

# Testimony Before the House Committee on Small Business Subcommittee on Innovation, Entrepreneurship, and Workforce Development

## Subject: Overcoming Structural Barriers for Entrepreneurs and Workers with Disabilities

### January 30, 2024

## Submitted by Christopher S. Banks, President and CEO Autism Society of America

Chairperson, Honorable Members of the Committee,

Thank you for the opportunity to address this distinguished committee on the critical issue of structural barriers faced by individuals with Autism and other disabilities in becoming entrepreneurs or entering the workforce. The focus of my testimony is on the importance of affordable healthcare access, the benefits of workplace accommodations, the enhancement of transition planning and vocational rehabilitation, discrimination in the workplace, the implications of the Labor Department's Section 14(c) program, and the contradictory situations created by public benefits requirements.

The Autism Society of America is the nation's largest and oldest grassroots organizations representing individuals with Autism and their families. For 59 years and counting, the Autism Society, including our nationwide network of 70 affiliates, connects people to the resources they need through education, advocacy, support, information and referral, and community programming, including employment support. We firmly believe in empowering Autistic individuals by championing integrated employment opportunities that focus not just on providing a job, but a fulfilling experience as part of the larger workforce. Over 2023, we hosted seven Listening Sessions that have continued to inform the need for cross-sector collaboration between educators, employers, policymakers, and community partners to create a more equitable and inclusive workforce.

1. The Importance of Affordable Healthcare Access:

Access to affordable healthcare is not just a necessity for survival; it is also an important prerequisite for individuals with disabilities to participate fully in the workforce and the business community. The Affordable Care Act (ACA) has been pivotal in ensuring that individuals with disabilities have the healthcare support they need to be productive members of society. The ACA



prohibits discrimination based on pre-existing conditions and provides essential health benefits that cover a range of needs, including rehabilitative and habilitative services. This security enables individuals with disabilities to pursue entrepreneurship and employment without the fear of losing their healthcare coverage. The Inflation Reduction Act (IRA) extends the enhanced subsidies for health insurance premiums under the ACA through 2025. These subsidies were initially expanded under the American Rescue Plan and are crucial for individuals with disabilities who may not have access to employer-sponsored insurance and rely on the ACA marketplace for their healthcare needs. The Affordable Care Act must be protected and expanded. States that have not expanded Medicaid under the ACA are denying their citizens critical access to health care.

Medicaid offers comprehensive healthcare coverage that includes services often not covered by private insurance, such as personal care services, long-term care, and mental health services. Medicaid also funds a variety of home and community-based services (HCBS) that are important to working individuals with Autism and other disabilities. HCBS can include personal care assistance, home modifications, transportation services, and employment support, all of which enable individuals with disabilities to maintain employment and participate actively in their communities. Congress must support and not cut or block-grant Medicaid.

Many states offer Medicaid Buy-In programs for working people with disabilities. These programs allow individuals to earn income and, in some cases, have higher assets while still retaining their Medicaid coverage. This is particularly important because it addresses the "benefit cliff," where individuals might otherwise lose their Medicaid coverage if they earn more than the program's income limits. By allowing individuals to work without losing their healthcare benefits, Medicaid Buy-In programs encourage employment and financial independence. Congress should consider mandating this program for all states.

2. Discrimination and Section 14(c) of the Labor Department:

Recent data shows that approximately 85 percent of Autistic adults with a college education are unemployed, and over 90 percent of adults with Autism are under-employed or unemployed.

Ableism, or discrimination against people with disabilities, is a pervasive barrier in the workplace. It manifests in hiring practices, workplace culture, and policies like the Labor Department's Section 14(c) program. Section 14(c) of the Fair Labor Standards Act (FLSA), passed in 1938, allows public and private employers to obtain special certificates from the Department of Labor's Wage & Hour Division that allow them to compensate workers with disabilities at rates below the current federal minimum wage based on the individual's level of measured productivity. This results in a



disproportionate number of individuals with Autism and other developmental disabilities being automatically placed into a sub-minimum wage position - usually in segregated facilities - after exiting the public school system.

Individuals with developmental disabilities and their families are often told there are no other options available to them and are often pressured by public systems and service provider agencies to enter into this option. It often has little relationship with an individual's ability. These workshops too often become terminal places of employment when they are supposed to act as transitional employment to train individuals. As few as 5% of workers transition into employment in the community. Most do a poor job providing any independent living or real-world job skills. With laws centered around community inclusion and competitive integrated employment in laws such as the ADA, Developmental Disabilities Act, and WIOA, Section 14(c) is incompatible with current law and with the expectations of people with disabilities.

We need to end the use of 14(c) and focus on providing customized employment and other evidence-based supports to all who need them. The Autism Society of America has been advocating for the bipartisan <u>Transformation to Competitive Employment Act</u> (TCIEA/HR 1263/S. 533), which provides grants to states to help them build capacity to provide employment opportunities that pay at least minimum wage. It phases out the use of subminimum wage certificates and provides wrap-around services for individuals who are unable to achieve full-time competitive work.

In addition, we encourage Congress to support additional tax incentives, such as the <u>Disability</u> <u>Employment Incentives Act</u> (S. 3076), to incentivize employers to hire individuals with disabilities. Another bill the House should consider is the bipartisan Supporting Disabled Entrepreneurs Act (<u>S. 3528</u>). This bill would establish the position of Coordinator for Disabled Small Business Concerns within the SBA, who would enhance support for small disability-owned businesses across capital, counseling, and contracting programs. The bill would also collect data on disabilityrun small businesses and report recommendations to Congress.

Finally, the direct workforce crisis for people with disabilities is impacting both the employment opportunities available to individuals with disabilities and the quality of the workforce dedicated to supporting them. As mentioned previously, individuals with higher support needs rely on direct support professionals to support them in jobs and to support them in the community. The Autism Society of America strongly urges Congress to support the <u>Better Care Better Jobs Act</u> (S. 100/HR 547). The Better Care Better Jobs Act would increase payment rates to promote the recruitment



and retention of direct care workers, increase wages, and develop and update training opportunities.

3. The Benefits of Workplace Accommodations:

Workplace accommodations are often perceived as costly and cumbersome by employers. However, studies consistently show that the benefits far outweigh the costs. Employers benefit from reduced turnover and increased productivity, making workplace accommodation not just a legal obligation but a strategic advantage. Some examples of accommodations for people with Autism include: providing a clear structure and routine, as many individuals with Autism thrive in structured environments; creating a sensory-friendly workspace by minimizing noise, bright lights, or strong smells that can be overwhelming or distracting; offering flexible scheduling or part-time work options if full-time work is challenging; providing education and training to coworkers about Autism to promote understanding and acceptance; offering communication technology and use of other technology and tools that can aid in organization, time management, and task completion; tailoring tasks to the individual's strengths; and, allowing for specialization in a particular area of interest or skill, which can lead to high levels of productivity and job satisfaction. It's important to note that Autism is a spectrum, and each individual's needs and strengths are unique. Therefore, accommodations should be personalized and regularly reviewed to ensure they remain effective and relevant.

4. Improving Transition Planning and Vocational Rehabilitation:

Transition planning and vocational rehabilitation are critical in preparing youth with Autism and other disabilities for the workforce. However, a recent Drexel University Study showed that 99% of people with Autism are not receiving VR or any public employment supports.

However, these programs often lack a focus on business development and entrepreneurship. VR should integrate business skills and entrepreneurship training into these programs can empower individuals with Autism. Self-determination training is also crucial to many individuals with Autism. Many need to better understand how to speak up for themselves and learn independent living skills. Transition planning should start as early as possible but at least by age 14.



5. The Catch-22 of Public Benefits and Workforce Participation:

Individuals with disabilities often find themselves in a catch-22 situation when it comes to public benefits and workforce participation. Earning too much can disqualify them from crucial benefits like healthcare, housing, and supplemental income, which are not easily replaced by employment income, especially in entry-level positions. Individuals often face a "benefit cliff," where earning more income can lead to a disproportionate loss of benefits, such as Medicaid or Supplemental Security Income (SSI). This creates a disincentive to seek higher-paying jobs or work more hours, as the loss of benefits can outweigh the financial gains from employment. The ABLE Act has helped but more can be done. Policymakers must work towards creating a benefits structure that allows for a gradual transition, ensuring that individuals with disabilities do not have to choose between healthcare and employment.

Some of these barriers are addressed by the <u>SSI Penalty Elimination Act</u> (HR 5408/S.2767), a bipartisan legislative proposal aimed at reforming the Supplemental Security Income (SSI) program. The primary focus of the Act is to eliminate or reduce certain penalties and restrictions that are viewed as overly punitive or as barriers to employment, financial independence and stability for SSI recipients.

#### Conclusion

In conclusion, dismantling the structural barriers faced by individuals with disabilities in the workforce and the business world requires a multifaceted approach. It necessitates not only legislative action and policy reform but also a cultural shift toward recognizing and valuing the diverse capabilities and contributions of individuals with Autism and other disabilities. By supporting policies that foster an inclusive environment, provide the necessary customized support, and encourage acceptance, we can ensure that individuals with Autism and other disabilities have equal opportunities to thrive as entrepreneurs and workers.

Thank you for your attention to this critical issue. Please contact Kim Musheno, Vice President of Public Policy (<u>kmusheno@autismsociety.org</u>) with any questions.