

# Lifeworks' Exit from Sub-Minimum Wage

*Lifeworks*WORKKS

A nonprofit serving  
people with disabilities

# Who is Lifeworks?

Lifeworks is a disability services provider that has been in business since 1965. Originally, Lifeworks was a provider of early childhood services, as we were founded by a group of families frustrated by the lack of options for their children. This was prior to the passing of IDEA – our services changed when Special Education was implemented.

Today, Lifeworks provides fiscal services and resource navigation throughout the state, and day and employment supports in the seven county metro along with Mankato and the surrounding region.

We operate two facilities that provide day support services, one in Brooklyn Park and the other in Apple Valley. These programs are largely for folks with more medical and physical support needs. We also provide DSS in the community and all of our employment supports are community-based.

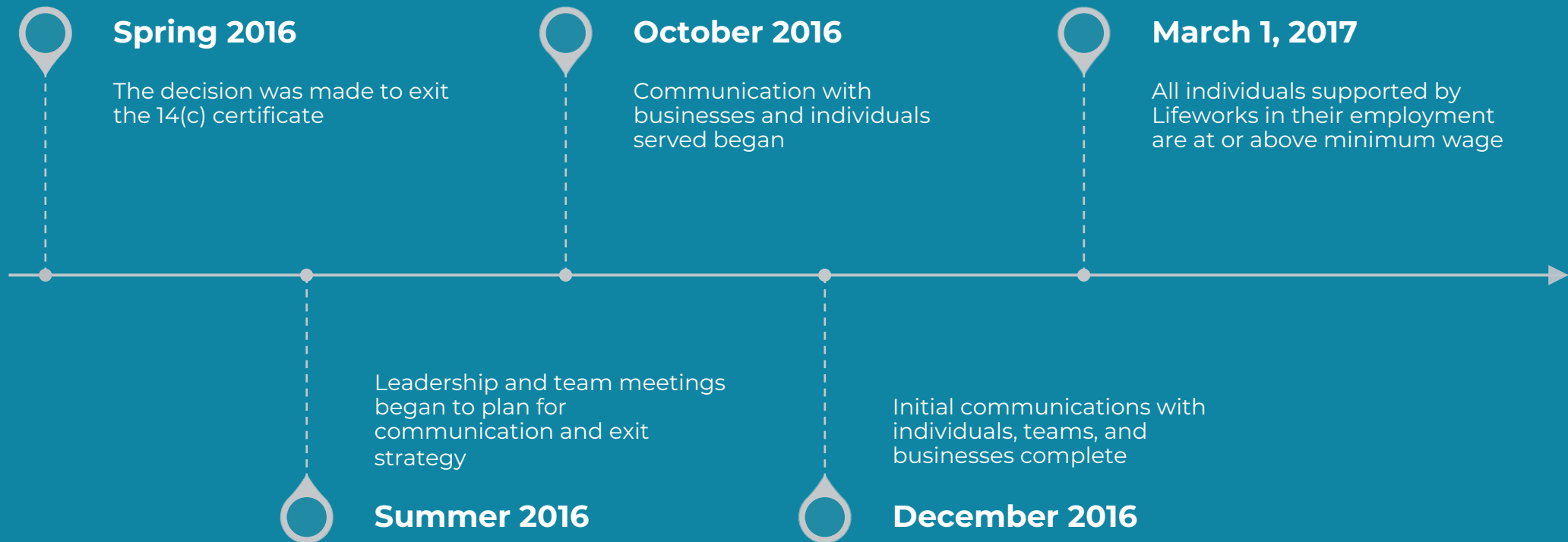
In total, we serve more than 2,900 Minnesotans with disabilities and their families.



# Why did Lifeworks decide to exit our 14(c)?

- This decision had been a long time coming, but delayed due to the fears we are seeing in this argument today – would people lose employment they loved? How would the community respond? Can we find work for everyone?
- Ultimately, the decision was made for two reasons
  - Holding this certificate no longer served our mission – we felt we could not continue to push ourselves and the industry forward if we held onto this outdated certificate that, we believe, violated the people we serve’s civil rights
  - The maintenance of a 14(c) certificate is cumbersome and expensive. It was taking resources that could be used to find competitive employment and putting them into the constant and difficult documentation necessary to keep the certificate

# Timeline for the Exit



# The Data Behind our Exit



<b>Number of People Impacted by the Transition</b>	<b>Number of People Paid Sub-Minimum Wage at Time of Transition</b>	<b>Number of Businesses Utilizing 14(c) Certificate to Pay Sub-Minimum Wages at Time of Transition</b>
~300	58	8



# The Numbers Explained

## Impacted

- Several of the employers using our 14(c) certificate had multiple employees being paid at or above minimum wage
- Lifeworks was employing people in our facilities at or above minimum wage to do various tasks, which had to be eliminated when we exited our certificate

## Paid

- These 58 people were the ones currently working under minimum wage
- All of these employees were working in the community, Lifeworks no longer had any sheltered workshops

## Businesses

- We had many more businesses than this 8 utilizing our certificate over the years, but we had been phasing away from them for the last several years prior to the transition



# Outcomes

<b>Number of Businesses Who Chose to Keep Employees and Increase their Wages</b>	<b>Number of Individuals who Kept their Current Jobs with an Increase in Wage and Job Duties</b>	<b>Number of Individuals who Lost their Current Employment and Used Lifeworks to Obtain New Jobs</b>	<b>Number of Individuals who Chose to Move into Other Services with Lifeworks</b>	<b>Number of Individuals who Left Lifeworks to Seek Other Sub-Minimum Wage Work</b>
7	29	6	19	4





# Outcome Whys and Hows

## Businesses

- The business that chose to lay off all of our supported employees was a fully segregated site at the business that we had been hoping to reduce/eliminate for some time
- The remaining 7 businesses chose to keep all or some of their employees and raise their wages

## Individuals Moving into Other Services

- Many individuals were of retirement age and chose to retire into a community-based or center-based program to access more rec and leisure
- Several individuals chose to move into a program we called Small Group Career Development

## Individuals Leaving Lifeworks for Other 14(c) work

- These 4 individuals almost exclusively moved into this work at a nearby “competitor” who has since eliminated that work
- The individuals’ teams wanted them to be heavily supported on the job site or be surrounded by who they viewed as their peer group



**How did the  
process work?**



# Exit Process

## Identified goals

- Maintain maximum number of persons served and employers through transition
- Develop a plan for each individual and employer impacted
- Manage the change and communication throughout the process

## Individuals

- Meetings were scheduled with each individual impacted and their team
- Staff/manager who has the strongest rapport with the person and their team was to attend the meeting
- Staff who attended the meeting were given a full list of resources, tools, and options for the person and their team to review in regards to what could be next for them

## Businesses

- Letters were sent to businesses to alert them to the change
- Individual meetings with each business were scheduled – these were attended by the program manager or someone in executive leadership at Lifeworks
- The meeting started with an ask that all current staff are kept on and their wages increased



# Tools Needed for the Process

- Scripts and talking points for staff
- Priority ranking tools to be used with individuals in their meetings
- Spreadsheets of business decisions and individual priorities for tracking
- Letters for businesses – different depending on the employment type
- Letters for individuals – different depending on job
- Visual flowchart of service options for individuals
- Access to consulting firms to offer insight around communication, data, etc



# Where did we have issues in the process?

- Group sites were harder to navigate – for example, with individuals we often knew what the business had decided prior to the individual meetings, but this was not the case with group sites, so meetings were more complicated
- MAEPD and other benefits concerns – needing to plan for how to get ahead of people potentially being without a paycheck for a few months
- WIOA requirements – needing to ensure that all of our meetings met the requirements of WIOA took a lot of planning and communication
- Concerns around job-seeking in the Mankato area

# Where did we have issues in the process? Continued

- Communication! Teams, employers, etc, had frustrations, concerns, and grievances with the premise. Some meetings were quick and easy, others were extensive
- Concerns over revenue loss – something we are seeing in a lot of the opposition to this work now
- Internal disagreements over the process and decision
- Heavy burden on staff and managers to communicate and mitigate any concerns/backlash

# How did we respond to those issues?

- Ongoing meetings with a team that included people from all parts of the company to respond to concerns
- Adjusting communication as we received feedback
- Establishing deadlines for decisions with teams and businesses
- Building out more tools, better talking points, etc for staff
- Connecting with lots of WIOA experts
- Connecting with other consultants
- Creating revenue projections to determine level of risk



# How is Lifeworks Doing Post-14(c) Transition?





- We currently support ~ 650 people in finding or maintaining their employment – 165 of which are in the Mankato area
- Our capacity for employment supports AND our revenue increased in 2017, 18, and 19.
- We have expanded our business partnerships, allowing for more robust work together to find unique and meaningful job opportunities
- More of the individuals we support than ever before are directly hired at their jobs, creating a more inclusive environment where natural supports can come in to play



# Benefits to the Exit

- We feel it allows us to live into our stated values – holding a certificate that deems people “less than” does not match with our mission
- Aligns us with self-advocates who Lifeworks believes should be leading the way
- Forces more individualized and creative employment searches – one of my favorite jobs that we’ve found in my region is two people who work at an Alpaca farm helping with the animals and materials
- Allows us to access Vocational Rehabilitation Services we wouldn’t be able to while holding the certificate
- Encourages more independence, which is the focus of all of our services
- Gives employers and individuals more freedom to do and try different tasks in their jobs
- Lifeworks no longer has to worry about the eventual law change impacting us

# Summary

Lifeworks stands firmly behind our decision to exit our Special Wage Certificate. It has benefitted the organization, the people we support, and our community in profound ways. We also uniquely recognize the amount of work it will take to do this on a broader scale, so we are excited to support other providers in obtaining the supports, resources, and funding necessary to make this change with the fewest negative repercussions to the communities we all serve.