



Expanding Opportunity and Raising Wages for Disabled Workers

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Key Points

- The traditional employment model for many workers with disabilities has been segregated employment at wages lower than the minimum wage, trapping them in poverty and in meaningless jobs without a career ladder or future opportunities.
- The Biden administration has pursued a multi-agency approach to advancing competitive integrated employment and appropriated funds to help states achieve goals such as eliminating the subminimum wage for disabled workers.
- While the Transformation to Competitive Integrated Employment Act waits for action in the 118th Congress, executive agency actions will allow states to take meaningful steps to transition workers to competitive integrated employment.

The first two years of the Biden administration has brought about a historic increase and expansion of competitive integrated employment for disabled workers. Put simply, competitive integrated employment is part-time or full-time employment for disabled workers, compensated at comparable rates as non-disabled workers for similar tasks, and in integrated settings.⁴ Competitive integrated employment is critical, as traditionally the model for workers with disabilities has been segregated employment at wages lower than the minimum wage, trapping them in poverty and in meaningless jobs without a career ladder or future

opportunities. Early in his presidency, President Biden called for the elimination of the subminimum wage, and although Section 14(c) has yet to be eliminated from the Fair Labor Standards Act (FLSA), Congress took action through appropriations providing states millions of dollars to eliminate the discriminatory practice. More equitable employment practices have been a cornerstone of the Biden administration and they have tallied significant wins. The following section outlines these wins, congressional action, and the future for competitive integrated employment.

Administrative Wins

Prior to the Biden administration, there was growing consensus for the need to improve opportunities for workforce participation for disabled workers. The reauthorization of the Workforce Innovation and Opportunity Act in 2014 laid the groundwork for more equitable access to employment for workers with disabilities establishing the definition of competitive, integrated employment. However, despite an invigoration of the fight for equitable jobs for disabled workers, the overall workforce system changed very little from 2014 to 2020. The workforce participation rate increased slowly although steadily, but the exceptionally high unemployment rate remained hard to chip away at, despite reports that increasing people with disabilities in the workplace would actually grow the overall U.S. economy.

This report can be found online at: <https://tcf.org/content/report/a-2023-plan-for-economic-equity-and-progress/>

A 2023 Plan for Economic Equity and Progress

In the 2020 election cycle, every democratic candidate put forward a disability policy platform, the first time in history. In addition, both the Democratic Party and Republican Party platforms called for elimination of subminimum wages through enacting legislation. The actions drew significant attention to the need for equitable job creation and access for disabled workers, even in the midst of a pandemic that was already beginning a pendulum swing that would open doors to more job accommodations.

The Biden administration began 2021 with renewed energy from unprecedented attention on disabled workers in the 2020 election cycle. While phasing out subminimum wage requires congressional action, the administration began a multi-agency approach to advancing competitive integrated employment. On the thirty-first anniversary of the Americans with Disabilities Act, four agencies released a fact sheet detailing how states can leverage funding opportunities to expand access to competitive integrated employment. During the following year, the same agencies (Departments of Labor, Education, Health and Human Services, and the Social Security Administration), released multiple other documents advancing competitive integrated employment in a historic fashion. The multi-agency efforts included:

- a document detailing the evidence base for competitive integrated employment and how it leads to greater independence and self-sufficiency (Administration for Community Living);
- federal joint communication to state and local governments on resource leveraging and service coordination to increase competitive integrated employment (Departments of Labor, Education, and Health and Human Services, and the Social Security Administration);
- a framework for community engagement to support competitive integrated employment (Departments of Education, Labor, and Health and Human Services); and
- webinars to further support blending, braiding and sequencing of funding at the state and local level

to expand competitive integrated employment (Department of Labor).

The speed at which the administration acted to advance competitive integrated employment, coordinate across large agencies with multiple components, and quickly disseminate information to the public is unprecedented. Although the full impact on job creation for disabled workers who were unemployed or underemployed is as yet unknown as the efforts will be reflected in the data in the coming years, the labor force participation rate for people with disabilities reached a historic high in 2022—37.8 percent, soaring over pre-pandemic levels (the 2019 rate was 33.6 percent). While unemployment rates are still too high and Long COVID has had a significant impact on access to work, these increased labor force participation rates are encouraging.

Legislative Advancements

While noted earlier that the administration cannot make legislative changes to eliminate subminimum wage, the Rehabilitative Services Administration is carrying out a large grant called the Disability Innovation Fund that is supporting state-by-state voluntary elimination of subminimum wage. Fourteen states are currently carrying out activities with grants ranging from \$3.7 million to \$13.9 million to support innovative projects to transition individuals out of subminimum wage to competitive integrated employment.

Looking Forward

The significant amount in the Disability Innovation Fund sets up enormous opportunities for states in the coming years. While a bill, the Transformation to Competitive Integrated Employment Act, waits for action in the 118th Congress, the influx of funds allows states to take meaningful steps to transition workers to competitive integrated employment. Paired with the multi-agency efforts to support blending, braiding, and sequencing of federal, state, and local funding and technical assistance, these efforts enable employers and workers to move to a more modernized and inclusive workplace. Thus, the future of work for people with disabilities is promising.