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**A study of the Custom Products alternative industrial model
for employment of individuals with severe disabilities for the
Extended Employment Program**

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I. Introduction

Legislation authorized a pilot project between the Department of Employment and Economic Development and Occupational Development Center, Inc. (ODC) to study an industrial model for employment for persons with severe disabilities from July 1, 2004 through June 30, 2006. The scope of the project is limited to Custom Products, a division of Occupational Development Center (ODC), located in Thief River Falls, Minnesota. The pilot project permits ODC to receive reimbursement for work performed on the premises of a community rehabilitation facility at a rate that is otherwise reserved for work performed in community settings. Reimbursement, via the Extended Employment program's contracted allocation, requires compliance with all other provisions of Minnesota Rules, 3300.2005 – 3300.2055. This report is the culmination of the Department's study and findings to be considered in the adoption of program rules. The Extended Employment or EE program which is governed by Minn. Stat. 268A.15 and Minn. Rules 3300.2005 – 3300.2055 has three subprograms; center based employment, community employment, and supported employment. These subprograms provide ongoing employment support services to workers with severe disabilities.

[PILOT PROJECT]

The commissioner of employment and economic development shall conduct an extended employment pilot project to study an industrial model for employment for individuals with severe disabilities in Thief River Falls, Minnesota. Employment is to be provided by Custom Products, a division of Occupational Development Center. During the pilot, employment outcomes for individuals with severe disabilities will be assumed to be community employment as defined under Minnesota Rules, part 3300.2005. The pilot project will begin July 1, 2004, and end June 30, 2006. Evaluation of the pilot project must be completed by October 1, 2006, by the commissioner. The pilot project must maintain a minimum ratio of 60 percent of nondisabled persons, must pay minimum wages or better to all employees with severe disabilities, and must provide them a level of benefits equal to those provided to nondisabled employees. All work teams must be integrated. The pilot project must provide the extended employment program with useful information to clarify the distinction between center-based and community employment subprograms. The commissioner shall consider the findings of the pilot project in adopting rules. (H.F. No. 742, 2nd Engrossment - 84th Legislative Session (2005-2006))

A legislative requirement of the study is to define differences between center based and community employment. Prior to the legislation, the Custom Products site was center based. The thesis proposed by ODC is that Custom Products is sufficiently different from center based to be considered community employment.

Minnesota Rule 3300 defines both center based employment (CBE) and community employment (CE). “Center based employment” means employment which provides paid work on the premises of an extended employment provider and training services or other services necessary for employment on or off the

premises of an extended employment provider to persons who, because of the nature and severity of their disabilities, need intensive ongoing employment support services funded by the state unit in order to work.

The definition for "Community employment" is paid work in the community requiring intensive ongoing employment support services that does not meet the definition of supported employment only because the worker is paid less than minimum wage or the employment does not meet the integration standards of supported employment.

The significant difference between the two programs is that community employment is in a work location that is not on the premises of the extended employment provider. Both definitions allow for work that is paid at less than minimum wage. To meet the requirements of the legislation, the pilot project must provide information to "clarify the distinction between center based and community employment".

The legislation also requires that the commissioner "*shall consider the findings of the pilot project in adopting rules.*" Because the Extended Employment program is used as the major source of ongoing employment support services for successful Vocational Rehabilitation (VR) program outcomes, this study will review and analyze the data in ways that provide insight into outcomes that affect VR program outcomes. This will require some analysis of employment practices at Custom Products to distinguish between community employment and supported employment.

The legislation specifies the payment of community employment rates to ODC for each hour of work reported by an eligible extended employee working at Custom Products. This payment is a legislatively mandated exemption specific to Custom Products. Without the legislation Custom Products would fall under the provision of *the premises of the extended provider* language contained in the definition of center based employment. The exemption was originally to run from July 1, 2004 to June 30, 2005. The language was amended to extend the study and the exemption... The exemption now ends June 30, 2007.

Extended Employment funding is outcome based. The outcome which Extended Employment pays for is an hour of work performed by an eligible individual with a severe disability. The EE worker must require ongoing employment support services to maintain or advance in employment. Minnesota rules 3300.2005 specify eligibility criteria, allowed support services, consumer choice and consumer plans. Extended employment funding is not cost reimbursed; payment is independent of the expenses incurred by the community rehabilitation program to provide the supports. In this study the supports are provided by Occupational Development Center.

For (SFY) 2005 the payment rate for the hour of work for community employment was \$2.83; and for center based employment it was \$1.58. In (SFY) 2006 and 2007 the rates were \$3.15 and \$1.76 respectively.

The legislation specifies the study of Custom Products, Inc. Custom Products is a division of the Occupational Development, Inc. Custom Products is sited in Thief River Falls, Minnesota.

Custom Products engages in light manufacturing firm and operates a sawmill. Its primary products are shipping crates for snowmobiles and all terrain vehicles (ATVs). The Custom Products manufacturing facility is located in a building separate from ODC's program offices but sharing adjoining land parcels. The manufacturing facility was purposely designed and built to house this business. The facility houses a saw mill and the Custom Products carton construction facilities. Prior to the opening of the new building in Thief River Falls in 2004 these two businesses were in separate buildings. It is apparent that significant attention was given in the development and design of the facility to make the site and the manufacturing machinery accessible and usable for workers with severe disabilities. One goal of this redesign was to ensure that every worker would make minimum wage or better.

The company uses work teams comprised of a mix of individuals with disabilities and individuals without disabilities. The work crews are distributed through out the production floor. There are no identified, segregated facilities for workers with severe disabilities in Custom Products facilities.

Work teams saw and mill wood, assemble the components of wooden crates and build the frames for steel crates. Individuals assemble, handle and move materials, clean the building, do welding, and operate and maintain production machinery.

The disabilities of the workers with severe disabilities include mental retardation, severe mental illness, traumatic brain injury, physical disability and blindness. Many individuals are diagnosed with multiple disabilities

Workers were originally classified by Custom Products as production workers and consumers. Consumers are workers with disabilities receiving supports which are provided both Custom Products staff and ODC job placement and support staff. Some production workers also have disabilities but are not in need of employment supports. The following groups are found in Custom Products

Production/non-production		Workers with declared disabilities
Workers with disabilities needing supports	Extended Employees	Yes
	County supported individuals	Yes
Production workers	With Disabilities	Yes
	Without disabilities	No

- Consumers (Custom Products term) – workers with severe disabilities reported to Extended Employment
- Production workers with disability – individuals with disabilities who are production workers with Custom Products and not reported to Extended Employment
- Production workers – individuals who are reported as production and who are not know to have a serious disability

The model of employment offered by Custom Products emphasizes integration between workers with disabilities and those without disabilities. Part of the study is to identify the makeup of the teams and observe the interaction within the teams for measured differences.

II. Findings

A. Community Integration

Community integration is a critical and distinguishing factor in analyzing employment outcomes for workers with severe disabilities. Federal regulations governing the VR program require that employment be in an 'integrated setting' in order to be counted as a successful VR outcome. Ideally work is employment found in an 'integrated setting'. The extended employment rule defines 'integrated setting', using federal vocational rehabilitation program language, as a *"setting typically found in the community in which an individual with the most severe disabilities interacts with non-disabled individuals, other than non-disabled individuals who are providing services to that individual, to the same extent that non-disabled individuals in comparable positions interact with other persons."* (MN 3300.2055, subp. 27)

On January 31st and February 1st, 2005 seven work teams were observed. Three teams were from the wood crating operation. Two teams sawed materials for the wooden crates. One team built shipping flats. The final team assembled and welded steel shipping crates. Every team had at least one individual with disabilities and one individual without a disability. The number of individuals on a team varied with the number of work stations on the work site.

Interactions were measured using the following method. Conversations between pairs of individuals on the team were counted for a specified period of time. Most observation periods were for 90 minutes; but one team's observation period was for 70 minutes because production stopped early. Individuals on the team were identified as either having a disability or not having a disability; and as either being a production worker or a consumer.

Each team's worker conversations were counted. A counted event was one discreet conversation between a pair of workers. Length of time of the conversation was not recorded. Conversations between a worker and individuals outside the work group were tallied collectively per worker rather than as individual pairs.

As previously noted workers on production teams were identified in three groups. There were production workers, production workers with disabilities and consumers with disabilities. These were identified by Custom Products staff.

Composition of all teams was mixed between individuals with disabilities and individuals without disabilities. The variation in share of consumers on each team ranges from 14% to 67%. The share of individuals with disabilities varied from 40% to 67%.

General dialogues and interaction among workers on teams did not seem to distinguish between individuals without disabilities and those with. Genuine interaction seemed the norm during the observation.

Conversation by persons with disabilities was more frequently held with individuals who did not have disabilities than with individuals who did have disabilities. Production workers without disabilities held conversations with consumers more frequently than conversations with other production workers

Individuals outside the team had more conversations with consumers and persons with disabilities than were held with non-disabled workers. The summary of results for the count of disabilities for work crew and for the number of conversational events is displayed in the following two charts.

Count of Disabilities					
Multi-person Work Crews					
Work	Consumer	Production worker with Disability	Production worker	Consumer Share	Disability Share
sawmill main line	1	2	4	14%	43%
sawmill other line	2		1	67%	67%
sawmill flat building and pallet rebuild	1	1	3	20%	40%
wood crate one	4		2	67%	67%
wood crate two	5	1	3	56%	67%
wood crate three	4	1	2	57%	71%
metal crates	2	1	3	33%	50%
	19	6	18	44%	58%

The total number of individuals observed is less than the total number of individuals reviewed in case files as some people were absent on leave, in other work locations or in jobs outside Custom Products.

Conversational events - consumers, production workers with disabilities and production workers								
	consumers		production workers with disability		production without disability		outside work team	
	events	events per hour	events	events per hour	events	events per hour	events	events per hour
consumers with disability	35	3.6	41	5.16	160	5.2	64	2.7
production workers with disability			2	1.33	20	2.7	11	2.4
production workers without disability					44	3.3	39	2.3

B. Wages, Hours and Benefits

ODC reported wages for Custom Products in two ways. The first was a quarterly report which summarized hours and wages for workers, workers with disabilities and workers with severe disabilities. ODC also reported individual wage and hour data on an individual basis. These records were reported using the Provider Reporting System (PRS) that sends work information on Extended Employment worker to generate payment. By agreement, ODC reported workers using an agreed upon code in the employer field. This unique code allowed the Custom Products hours to be extracted from the other records reported to Extended Employment

The following table displays three measures, (1) average hourly wage for the year for each worker, (2) the total hours and (3) the total dollars earned for each worker. The table displays a comparison between Custom Products and the other extended workers reported in (SFY) 2005.

Comparison of Custom Products workers with individual Extended Employment sub-programs

		Custom Products	Non Custom Product workers			
			Center Based	Community Employment	Supported Employment	All
Total	number of individuals reported	46	3,489	2,850	2,250	6,007
Mean	average hourly wage	\$ 5.59	\$ 3.28	\$ 4.07	\$ 7.67	\$ 5.02
	annual hours worked	674	647	451	658	836
	annual wages earned	\$ 3,806	\$ 2,271	\$ 1,887	\$ 5,682	\$ 4,343
Median	average hourly wage	\$ 5.18	\$ 2.88	\$ 4.07	\$ 7.25	\$ 4.76
	annual hours worked	495	490	263	503	779
	annual wages earned	\$ 2,970	\$ 1,120	\$ 987	\$ 3,744	\$ 2,965

Custom Products pays all workers at least minimum wage. For (SFY) 2005, the minimum wage was \$5.15 per hour. This minimum wage floor distinguishes it from other community employment and from center based programs. Those programs can operate under a sub-minimum wage certificate as provided in federal statute. There is a significant difference between the wages earned at Custom Products by extended

employment workers in either center based or community employment. The lowest wage (\$5.15) paid to Custom Product workers exceeds the average wage of 85% of the center based workers and 75% of the workers in community employment.

Custom Product workers also had other jobs in (SFY) 2005. The following table displays and aggregate of Custom Product workers work in both Custom Products and other employers with the aggregated work experience of other extended employment workers.

		All Custom Products workers employment	All Extended Employment workers
Total	number of individuals reported	46	6,007
	average hourly wage	\$ 5.60	\$ 5.02
Mean	annual hours worked	741	836
	annual wages earned	\$ 4,193	\$ 4,343
	average hourly wage	\$ 5.18	\$ 4.76
Median	annual hours worked	631	779
	annual wages earned	\$ 3,666	\$ 2,965

The blending of the two or three types of employment from different employers and in different settings during a year is typical of many extended employees. This is true of Custom Products workers as well. Generally, Custom Product workers earn a greater hourly wage than most extended employees from their blended employment experience. Although Custom Products employees work fewer hours, total wages are comparable.

Custom Products is a model typically compared to center based employment and community employment. Many extended employment workers in other EE programs statewide combine work in both models during the year. The following table compares the Custom Products experience with an aggregate of center based and community employment statewide.

Custom Products compared to Center Based and Community Employment Combined			
		Custom Products only	CBE and CE combined
Total	number of individuals reported	46	4,493
Mean	average hourly wage	\$ 5.59	\$ 3.69
	annual hours worked	674	789
	annual wages earned	\$ 3,806	\$ 2,960
Median	average hourly wage	\$ 5.18	\$ 3.42
	annual hours worked	495	718
	annual wages earned	\$ 2,970	\$ 2,017

Again, in this case, the experience of Custom Products workers is that their average hourly wage is greater than the experience of most other extended employees. However, their working hours remain less than most other extended employees statewide.

The distribution of wages between workers with disabilities compared to individual workers without disabilities in Custom Products. Quarterly data as reported by ODC including average hourly wage, average weekly wages and average weekly hours.

**Comparison of average hourly wage between production workers with disability
and without disabilities at Custom Products**

	1st quarter	2nd quarter	3rd quarter	4th quarter
Average hourly wage for each non-disabled person	\$ 5.45	\$ 5.69	\$ 5.84	\$ 5.76
# of individuals with a severe disability	28	32	31	33
Average hourly wage for each non-disabled person	\$ 5.71			
# of individuals with a severe disability	42			
Average hourly wage for each non-disabled person	\$ 7.43	\$ 7.43	\$ 7.86	\$ 7.76
# of individuals with a severe disability	34	54	43	50

There is a clear difference in wages between production workers who have disabilities and those who do not. There is 34% to 36% difference in hourly wages reported in the quarters.

**Comparison of average weekly wages between production workers with disability
and without disabilities at Custom Products**

	1st quarter	2nd quarter	3rd quarter	4th quarter
Average weekly wage for each person with a severe disability	\$ 155.12	\$108.00	\$ 129.58	\$108
# of individuals with a severe disability	23	32	31	33
Average weekly wage for each person with a disability	\$ 256.77			
# of individuals with a disability	10			
Average weekly wage for each non-disabled person	\$ 117.51	\$269.00	\$ 276.00	\$267
# of non-disabled individuals	30	54	43	50

There are significant differences in the weekly wages of Custom Products workers without disabilities as compared to workers with disabilities. Weekly earnings were 120% to 140% greater for workers without disabilities. This is attributable in part to the higher hourly wage. But as the table below displays there is also a significant difference in the hours worked during the week. For the last three quarters workers without disabilities worked from 80% to 95% more hours per week.

Comparison of average weekly hours worked between production workers with disability and without disabilities at Custom Products

	1st quarter	2nd quarter	3rd quarter	4th quarter
Average weekly hours worked for each person with a severe disability and a disability	27.71	19	22.10	19.00
# of individuals with a severe disability and a disability	23	32	31	33
Average weekly hours worked for each non-disabled person	26.67	36	38.44	34.00
# of non-disabled individuals	30	54	43	50

C. Informed Choice

One of the study's objectives was to formally review case files for documented consumer choice and to examine opportunities for community and individual employment.

Twenty-seven case files were examined to determine evidence of consumer choice in career planning. The Occupational Development Center maintains case files to a standard format. The typical case file contained annual and semi-annual plans developed by the Occupational Development Center as well as case notes provided by ODC staff for each individual. The case notes documented the provision of ongoing support services provided by staff members of ODC.

Each file also contains diagnostic information on the disability of the individual worker. This information varies significantly. The variance depends on when the person was accepted for ODC services and the level of information supplied by the referral source.

Most individual's case files included a brief descriptive history of their work experience while receiving ODC services.

All files contain evidence of informed choice as evidenced by their signatures or that of their guardians on annual and semi-annual case program plans. Each case plan specified Custom Products as a work site.

D. Consumer Satisfaction

Summary of findings-- Consumer Satisfaction and involvement survey ODC clients at Custom Products Inc

On April 21st and 22nd, 2005 interview surveys were done with 33 ODC consumers at Custom Products. The 33 individuals surveyed were all the ODC clients reporting for work during the two days. Twenty eight of the clients were extended employees and five were supported with CADI funding. Ken Lundquist conducted the surveys on site at Custom Products. A standard instrument was used utilizing specific yes/no questions and open ended questions. All consumers signed releases for the survey.

Questions focused on general satisfaction with work, wages, benefits, individual job satisfaction, career path, friendships, relations with ODC and Custom Products, job search and other employment.

The results from the non-open ended questions are tabled below. The responses are yes, no and no response (nr) when no answer was given. On any given question approximately 30% did not respond. One question is how to interpret a 'no' response.

Currently they are displayed as part of the total. No Response (NRS) could be proportionately assigned to yes and no responses on the assumption that the distribution of NRS would be distributed in the same ratio as the clear responses. Since there is insufficient other evidence to determine the validity of the distribution the responses are listed and initial percentages calculated with NRS in the base.

Question	%		%		NRS	%
	yes	yes	no	no		
Do you like your job at Custom Product?	23	70%	1	3%	9	27%
Do you earn enough money from this job?	20	61%	5	15%	8	24%
Do you want to earn more money?	17	52%	8	24%	8	24%
Do you get benefits?	24	73%	0	0%	9	27%
Do you have friends at Custom Products?	24	73%	1	3%	8	24%
Do you talk or get together with friends from Custom Products?	23	70%	1	3%	9	27%
After work?	11	33%	12	36%	10	30%
Do you feel valued by Custom Products?	21	64%	0	0%	12	36%
Do you work anywhere else?	7	21%	18	55%	8	24%
Have you worked anywhere else than Custom Products?	23	70%	2	6%	8	24%
Was there any place that you have worked at that you liked better than here?	13	39%	10	30%	10	30%
Is there anywhere else you want to work?	9	27%	16	48%	8	24%
Have staff from ODC helped you find other work if you have wanted it?	14	42%	4	12%	15	45%

Generally, most individuals are comfortable with their employment at Custom Products. They are comfortable with wages; they have friends they interact with more on the job than off; and most have worked elsewhere. Most individuals do not want to work elsewhere and indicate that ODC would have helped them find work with other employers if they wanted other employment.

The next sets of questions were open ended. Many were intended as follow-ups to the nominal yes/no questions. Each table will give the question and the individual responses.

The following table gives a sense of what individual ODC clients value or do not value about their employment at Custom Products.

What do you like or do not like about working at Custom Products?

26 responses

I like working here. It's a job - earn money.

Like everything unless stuck on same job all week. Don't like getting dirty.

Like cleaning and doing snack bar. Dislike not working with wood in production.

Like working here. Friendly people no dislikes

Like the bolt board machine and the block board machine. Can't do other jobs due to disability (can't aggravate groin injury.)

I am quite satisfied. I like variety once in a while. No dislikes.

not like banging into wood, pallets hurts, wood falling. Like doing crates, cleaning kitchen

like - my bosses - wonderful to me, patient, helpful - how to do job. A lot of respect for them - they for me. Do not like my own limitations

like being part of the team, don't like injuries

like different jobs/variety. People are all nice.

not like people telling me what to do; I'll do my job, need to work. Don't like lifting crates.

like my hours adjusted for schools and other jobs. Dislike programs/meetings, manuals, paperwork

like everything

dislike: sometimes I'm stuck with heavy boards, want more variety. Heavy lifting.

Like stacking sawmill, lighter wood. Dislike never tell us that we are doing good.

"We don't hear that"

worked here 25 years since graduated from high school. No dislikes

Don't like all the sawdust here. Like crating, millwork.

like lumber, no dislikes.

I like working here, working with wood.

dislike: sometimes its hard to get different jobs. Want more opportunity/variety.

Being more independent- (they have) concerns for my safety due to impairment (blindness)

like: good, like wood, easy parking - I drive 6 hour. Days. No dislikes.

I like it here - nice people. No dislikes.

I like working here better than anything else. No dislikes.

don't like the way I have to put "angles", long boards, parts together. Difficult, but I try to do my job. Like: keeps my mind occupied - not watching T.V.

Like: work isn't so bad, but the work gets old sometimes. Dislike: when machine breaks down - no one comes to ix it - supervisor not here.

like working with wood and different jobs. Don't like the same job every day

The original intent of this question was to elicit information on jobs in a more general sense. For example; I like working in the welding section or I like building crates. But many of the answers are more detailed dealing with individual assignments on work crews, such as "putting on wood/metal plates, "angles and uprights".

What jobs do you like?

26 responses

Building bottoms. Being on the line. Assemble/stack

Banding and tickets like best.

Snack bar staffing

Welding

Bolt board machine and block board machine

Emptying barrels, stacking wood. I am suited for these.

crates assembly, cleaning kitchen, press plates on wood

Everything - like variety. Favorite is stapling.

stacking, crate building

running the saws

putting on wood/metal plates, "angles and uprights"

The end machine, various jobs side machine, wood work

liftoff tops for Arctic Cat, plates installed

Always on the same job but I like helping (another EE worker) who's blind

Building crates for Arctic Cat

crating, working at Arctic Cat clean lines (production)

stack lumber, only one I do. Like it.

Do a lot of different jobs. Top table - for tops of crates and being an inspector.

band cutter

pulling fabric and cut it.

stacking wood - that's mostly what I do.

running saws

putting up the angles

I like the top table for crates- a little easier than other jobs.

saw mill sometimes, fabric on crates and hand wrapping assemble bottoms of crates.

The same comment can be made for this question as was made for the previous question. However, a number of individuals do not have other jobs they would rather be doing.

What jobs do you want to be doing?

26 responses

weld more

Run the top machine

Like what I'm doing. I'm satisfied.

Tried everything

cutting fabric, placing boards in place on line. Maybe a welder's helper.

Be a secretary here

try bottoms but can't because of my knee limitations

sawing

drive fork lift

learn to staple and wrap crates but my attention isn't good enough. Danger to self and others.

none

Bonding

I've done almost every job here. Like working with wood.

want to try cutting lumber

none

I've done a lot even the sawmill

not sure - a lot of machines but with supervision, I can learn.

none - too much responsibility

none

none

lift off the big ends

Top table machine

want to transfer into the sawmill some day

This table displays comments that were made voluntarily without prompting after the individual was asked if they felt valued by Custom Products. Two thirds of the individuals answered that they did feel valued. No one responded that they did not feel valued.

Comments on value

Follow up comments to “Do you feel valued by Custom Products?” Comments were volunteered

10 responses

Hard to answer this - don't know

They are pleased with my work. Good supervisors!

oh yes

think so

Some what but need more encouragement that we are doing a good job.

I'm happy here

They like me.

pretty good

nice environment

production workers like me too.

Respondents were asked if they worked somewhere else as well as Custom Products. One fifth answered that they had other jobs. This table displays where respondents told us they work in their other job.

Where do you work?

Follow up to “Do you work anywhere else?”

7 responses

Casino - got on own

Arctic Cat - fill in

McDonalds \$5.25 hour and Arctic Cat \$3.15 hour

volunteer, Heartwood Motel, errands, assist my mother-in-law

Drive Hospital's Ice Cream Wagon at Northern Lights Bookshop

Drive Hospital's Ice Cream Wagon at Northern Lights Bookshop

Respondents were asked if they had worked somewhere else than Custom Products to get an indication of prior work experience. Seventy per cent responded that they had worked somewhere else. Only 6% had not. The interview followed up with a question asking where they had worked. These are the responses to that question.

Where (past)?

Follow up to "Have you worked anywhere else than Custom Products?"

22 responses

County sent me to DNR and assorted jobs each summer.
High school some paper work. County clean up at HS
Arctic Cat - on the line
Polaris
Arctic Cat for 15 years
cleaning jobs, unskilled labor, nothing permanent
Honey Farm
did welding
Arctic Cat - didn't like it.
Drive Hospital's Ice Cream Wagon at Northern Lights Bookshop
Model Laundry, cut my hours but it was closer
Drive Hospital's Ice Cream Wagon at Northern Lights Bookshop
Digi-Key cleaning
Northern Pride Poultry plant
ODC in Crookston
Evergreen's Restaurant - dishwashing
enclave at Arctic Cat
Home Mart maintaining trailer homes.
pool hill - dishes downtown
Northern Motors washing cars
Winbergs Welding Machine & Machine shop and Northland Food dishwasher
Digi-Key

Respondents were asked if there was anywhere else they wanted to work. A quarter responded that there were some other places they wanted to work. Almost half said no. For those who wanted to work somewhere else the follow up question tried to identify what firm the individual wanted to work at.

Where (future)?

Follow up to “Is there anywhere else you want to work?”

8 responses

Arctic Cat

work at hospital

Hydor MAC

Seven Clans Casino

Valley Home Nursing Home

Arctic Cat

Keizan Music or Budget Electronics

Northern Pride Poultry

This question was a follow up to the previous question to identify the types of jobs that individuals wanted to do at those firms.

Doing what?

Follow up to “Where (future)?”

8 responses

Arctic Cat - weld or assembly

- work with patients. I have some experience

welding

Sorting laundry, vacuuming, dusting-cleaning

thought about it

clean tables

building Arctic Cats

packaging

At the end the respondents were asked if there were any other comments that they wanted to make about Custom Products or ODC. These comments were directly elicited by any other questions.

Other comments

Open ended response – end of interview

24 response

I recommend the place to friends and family.

Got casino on own" (Staff name) didn't do much - help much). I like it.
They want /like me here. They don't want to lose me. I'm such a good employee. 5-6
years here.

class - learned welding - 8 week course. Custom Products paid for it. Adjusted hours.
Like it.

like presents job. Epilepsy - I need meds + sleep just right. Stabilizing . Can't drive.
Likes present job.

I think this place is the best for me now.

I really like working here. McDonalds 12 years.

I was off for 6 months - "permanent disabled", but I couldn't take it so I insisted on
returning to work - wear a knee brace. I was so excited when I got my job back - after
Dr released me finally.

look on own

want to get social security appeal finished, then pursue welding here at Custom
Products.

not yet, not ready. I wish there was ODC closer to home, 65 miles Away!
(ODC) they would (help) but comfortable here.

staff looking up jobs in the community

NW Job Connection helped me with applications and resumes.

I like working here.

want to return to Arctic Cat full time doing salvage-disassembly to sell. They haven't
asked.

third week here.

not looking but they (staff) do ask.

some searching. Depends on job. Got me a job at casino for a while. Love to count
and package.

if I were looking but not now.

If I were interested.

If I were looking they would help.

They would but not looking now. I like this job and friends. What I hear is that other
place ain't for me. Example Arctic Cat - not good mean bosses.

Maybe someday look but no. OK at Custom Products. I like the people. Friendly good
workers.

D. Independent employment

The review of case files listed twenty four individuals who had some identified work experience outside Custom Products; either prior to working there or simultaneously with current work. Only one individual admitted by ODC after the start of Custom Products had no work experience identified anywhere else. While it was not clear from the files most work experience seemed to be in a crew or enclave situation.

E. Program participants

Fifteen individuals were identified as being referred by VR. Three of those referrals came in 2002 and 2003. Four were identified as referrals from the county, two from school systems and the rest scattered or not identified.

The results are tabled below.

Entry into ODC Program	
Year	New Entrants
2004	2
2003	2
2002	2
2001	1
2000	2
1999 and earlier	18

Over 90% of the individuals were working in ODC programs prior to the opening of Custom Products. Two thirds were involved for more than five years. The consumer work force employed at Custom Products is largely the work force available in the earlier workshops operated by ODC and follows with evolution of Custom Products.

According to their plans, eleven individuals have a primary diagnosis that is a serious mental disability. Thirteen individual are classified with mental retardation; eight with mild or moderate designations. One individual is blind. One identified with ADHD and one with traumatic brain injury.

F. Support Services

Preliminary -- Summary of supports provided by ODC staff
Reporting period 7/1/2004 – 3/30/2005

ODC case managers have tracked support contacts by individual and category. Their contact tracking sheets record number of contacts by type. They also record separately the sum of hours taken up by the contacts and the number of contacts provided by ODC and the number provided by Custom Products. Their tracking is self reported and not independently verified.

The following table displays the number of contacts by type of support, the share each type of support has, an average number of contacts per month per person and an annualized number of contacts per person.

Supports	Total contacts	Percent of all contacts	Contacts per month per person	Contacts per year per person
Facilitation of natural supports	278	13%	0.96	11.5
Rehabilitation technology, job design, or environmental adaptations	1	0%	0.00	0.0
Disability awareness training (at work site/for employer or production worker)	6	0%	0.02	0.25
Job skills training at work site	36	2%	0.12	1.49
Regular observation/supervision of the worker	92	4%	0.32	3.81
Behavior management	111	5%	0.38	4.59
Coordination of support services (team)	18	1%	0.06	0.74
Job related safety training	582	27%	2.01	24.8
Job related self-advocacy	14	1%	0.05	0.58
Training in independent living skills	23	1%	0.08	.95
Job readiness training	6	0%	0.02	0.25
Transitional employment	2	0%	0.01	0.08
Career planning, job development to advance employment	66	3%	0.23	2.73
communication skill training	4	0%	0.01	0.17
follow up service	894	42%	3.08	36.99
Total	2,133	100%	7.36	88.26

The most frequent contacts are follow up services (42%) or an average of 37 contacts per year; job related safety (27%) or 25 contacts per year and facilitation of natural supports (13%) or 11 contacts per year. Relatively little time is spent on job skills training or behavior management.

1,151 of the 2,133 support contacts reported for the nine months were provided by ODC staff. The remaining 982 contacts were delivered by Custom Products staff. This is 54% and 46% respectively. The total number of hours recorded was 780. The average time per contact was .37 hours or 2.69 hours per month.

Because the hours are reported separately there is no way to distinguish the amount of time spent on the different types of supports or the amount of support time provided by ODC staff versus Custom Products staff.

Description of service categories provided by ODC

1. Facilitation of Natural Supports - Assisting consumers to seek production staff as in a "normal" setting versus only seeking out program staff with on-the-job questions, assistance, etc.
2. Rehab. Technology, Job Design, Environmental Adaptations - Modifying job stations, work schedule, any assistive devices needed to perform job, and etc.
3. Disability Awareness Training - Training provided to consumers about their own disability and how it affects (if it all) their work performance and strategies to help them cope with disability at work.
4. Job Skills Trng. at Work Site - Specific job skills needed at their employment site to be successful. Individual training or in group settings.
5. Regular Observation/Supervision of the Worker - Staff (both program and production) assist them at their job, answer questions, observe work performance, supervise the work team as is done for both non-disabled and disabled workers.
6. Behavior Management - counseling, assisting consumers to manage their behaviors to help them be successful at work.
7. Coordinaton of Support Services - Helping the consumer seek out the support services they need such as county social services, SILS (semi-independent living skills program), financial assistance, Rehab. Services, etc. Regular meetings are held with the consumers' entire support services team.
8. Job Related Safety Training - Specific safety training and skills needed for the duties performed. Also general safety practices are taught.
9. Job-Related Self Advocacy - Assists consumers to promote their skills and abilities, speak up for themselves, and know who to go when they need help or have questions.
10. Training in Independent Living Skills - Money management, grooming and personal care, using public transportation, obtaining driver's license.
11. Job Readiness Training - Job Seeking Skills such as filling out employment applications, interviewing skills, resumes, cover letters.

12. Transitional Employment - Consumers may participate in "transitional" (ie short-term) programs to evaluate skills or new work situations. Such a transitional program would include the employment planning services program (assessment program), employee development services (formerly known as Work Adj. Training) and the job placement program.
13. Career Planning, Job Development to Advance Employment - Exploration of career goals, availability of careers in the community, job seeking skills to upgrade employment.
14. Communication Skill Training - Sign language training, braille, speech reading, communication devices/adaptive methods.
15. Follow-up Services - Staff check on consumers on an on-going basis (minimum of two contacts per month) at their work site. Assessment and performance reports are filled out by employers. Verbal communication with the consumers' direct supervisors.

G. Update 2006

The primary research for this report was based on study of Custom Products from July 1, 2004 to June 30, 2005. The extension of the reports due date allowed for continued review of Custom Products. Significant changes observed during the second year of the study included the impact on wages by the increase in the state minimum wage that went into effect in August of 2005 and the modification of the ODC's worker classification system that ended separate categories for a 'consumer' and a 'production worker'. In addition, Custom Products achieved accreditation as an Affirmative Based Enterprise (ABE) under the CARF accreditation standard for ABE. Finally, a legislative work was convened to consider proposed statutory language defining Affirmative Based Enterprise.

The minimum wage rose by 19% going from \$5.15 per hour to \$6.15 per hour. The change took effect in August, 2005. Would higher labor costs reduce the number of employees? Would the change affect disabled and disabled workers similarly? Would a higher wage rate actually generate higher income given the economic disincentives to individuals some of whom who receive other forms of aid such SSI or SSDI? How did Custom Products changes in wages compare to other rehabilitation providers?

The minimum wage provides a floor for earnings at Custom Products. Wages for most workers clustered around the minimum wage. The median wage in SFY 2005 was \$5.18 per hour; just three cents greater than minimum wage. The average wage was \$5.59 per hour.

In SFY 2006, 51 individuals were reported from Custom Products to the Extended Employment program. These workers earned an average of \$6.22 per hour. Average annual earnings were \$4,082. And the average number of hours worked during the year was 655 hours. The median hourly wage was \$6.15 per hour. The median annual wages was \$3,147 and the median number of hours worked was 512 hours annually.

The 51 workers was an increase of 5 workers over (SFY) 2005. The number of workers increased by 11% during the year. The number of hours worked in total and reported by Custom Products increased by 8%, the wages earned by 20%. Average annual earnings per Extended Employment worker increased by 7% over (SFY) 2005; average annual hours per worker decreased by 3%. Median annual wages increased by 4% and median annual hours increased by 3%. The average hourly wage increased by 7%; the average median wage by 18%.

The growth in Extended Employment workers and the total hours worked provides evidence that the higher labor cost triggered by the increase in minimum wage, at least initially, did not limit the number of workers or hours.

Average wage for all extended employment workers was \$5.51 in (SFY) 2006, a growth of 9% over the previous year. This was slightly greater than the change at Custom Products. However, the average wage of \$6.22 for Custom Products in 2006 is 13% greater than the \$5.51 for all extended employment workers. Further, the \$6.22 is 67% greater than center based employment and 38% greater than community employment. These are the two models of employment in extended employment. While the change in minimum wage also drove an increase in hourly wage for all of extended employment, Custom Products remains well ahead of the overall wage performance of community based employment and center based employment.

The change in minimum wage, as might be expected, affected those with the lowest hourly wage the most. Increasing the minimum wage raised the floor and had the effect of narrowing the gap between Extended Employees earning higher wages and those earning the old minimum wage. The biggest effect is that high paid workers made more money while working fewer hours. This drop in hours provides partial evidence to the thesis that concerns about the negative affect in other benefits of earning more income would act as a force to limit work.

The following comparisons are based on 4th quarter, (SFY) 2006 (April through June) data on wage and hours for individuals with and without disabilities. In the final quarter of 2006 44 individuals with disabilities were reported against 51 individuals without disability. The numbers for 2005 were 33 and 50 respectively. The average hourly wage for an individual with a disability in 4th quarter 2006 was \$6.30; in 2005 it was \$5.76, a 9% change. For a Custom Products worker without a disability the average wage for 4th quarter, 2006 was \$8.26 and for 2005 it was \$7.76, a 6% change. Hourly wages grew faster for individuals with disabilities. And more individuals with disabilities were working. Workers with disabilities worked 15.84 hours a week down 17% from the previous year's quarter but their weekly wage of \$127.68 was up 18%. Workers without disabilities worked 33 hours a week in 4th quarter, 2006, down 3% over the previous year. Weekly wages for this group were \$271 and increase of 1%. The change in minimum wage significantly benefited workers with disabilities over those without.

Another significant event was the ending of the separate classes of consumers (workers with disabilities with employment plans) and production workers. After a review of the initial year's findings staff from Rehabilitation Services critiqued the findings and noted that the policies for determining starting wages at hire were different for the two classes. Since all the other conditions of work at Custom Products were indistinguishable between the two groups, a suggestion was made that Custom Products consider ending the distinction. In the spring of 2006 Custom Products changed its personnel classes, ending consumers and establishing two categories, production worker 1 and production worker 2 for their production positions. Now all individuals being hired are reviewed for entry wage and raises using this structure.

In July 2006, CARF, the accrediting agency for community rehabilitation programs and rehabilitation facilities, reviewed the programs of the Occupational Development Center. The accrediting team reviewed Custom Products and granted it a three year accreditation as an Affirmative Based Enterprise. This was the first year that CARF accredited Affirmative Based Enterprises and Custom Products was the first such accreditation granted in the country.

Also in July 2006, the Rehabilitation Services Branch of the Department of Employment and Economic Development convened a legislative advisory work group to discuss possible changes to the Extended Employment statute. The work group reviewed possible language developed by the Department establishing Affirmative Business Enterprise as a type of employment within Extended Employment. Preliminary findings from this study guided and informed that process.

III. Summary of findings

Custom Products is a manufacturing business in Thief River Falls which specifically employs individuals with severe disabilities. Custom Products operates with a mixed workforce of individuals with and without disabilities in an industrial setting. The percentage targets for staff were 60% non-disabled and 40% disabled. The goal came close to being achieved. Typical numbers were 58% and 42%. Work crews were integrated with an interaction among workers that was indistinguishable by disability. Does this experience mean that Custom Products is integrated?

The federal definition of integrated setting is.

33) Integrated setting,—

(ii) With respect to an employment outcome, means a setting typically found in the community in which applicants or eligible individuals interact with non-disabled individuals, other than non-disabled individuals who are providing services to those applicants or eligible individuals, to the same extent that non-disabled individuals in comparable positions interact with other persons.

(Authority: Section 12(c) of the Act; 29 U.S.C. 709(c))

The industrial work site is found in the community. Individuals with disabilities interact with other persons to the same extent as non-disabled individuals. The number of disabled individuals is greater than the number of non-disabled individuals typically found in a community setting. The interaction at Custom Products compares favorably with many crew, enclave or center based settings.

Custom Products pays minimum wage or better to individuals with disabilities, has position descriptions and titles that are open to all individuals and maintains a single benefits package available to all employees. The number of hours worked weekly by individuals with disabilities is significantly less than those for individuals without disabilities. The average and annual wages for extended employees at Custom Products are substantially greater than typically found in center based and community based employment. Custom Products wages are near but slightly less than the typical wages earned in supported employment.

The Occupational Development Center provides on-going employment support services for extended employees. A significant number of supports are also provided by Custom products staff. ODC works with each extended employee on career goals and demonstrates adequate consumer choice.

Overall, workers at Custom Products are 'satisfied' to 'very satisfied' with their employment. A number of workers have other employment in addition to their work at Custom Products. Almost all the extended employees at Custom Products had prior work experience in the community. There is an effort to upgrade skills and workers have the opportunity to train for more highly skilled positions.

Since almost all workers had worked in the community there was significant prior work experience in other business and work settings. Less than 20% percent of the extended employment workers expressed a desire to work elsewhere. Typically, Occupational Development Center staff identifies these individuals' goals in employment plans.

IV. Recommendations

Custom Products is a light industrial business in a rural community with limited industrial opportunities. It is owned by the Occupational Development Center with an express purpose of providing employment for individuals with severe disabilities. Custom Product's work processes and machinery were engineered to allow integrated teams to work together and be profitable while paying minimum wage or better.

The authorizing legislation for this study provided for paying for hours worked at Custom Products by extended employees at community employment rates; providing information to clarify the distinction between community employment and center based employment; and providing guidance for rule development.

Key findings are; Custom Products paid better wages and annual earnings than either center based or community employment. Custom Products integration was more similar to community employment while still maintaining a larger proportion of individuals with disabilities than is typically found in the community. Custom Products pays higher wages to extended employees than is typically found in center based employment. Further, opportunities for interaction between workers with disabilities and workers without disabilities were greater than would be typically found in most center based employment settings. But unlike community based employment the ownership and control of the place of employment remained in the hands of the Occupational Development Center. Since the wages and integration were closer to community based employment than center based employment; the study's recommendation is to continue to pay for work hours reported in this employment setting at the rate for community based employment.

The department has determined that it would be more efficient to modify the existing extended employment statute to include Affirmative Based Industry rather than to engage in a rule making process. Consequently, Rehabilitation Services agreed to consider

developing legislation for the 2007 session. A legislative advisory work group was which has reviewed the ABE concept considered the findings from this study in its work

The department is preparing legislation that will establish a category for Affirmative Business Enterprise within the existing extended employment program. The legislation will define the requirements for Affirmative Business Enterprise and provide for payment at the community based payment.