nebraska-face-tougher-income-and-employment->

proud of that, however, we could still make dramatic improvements. People with disabilities deserve that. Nebraskans deserve that.

Health Insurance

Finding skilled workers is a logical concern for employers; however, people with disabilities are often disregarded. Likewise, a common concern for people with disabilities is finding competitive employment while retaining health care coverage. Many of the lives of people with disabilities literally depend on the services and supports currently covered only by Medicaid and the benefits guaranteed through the Affordable Care Act.⁴ Many people with disabilities need different health care services as a result of their disability (such as personal care assistance and durable medical equipment; see Health Care Policy Brief for more.⁵) A person with a disability may be forced to choose between health care coverage and full, competitive employment. They may find themselves concerned about joining or rejoining the work force, having to limit their working hours, and/or being unable to accept increases in their pay.

Attitudinal Barriers

Attitudes present the most basic barriers and contribute to other obstacles. Results of a survey of employers in the hospitality industry were published by Cornell University in 2011.⁶

Concerns expressed by employers included:

- They didn't think a person with a disability could do the work.
- They thought that costs for accommodations would be prohibitive.
- They assumed that persons with disabilities would be less skilled or productive as others.
- They worried supervisors wouldn't be comfortable overseeing persons with disabilities and would not know what to do about disciplining or evaluating them.

Potential Solutions

Maximizing opportunities for obtaining health care coverage lessens a major barrier to employment. Researchers at the University of Kansas co-authored a study finding that people with disabilities were significantly more likely to be employed in states that expanded Medicaid under the Affordable Care Act than those who lived in states that did not expand Medicaid.⁷

With an expanded Medicaid, people with disabilities living just above the poverty level are able to maintain health care coverage. Thus, they are better equipped to join, or rejoin, the workforce. Impoverishment is no longer a requirement for keeping health care coverage. In states which didn't expand Medicaid, the disincentives continue. Jean Hall, lead researcher of the study, told Reuters Health, "Expanding Medicaid empowers people with disabilities to work instead of applying for cash assistance, being dependent on the government, and living in

challenges/article_c461da51-7bcc-5432-abaa-fc82555095a0.html

⁴ ADAPT <http://www.adapt.org/main.trump>

⁵ Nebraska Consortium for Citizens with Disabilities <http://nebraskaccd.org/policy-briefs/>

⁶ Houtenville, Andrew, and Valentini Kalargyrou. "People with Disabilities Employers' Perspectives on Recruitment Practices, Strategies, and Challenges in Leisure and Hospitality." *Cornell Hospitality Quarterly*, 29 Nov. 2011. Web. 2 Jan. 2017. <<http://journals.sagepub.com/doi/abs/10.1177/1938965511424151>>.

⁷ Medicalxpress <http://medicalxpress.com/news/2016-12-individuals-disabilities-states-medicaid.html>

poverty....Moreover, research has shown that working, even part-time, improves health.”⁸

Authorized under one of two federal laws (the Balanced Budget Act of 1997 or Ticket to Work and Work Incentives Improvement Act of 1999) states can make improvements for people with disabilities who enter or re-enter the workforce using “Medicaid Buy-In” programs which allow persons with disabilities to “purchase” health insurance through Medicaid by paying a sliding–scale monthly premium. This arrangement ensures that people with disabilities can maintain their Medicaid coverage while working and earning more than is generally allowed under existing stringent state Medicaid eligibility limits.

Forty-four states operate “Medicaid Buy-In” programs, what Nebraska refers to as “Medicaid Insurance for Workers with Disabilities”. In addition to work, disability and resource requirements, Nebraska’s Buy-In has a two-tiered income test to determine eligibility and premium amount.⁹ Basically, Test A determines eligibility and Test B determines the premium amount. For a variety of reasons, few people pass Test A. Therefore, the group(s) of people intended for coverage are not eligible. For example, unless an individual is within a “trial work period”¹⁰, they must have “unearned income” below \$771/mo in order to pass Test A. The average monthly SSDI payment is \$1234.¹¹ Therefore, most people receiving SSDI benefits cannot pass Test A. The number of people enrolled in Nebraska’s buy-in program is woefully inadequate.

As of January 31, 2019, there were 74 people participating in the program, only 3 of whom pay premiums.¹² That stands in stark contrast to surrounding states:

- Iowa: approximately 13,000 enrollees (Nov. 10, 2009)¹³
- Kansas: 1,183 enrollees (Dec. 2010)¹⁴
- Minnesota: over 7,000 enrollees (Sept. 2008)¹⁵

Results from a national study on Medicaid Buy-in programs¹⁶ indicate that participants earn more money, work more hours, contribute more in taxes, and rely less on other public assistance programs than people with disabilities who are not enrolled. Additionally, this study shows that Medicaid Buy-in participants experience improved health outcomes and benefit state budgets through increased payroll and sales taxes, increased purchasing power of participants who are working, and the premiums charged to program participants.

People with disabilities have a great deal to offer employers, but are often ignored as a valuable source of workers. Governor Jack Markell (DE), former Chairman of the National Governor’s

⁸ Reuters Health <http://www.reuters.com/article/us-health-medicare-disabled-jobs-idUSKBN14F13K>

⁹ Nebraska Regulations <http://dhhs.ne.gov/Documents/477-000-046.pdf>

¹⁰ Nebraska Department of Health and Human Services <https://secure.ssa.gov/poms.nsf/lnx/0413010035>

¹¹ Disability Secrets J.D. Beth Laurence <http://www.disabilitysecrets.com/how-much-in-ssd.html>

¹² Kimes, Jackie “re: MIWD casennumbers.” Message to Raina Gulbrandson. 27 February 2019. Email.

¹³ Matthew Haubrich downloadable powerpoint <http://www.aphsa.org/content/dam/CWD/PDF/Events/2009-Conference/haubrich.ppt>

¹⁴ Working Health Chartbook 2011, <http://www.kdheks.gov/hcf/workinghealthy/download/chartbook.pdf>

¹⁵ MaryAlice Mowry, Director, Pathways to Employment ?

¹⁶ Gavin, B & McCoy-Roth, M., Gidugu, V. (2011). “Review of studies regarding the Medicaid Buy-In Program”, Boston: Boston University, Sargent College, Center for Psychiatric Rehabilitation. <http://www.bu.edu/drrk/research-syntheses/psychiatric-disabilities/medicaid-buy-in/>

Association, spearheaded “A Better Bottom Line: Employing People with Disabilities” to look at how to increase employment opportunities for individuals with disabilities, which would improve the U.S. economy at the same time. The study resulted in “Blueprint for Governors: Five Areas for State Action to Advance Employment Outcomes.”¹⁷ Governors and other policymakers were advised on:

- Make[ing] disability employment part of the state workforce development strategy.
- Finding and supporting businesses in their efforts to employ people with disabilities.
- Being a model employer by increasing the number of people with disabilities working in state government.
- Preparing youth with disabilities for careers that use their full potential, providing employers with a pipeline of skilled workers.
- Making the best use of limited resources to advance employment opportunities for people with disabilities.

The Blueprint includes strategies for carrying out these actions. Please consult that document for more details.

According to the Cornell University survey¹⁸, “Among the policies that would encourage more hiring of workers with disabilities cited by the managers are employer tax credits and incentives, flexible work schedules, and disability awareness training.”

In December 2014, the Achieving a Better Life Experience (ABLE) Act was signed into law.¹⁹ ABLE allows individuals who have a disability that occurred prior to age 26 to open a tax-exempt savings account to save for disability-related expenses without affecting their eligibility for resource-based benefits. Nebraska launched its program, *ENABLE Savings Plan*²⁰, in June 2016 and is currently one of only 21 states that has created a program under the ABLE Act. Individuals who qualify can contribute and/or receive contributions up to \$15,000 per year. This program is a major step forward in helping individuals with disabilities save money without jeopardizing their health benefits and allowing them to maintain their employment. As a result of the new Tax Cuts & Jobs Act, beneficiaries who earn money from employment can choose to contribute some of their earned income up to the Federal Poverty Level beyond the \$15,000 annual cap.²¹ However, this portion was not implemented on January 1, 2018 due to the questions that remain to be answered and system adjustments that will be necessary to accommodate the change. The new law also allows beneficiaries to transfer money from a 529 college savings account to an ABLE account, up to the ABLE annual limit, as long as both accounts have the same beneficiary or member of the same family.²²

¹⁷ A Better Bottom Line: Employing People with Disabilities / Blueprint for Governors - NASDDDS Jeanine Zlockie <http://www.nasddd.org/resource-library/employment/employment-resource-documents/a-better-bottom-line-employing-people-with-disabilities-blueprint-for-gover/>

¹⁸ Houtenville, Andrew, and Valentini Kalargyrou

¹⁹ Tax Benefit for Individuals With Disabilities: IRC Section 529A <https://www.irs.gov/government-entities/federal-state-local-governments/tax-benefit-for-disability-irc-section-529a>

²⁰ Benefits – Enable Savings Plan <https://www.enablesavings.com/>

²¹ Tax Law Brings ABLE Changes, Future Worries <https://www.disabilitycoop.com/2018/01/09/tax-law-able-future-worries/24560/>

²² How Does the New Tax Bill (H.R. 1) Impact ABLE Accounts? <https://www.able-now.com/resources/news/how-does-the-new-tax-bill-h.r.-1-impact-able-accounts> Web. 2 Jan. 2018

Impact on Voting

Of special interest is the issue of voting. Rutgers University has been compiling data on voter turnout among those in the disability community for a number of years. In 2012 they began to look at a relationship between voting and employment, and have collected data on this in each election since then. The data from the 2016 elections showed that people with disabilities turned out to vote at a rate 6.3 percentage points less than persons without disabilities, which is slightly higher than the 5.7 percentage points in the 2012 elections. However, employment was an equalizer. It was determined that if a person with a disability was employed they were just as likely to vote as a person without a disability who was employed. This suggested that employment brought people with disabilities into mainstream political life.²¹ We'll continue to monitor this relationship to see how it develops in future surveys.

Conclusion

Employment is a fundamental component of achieving the American Dream and should be equally accessible to any U.S. citizen whether they have a disability or not. The Americans with Disabilities Act has provided significant improvements in creating a more equal society for people with disabilities, but there is still much work to be done. Specifically, these are the initial steps that Nebraska should take to address employment barriers for people with disabilities:

- Increase the number of people enrolled in the Medicaid Insurance for Workers with Disabilities program through modification of the eligibility criteria,
- Provide adequate funding for Medicaid to allow for increased enrollment,
- Utilize the “Blueprint for Governors” (outlined earlier) to create an action plan,
- Direct state employees to carry out objectives in the action plan, and
- Provide support and resources for employers to quell concerns over hiring people with disabilities.

These steps would address some of the major obstacles that people with disabilities face to acquiring gainful employment. It will take a collaborative approach to be successful; however, it must start with state leadership.

²¹xxiii Schur, Lisa, Meera Ayda, and Douglas Kruse. *Fact Sheet: Disability and Voter Turnout in the 2016 Elections*. Web. 7 Feb. 2018. "https://smlr.rutgers.edu/sites/default/files/documents/PressReleases/kruse_and_schur_-_2016_disability_turnout.pdf."