

Sheltered Workshops- Effective Accommodation or Exploitation?

By Claude W. Whitehead

Introduction

The decade just ended has been a period of examination and evaluation of sheltered employment for handicapped persons. Sheltered workshops are defined as:

"rehabilitation facilities with a controlled work environment in which handicapped persons are provided training and employment services designed to assist them in moving toward an optimum level of vocational and social functioning. Workshop programs are structured to accommodate the physical or mental impairment of the individual and to permit them to work at their own productive capacity and be paid accordingly" (DOL 1977).

This accommodation ideally involves adapting the work station, job structure and work environment, in addition to providing training, to maximize the productive capacity and potential of the handicapped person.

The wide variety of studies of sheltered workshops by the Department of Labor (DOL 1977, 1979), Department of HEW (Greenleigh 1975), and the General Accounting Office (GAO 1977) were designed to evaluate the effectiveness of the workshops in carrying out their basic mission of providing training and employment services. The findings of these studies and a follow-up analysis of regulations, legislation and policies pertaining to sheltered employment, currently being conducted by the HEW Office of the Assistant Secretary for Planning and Evaluation, are the basis for this paper.

History and Development

Sheltered workshops had their beginning in the United States more than 100 years ago. The first known workshop, established to provide employment for blind persons, was organized in 1838 at Perkins Institute for the Blind in Massachusetts (DOL 1977). The early workshops were established and operated primarily with private funds provided through churches and quasi-religious organizations such as the St. Vincent DePaul Society, the Volunteers of America, and Goodwill Industries of America: Most of the early workshops emphasized sheltered employment for physically handicapped persons, aged persons and alcoholics. Persons with mental or emotional disabilities received very little attention

until the middle sixties, stimulated by the enactment of mental health and mental retardation legislation in 1963.

The service provided in most workshops was almost exclusively limited to employment until the passage of the Vocational Rehabilitation Amendments Of 1965 Which included substantially expanded funding for rehabilitation services and a major program of direct assistance to sheltered workshops and, other rehabilitation facilities The decade of the sixties was a period of significant growth and development in rehabilitation services with many workshops adding evaluation, training and other rehabilitation services to their employment programs in order to serve clients of the state rehabilitation agencies. The 1973 study of sheltered workshops by the Department of Labor (DOL 1977) revealed that most workshops provided some form of training for handicapped clients. Unfortunately, the rapid growth of sheltered workshops in the sixties and the early part of the seventies exceeded the capacity of the state/federal program to support the operation of the rehabilitation services program developed by workshops. In addition, the majority of the handicapped persons served in workshops needed extended training and employment services but the state/federal rehabilitation program was restricted mostly to support of short term services.

The decade of the seventies saw a dramatic shift in financial support of sheltered employment services from primary dependence on the state rehabilitation agency to a multiple-funding structure composed mostly of other public fund sources The most significant development was the creation of funding of long term services for severely handicapped persons through Social Security Act amendments of 1975 which included authority in Title XX for purchases of social services (including training) for recipients of Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI)—a program which provided about as much support for services to handicapped persons in sheltered employment programs as did the state rehabilitation program in 1978 (HEW Title XX 1979).

The handicapped population in workshops shifted from mostly physically handicapped persons in the first half of the century to a balance between physically handicapped and mentally impaired per

sons in the sixties. Currently, the workshops are serving mostly mentally handicapped persons; the blind make up less than five percent and other physically handicapped constitute less than six percent. This shift to services for mentally disabled individuals is generally attributed to a national deinstitutionalization movement under which thousands of mentally handicapped clients are being returned to live in their own community. The influx of formerly institutionalized persons, most of them without previous employment experience and in need of personal-social skills training as well as job training, imposed new demands on the resources of the community, especially sheltered workshops. The entry point for this new group usually was the work activities center, rather than the regular workshop. By 1978 two-thirds of the workshop clients were being served in work activities centers (compared to about one-third served in WAC programs in 1968).

Protection and Advocacy for Handicapped Persons

The first protection for handicapped persons was provided in the Fair Labor Standards Act of 1938 which established minimum wage requirements for millions of workers but exempted handicapped workers in order to prevent curtailment of employment opportunities for that group. The 1966 amendments to FLSA addressed sheltered employment specifically but required that all persons employed under authorized Department of Labor certificates (in sheltered workshops) be paid wages commensurate with their productivity compared to that of a non-handicapped worker in an identical job. Unfortunately, this requirement has been difficult to interpret and enforce, and the result has been that some handicapped are being paid lower wages than they were entitled to. The commensurate wage payment provision has created a storm of controversy evolving from findings in the DOL studies (DOL 1977, 1979) and public media articles on wage payments in sheltered workshops.

The need for protection and advocacy has been expressed clearly by the Congress in 1968 and 1978 amendments to the Developmental Disabled Assistance and Bill of Rights Act (Public Law 94-103 and 95-602), and the 1973 and 1978 amendments to the Rehabilitation Act (Public Law 93-112 and 95-602). For example, Section 504 of the Rehabilitation Act prohibits discrimination on the basis of handicap, in the provision of services by agencies receiving federal funds—this includes most sheltered workshops.

A civil rights movement for handicapped persons, evolving out of the 1977 White House Con-

ference on Handicapped Individuals, is expanding through all service delivery systems (Whitehead, 1978). Handicapped persons are demanding equitable service and a voice in policy development and management decisions.

Major Issues in Sheltered Employment

The national studies of sheltered workshops and government investigations had both favorable and unfavorable findings:

1. Sheltered workshops are serving a severely impaired population, most of whom would have been considered not feasible for services a decade ago; the majority have no prior work experience and limited work production potential;
2. Funding for sheltered workshop services is often very restrictive and sporadic in supply;
3. Most handicapped persons entering the workshop stay for an extended period of time. Some because there are no other job opportunities in the community, others because they cannot function in competitive employment, but others remain in the workshop because the shop is dependent on their productivity (to generate operating income);
4. Wages paid to handicapped workers are minimal, some payments less than required by the FLSA, but many handicapped workers receive supplemental income under the Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) program and are reluctant (lack incentive) to increase their earnings for fear of loss of benefits such as health care and food stamps if their monthly income exceeds the prescribed limit. Average hourly earnings have not increased over the decade in proportion to the costs of living increases;
5. Workshops serving mostly a mentally retarded population often give more attention to personal-social skills training than to development of employment skills, thus wages are a secondary consideration.

These findings led the Department of HEW to initiate a follow-up study in which major issues were identified and associated policy problems were defined. The major issues which must be addressed in the decade ahead can be summarized:

1. The most dominant issue pertains to the rights of handicapped adults to education and training—and a job. The courts have repeatedly affirmed the rights of handicapped children to education and training, and a right to live in the least restrictive environment, and Congress

confirmed this right in enacting Public Law 94-142, the Education of All Handicapped Children Act. Adults who have not been given appropriate and adequate education should be entitled as the handicapped child.

2. A related issue pertains to the right of handicapped individuals to decent income. There is major disagreement among individuals and agencies concerned with handicapped persons as to whether the wage earnings should be subsidized directly or the income should be supplemented separately through SSI. There are those professionals who insist that the best solution is to improve the technology, *i.e.*, the industrial operation of workshops and thereby make the handicapped worker more efficient and productive. The national studies clearly showed that one cause of low age earnings was the lack of technology—and a lack of suitable work. There are some problems with the wage subsidy proposed because many workshops are serving persons with very little productive potential, even with the best technology—some examples of which will be cited in a later section of this series. It will be important to set minimum levels of acceptable productivity.

3. A major debate is continuing regarding the desirability of sheltered workshops. Many advocates insist that private business and industry could and should be given the responsibility for providing jobs for all handicapped persons who have a minimum level of productive skill and that other gainful activity should be provided to those for whom a job has only limited feasibility. In this arrangement the workshop would provide evaluation, personal-social skills and job readiness training but would depend on the regular labor market for employment. This concept has been tried in some European countries with mixed success.

4. Recent articles in the national and local news media have deplored the lack of accountability for the operation of sheltered workshops, the news stories have revealed that the voluntary board of directors, generally responsible for an oversight role with the nonprofit corporations that operate sheltered employment programs,

frequently delegate this responsibility to the paid administrator and then fail to monitor the performance, sometimes lacking the knowledge necessary for proper evaluation. Existing accreditation programs are also faulted in assuring quality performance.

Summary and Conclusions

The decade ahead has promise and hope but also contains many challenges. The merging of special education services for handicapped children with rehabilitation services for handicapped adults in the new Department of Education holds promise of providing a continuum of care for handicapped persons, but the state/federal rehabilitation services program is coming under increasing criticism for failing to effectively serve the severely disabled population. That group is more likely to be served by the private rehabilitation sector, *e.g.*, sheltered workshops and work activities centers, with funding from Title XX Social Services or with local or state funds. Some states are moving to extend educational services to adult handicapped persons not previously served to public education; funding is provided for these programs from Career, Adult and Vocational Education (federal) sources and local millage dollars. Under the new authority/mandate provided in 1978 amendments to the Comprehensive Employment and Training Act (CETA), funds are being directed toward services for handicapped persons. This supplemental program will have special importance in the next year or so because of the no-growth budget in the rehabilitation appropriation.

The challenge of the decade will be in terms of competing with other social service programs for a restricted supply of federal dollars; growth in one area will have to come at the expense of cutting other programs. With Title XX funds capped the only other resource will be Title XIX through the Intermediate Care for the Mentally Retarded (ICFMR) authority, but that resource is being scrutinized closely. The final solution may be to attempt to secure targeting of federal and state funds for training and employment services—a dubious possibility.

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References listed on inside back cover.