

2025 POLICY PRIORITIES

Modernizing the AbilityOne Program to Strengthen Employment Opportunities and Economic Growth

The AbilityOne Program plays a vital role in leveraging the purchasing power of the federal government to expand employment opportunities for individuals who are blind or have significant disabilities. A 2023 study by Mathematica concluded that for every \$1 spent on a contract operated through the AbilityOne Program, the government receives a \$2.66 return on investment. This is achieved by reducing reliance on federally funded public assistance programs and increasing tax revenue generated by individuals with disabilities who would likely not otherwise be employed. Additionally, this return on investment strengthens local economies through increased consumer spending and workforce participation.

While the Javits-Wagner-O'Day Act (JWOD Act) has remained unchanged for over 50 years, the AbilityOne Program and its participating non-profit agencies (NPAs) have evolved alongside modern workforce policies. The program continues to provide meaningful, skill-based, and competitive employment opportunities for individuals who are blind or have significant disabilities. As national workforce demands shift, it is essential to modernize the AbilityOne Program in a manner that reinforces individual merit, maximizes efficiency, and promotes economic self-sufficiency.

Strategic Modernization Priorities:

- › **Optimizing Workforce Participation:** Reduce the direct labor ratio (DLR) from 75% to 51%, allowing NPAs to expand employment opportunities across diverse categories of disability while maintaining a commitment to excellence and skill development.
- › **Enhancing Qualification Standards:** Revise the definition of “significant disability” to ensure a merit-based approach, eliminating reliance on prior employment history and removing presumptions that limit access to competitive integrated employment.
- › **Expanding Career Development Opportunities:** Require that AbilityOne employees receive comprehensive training on career pathways, both within and beyond the AbilityOne Program, fostering upward mobility and long-term career success.
- › **Aligning with Competitive Integrated Employment (CIE) Standards:** Recognize that AbilityOne jobs align with Workforce Innovation and Opportunity Act (WIOA) standards, ensuring job opportunities meet the highest criteria for competitive integrated employment.
- › **Ensuring Fiscal Responsibility and Reintegration of Federal Spending:** Maintain the requirement that AbilityOne NPAs operate as non-profits, reinforcing that federal investment directly supports employment growth and skill development rather than private shareholder profits.
- › **Introducing Greater Program Flexibility:** Enhance the AbilityOne Program through strategic subcontracting with commercial partners, the authority to implement pilot projects, and time-limited contracting options to optimize program efficiency and adaptability.

By modernizing the AbilityOne Program with these priorities, we uphold the principles of excellence, hard work, and individual initiative, ensuring that employment opportunities remain competitive, skill-focused, and economically beneficial for all participants.



Advocating for Recognition of AbilityOne Jobs as Competitive Integrated Employment

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The Rehabilitation Services Administration (RSA) and state Vocational Rehabilitation (VR) agencies play a critical role in expanding employment opportunities for individuals with disabilities. However, in January 2017 and again in October 2021, the RSA issued overreaching sub-regulatory guidance that created confusion and misrepresented the status of jobs available through the AbilityOne Program. This guidance suggested, incorrectly, that such jobs do not meet the criteria for competitive integrated employment, undermining viable career pathways for individuals with disabilities.

Historically, Michigan's Vocational Rehabilitation agencies, including Michigan Rehabilitation Services (MRS) and the Bureau of Services for Blind Persons (BSBP), have assessed Peckham jobs on a case-by-case basis. When appropriate, they have referred VR customers for placement in these roles and recognized them as successful employment outcomes, fully aligning with Workforce Innovation and Opportunity Act (WIOA) regulations. However, due to RSA's misleading guidance, MRS and BSBP, along with seventeen (17) other states, have discontinued recognizing AbilityOne jobs as valid employment outcomes. This means that people with disabilities in those states must choose between access to publicly funded resources designed to

help them return to work, or meaningful employment opportunities.

To ensure continued workforce participation and uphold federal employment standards, we urge RSA to comply with Congressional intent by:

- › **Recognize AbilityOne, state use, and CRP jobs as legitimate competitive integrated employment options** that align with WIOA criteria.
- › **Direct states to evaluate all employment opportunities on a case-by-case basis without a presumption against AbilityOne** to ensure individuals with disabilities have access to meaningful and sustainable careers.
- › **Request that RSA amend its sub-regulatory guidance** to explicitly acknowledge that AbilityOne and CRP jobs can meet the established criteria for competitive integrated employment.

By adopting these necessary reforms, we reinforce the value of all employment opportunities, ensuring that individuals with disabilities have equitable access to careers that foster independence, professional growth, and economic self-sufficiency.

Ensuring Equitable Compensation for Federal Production Employees

Workers who manufacture materials, supplies, articles, and equipment for the U.S. government play a vital role in sustaining national infrastructure, security, and economic stability. To ensure fair compensation and economic mobility, a wage floor of at least \$17.20/hour should be established for these essential workers. This objective could be achieved through legislative language in the National Defense Authorization Act (NDAA) or a more comprehensive amendment to the Walsh-Healey Public Contracts Act.

Key Benefits of a Federal Production Wage Floor:

- › **Ensuring fair wages for American manufacturing workers** who contribute to federal procurement and production essential to our national defense and security.

- › **Creating a level playing field for states with higher minimum wages, such as Michigan**, allowing them to compete effectively for federal manufacturing contracts.
- › **Attracting more high-quality manufacturing jobs to local economies**, strengthening workforce stability and economic growth.

By implementing this wage floor, the federal government can reinforce its commitment to fair pay, economic opportunity, and strengthening domestic manufacturing industries.