

SB 21-039: Phase Out Subminimum Wage Employment in Colorado ***Impacts on Subminimum Wage Jobs***

Over the past five+ years, the number of subminimum wage jobs has declined significantly in Colorado. This is due to the confluence of multiple factors, including: growing desire among individuals with disabilities and their families for competitive integrated employment opportunities; federal and state policy shifts away from subminimum wage models; and recognition of, and movement toward, best employment practices among disability service providers. As these jobs have gone away, however, people with intellectual and developmental disabilities haven't necessarily transitioned to competitive integrated employment due to systemic barriers to employment.

This bill ensures that people working in subminimum wage jobs can continue to pursue work. It addresses systemic employment barriers by:

1. **Enhancing Medicaid waiver services** to better support employment outcomes
2. **Extending the Medicaid Buy-In program** to help people work and earn more without losing benefits
3. **Removing individual Job Development and Coaching from plan limits** to increase access to support
4. **Setting a four-year phase-out timeline** to allow enough time for policy changes and individual transitions, and
5. **Requiring the Employment First Advisory Partnership to study and make recommendations** to optimize reimbursement rates and payment methodologies for employment-related services

HOW WILL TRANSITIONS WORK?

Some individuals employed in subminimum wage jobs also work part-time in competitive integrated employment but cannot increase their hours due to Medicaid's earning limits. These individuals will benefit from the new Benefits Counseling service and expansion of the Medicaid Buy-In so that they can increase their hours in their competitive jobs without the risk of compromising the supports that allow them to work.

For those who are not yet ready to pursue competitive employment, providers will soon be able to offer individualized Supported Community Connections, which will help people participate in community activities, such as volunteering and career exploration activities, that help them build social capital and develop job skills related to their employment goals. They can also utilize the existing Prevocational service to learn work skills in a classroom or group setting. Once ready for employment, they will utilize existing Job Development and Job Coaching services to find and keep a competitive job, with ongoing Benefits Counseling available.

Many people will benefit from individual Job Development and Coaching being removed from service plan limits, as they will no longer have to choose between the opportunity to pursue work and other essential services.

RELATIONSHIP TO OTHER EMPLOYMENT INITIATIVES

Existing employment initiatives underway in Colorado will also help ensure successful transitions. Training and education available through the new Office of Employment First, technical assistance available through the U.S. Office of Disability Employment Policy, and the development of Customized Employment services through an ongoing pilot project are just some of the things that dovetail with the changes in this bill to support people to pursue employment.