It seems like it was only a few weeks ago that we were beginning 2012, and now we are into 2013. At our January 2012 meeting, we introduced the structure for our strategic planning. At our spring meeting, committees were formed and time was spent developing the plan.

Tuesday of our fall meeting, committee chairs spent time with their groups, working on their respective goals and objectives. Anyone interested in serving on a committee should contact the chair of that committee or your area director.

Now we are into the new year and continue strategic planning, expanding on it, meeting the goals and objectives established and implementing action plans. It is also necessary to remember that one of the reasons for this planning is that times have changed. Traditional “workshop” contracts are hard to find, while state and local funding continues to be stagnant or down. These, coupled with the economy, health care reform and legislative efforts across the nation, make it a challenging time to be a manager. It is increasingly necessary to be creative in looking for work and/or business opportunities as employment for our workers.

The coming year will include several important areas. Legislative Chair Randy Hylton, with consultant Richard “Mo” McCullough, will update us on all legislation, state and federal, pertaining to workshops.

Two of the more important bills are our budget and the stimulus bill. As always, we need to be diligent and focus efforts on our funding, but given the shortfall the legislature is facing, it will be a challenge to see full funding. There is an opportunity to see the stimulus bill make progress and, with it, the potential to provide employment opportunities for our employees.

As always, it is important to get your legislators into your shops and educate them on our mission and how legislation affects all of us. That is especially important this year because of the large number of newly elected officials.

I look forward to seeing everyone at our meeting in January.

Missouri Workshops: Critical Connections Statewide

Missouri’s “sheltered” workshops employ approximately 7,500 Missourians with disabilities. This job creation is a double benefit because many of these workers might have no other option than programs operating entirely with government funding. Although workshops receive county and state help, 70 to 80 percent of their funding is derived from the contract services they perform. In other words, workshops are funded mostly by the packaging, assembly, original products and other services they provide for businesses.

Workshops are actually small businesses that hire individuals with disabilities—with some important differences. Since most of their workers have developmental disabilities, their playing field is leveled in two important ways. First, each workshop has a certificate from the Department of Labor that allows it to pay sub-minimum wages. Workshop employees are paid based on their ability to perform in relation to the performance of a person without a disability. If an employee produces 50 percent of what a non-disabled person produces, then they receive 50 percent of what that person is paid.

Second, county and state funding fills (please continue to next page)
Missouri Workshops Provide Critical Connections

(continued from previous page)

a critical gap for workshop operations. Although government funding may be small in terms of overall workshop budgets, it is critical. Workshop overhead may actually be higher for workshops than “normal” businesses because of increased overhead for areas such as supervision. Workshops rely on quality, flexibility and their large workforce to sell their services—supervision is important.

The story actually began in the 1960s when Missouri parents began to form workshops to provide work opportunities for their children with disabilities. For many, the alternatives were sitting at home in programs that offered no way to earn funds. They realized that gainful employment brought other advantages as well, including pride and skills.

A major hurdle was cleared with passage of Missouri Senate Bill 40 in 1971. SB40 provided important funding support by enabling local counties to create tax levees for workshops and residential facilities.

Not everything in the workshop world has been positive. Even as workshops serve more people and greatly diversify their programs, business contracts have become scarce because of trends such as international outsourcing. Workshops have had success developing new markets with original products and services such as recycling, but the gap remains a concern.

At the same time, state funding has been short. Unlike other state agencies, sheltered workshops do not receive direct appropriations. Instead, they are funded $19-a-day per diem for each employee. The per diem applies to a six-hour workday. But over the last few years, the state has paid only $18. This has created a $9-million funding shortfall and a doubling of the waiting list for people who want to work.

Greenhouse Grows Opportunity

The Columbia Tribune published an article on Central Missouri Subcontracting Enterprises and its Giving Gardens greenhouse operation in the Nov. 23 article, “Sheltered Workshop Rebounds after Cuts—Greenhouse Adds Job Opportunities.”

The greenhouse was opened in 2010 after CMSE lost 70 percent of its business because 3M had ended its 33-year contract for outsourcing. Executive Director Bruce Young was facing the need for severe staff reductions, and the greenhouse concept was seen as a way to create new business—and new opportunities for people with disabilities in Boone County.

The results have been successful, even as the contract work has picked back up. The increased production is also good for Woodhaven, one of CMSE’s oldest and strongest partners. Woodhaven supports more than 100 men and women with intellectual and developmental disabilities in 50 homes and apartments in Columbia. Eighteen of those supported individuals are employed at CMSE, while 10 others have retired from the workshop. In addition, 18 people supported by Woodhaven work at Alternative Training.
Workshops Merge To Maximize Potential for Services

Sheltered Industries of the Meramec Valley (SIMV) and Sheltered Workshops, Inc. (SWI), both in Franklin County, are joining to maximize their potential. They share the same vision—delivering exceptional results to their manufacturing partners, while providing meaningful employment to individuals impacted by disabilities. Both are well-respected, leading providers in Missouri.

The affiliation will be known as Empac Group Inc. "Our leadership team made the decision to adopt a completely new operating name to indicate our partnership in the joint venture," explained SWI's CEO, Bob Koch. "Our mission is to develop and provide alternative employment and vocational training options for people with disabilities. The name, Empac Group Inc., represents the impact we intend to make as a high-quality, reliable industrial resource for area businesses, as well as an effective employment resource for people with disabilities in Franklin County and the surrounding area. Our tagline, 'Employ. Empower. Excel.' describes how we will interact with our business customers and our employees."

SIMV was the first packaging and assembly facility of its kind, in the state of Missouri, to have their quality processes certified by the International Standards Organization (ISO). As a result, SIMV is known for their consistent high quality and punctual delivery.

Eric Giebler, CEO of SIMV, Inc., comments, "ISO certification has pushed us to improve our already effective quality assurance services. We have been able to maximize efficiency, while providing customized, flexible production operations customized to the specifications of the customer. The results are consistent quality processes that are utilized on every project." Giebler adds, "Affiliating ourselves with Sheltered Workshops Incorporated expands that capability even further, allowing us to take on larger projects and ultimately create more jobs—our mission."

"We believe that in this increasingly competitive marketplace, innovation and entrepreneurial endeavors are essential," Koch said. "Our affiliation with SIMV will create more capacity, enhance services and diversify revenue. The impact of our affiliation is twofold. Because we can offer more services to our business customers, we will create more jobs. Additional jobs will allow us to more effectively address the large waiting list of individuals seeking employment and training with our companies."

By affiliating their operations, Empac Group, Inc. will also be able to expand vocational opportunities to include employment of persons with disabilities in community businesses. Giebler notes, "Our mission has always been to provide a continuum of employment opportunities to our communities. Currently, individuals with disabilities who are seeking employment have limited options. While the workshop programs have been effective in providing employment and training, we will now have the capacity to be proactive in assisting individuals to find jobs in the community as a whole. We believe our history of success, coupled with our community contacts, positions us to be highly effective in achieving this mission."

You can learn more about SIMV Packaging at www.simvpackaging.com or Sheltered Workshops, Inc. at www.shelteredworkshopsinc.org. Empac Group Inc. is a new corporation under which both the SWI and SIMV locations will operate. The EmpacGroupInc.com Web site will be active in April of 2013.

Lake Area Industries Starts Secure Document Destruction Program

Lake Area Industries, Inc. in Camdenton was recently awarded $36,085 in grant funds from the Department of Natural Resources District T to help fund the LAI Secure Document Destruction business. “It’s an exciting time for LAI,” said Tiffany Riemann, executive director. “Our new shredder should be here the first of January, and we already have many area businesses contracted for next year.”

The business will be operated out of the current facility in Camdenton and will involve working with both businesses in the community and area residents. LAI will provide monthly pick-up of secure bins and will sort, shred and sell the shredded paper to recycling companies.

The business has been in the planning stages for over a year, and after collecting data from surveying area businesses and formulating a business plan, LAI applied for and was awarded the grant. LAI serves the entire Lake of the Ozarks community. Riemann notes, “It is just one more opportunity for our employees to interact with the business community and learn new job skills. I also want to thank all of the workshops in Missouri and Illinois that have shared information to help us get this project going!”
Commensurate Wages A Key Issue for Workshops

MASWM’s legislative efforts have loomed large over the past year. State budgetary concerns were a key issue, with approximately $9 million in shortfalls compounding annually, resulting in increased waiting lists and reduced programs that bring contracts.

Another growing area of concern involved federal legislation, from health care reform to Medicaid and the fiscal cliff. One of the biggest areas of concern involved commensurate wages. Although often well meaning, commensurate wage proposals have been suggested which could cause the closure of hundreds, even thousands of workshops in Missouri and across the nation.

The commensurate wage issue arose because of concerns by some about payment of sub-minimum wages to workshop employees with disabilities. Such wages are carefully calculated based on the actual production capabilities of employees with disabilities. Nevertheless, some have argued that those wages should be increased dramatically, even though that would be financially impossible for workshops to fund or would require massive subsidies by county, state and federal sources. More than likely, workshops would be forced to close, and thousands of people with disabilities would become unemployed.

The most dangerous suggestion may involve the suggested elimination of Section 14(c) of the Fair Labor Standards Act, which authorizes certified employers to pay special minimum wages—wages less than the federal minimum wage—to workers who have disabilities for the work being performed.

Without Section 14(c), individuals with significant disabilities would have limited opportunities to work, forcing them to stay at home, enter day habilitation centers (if space was available) or live in an institution. In short, eliminating or phasing out the special minimum wage would likely result in many individuals with significant disabilities receiving no pay whatsoever instead of a special minimum wage and denying them the tangible, as well as the intangible, benefits of employment. In addition, such a policy would likely result in those with the most significant disabilities losing to those with more moderate disabilities.

Missouri workshops stress that successful solutions must include realistic recognition of the needs of all people with disabilities.

Early Successes May Forecast Opportunities with Partnership

Support continues to grow for the two-year-old Missouri Partnership for Hope program that has led to the reduction of waiting lists for key services to hundreds of people with disabilities.

Perhaps best of all, the collaborative effort emphasizes local services and saves money. Case management and other decisions are made at the county level, while services are often less expensive because they focus on preventive, proactive steps rather than emergencies. A good example involves services that help individuals remain independent rather than resorting to a comprehensive residential program.

“Partnership for Hope services average $25 per day per person, while residential services are projected to cost over $200 per day per person,” explained Les Wagner, executive director of the Missouri Association of Developmental Disabilities Services (MACDDS). “That’s a huge difference.”

Partnership programs are currently expected to delay or prevent more expensive costs for over a thousand individuals. Officials estimate that delaying more costly residential services for just 100 individuals saves $6.3 million a year. Timely solutions can also solve problems permanently. Of some 1,600 who have been served since 2010, 200 have “graduated.” Their needs were essentially met, and they no longer need the funds.

Wagner, former director of Boone County Family Resources, said the Partnership utilizes county-based Medicaid Waiver funds and places the decision-making for services with county boards, as opposed to the state level. Other funds for the partnership come from the state Department of Mental Health and federal Medicaid funds, but the decisions remain local.

“The counties make the decisions on who the participants in the waiver will be,” Wagner explained. “The plan for each individual is written with the consumer and his or her family by a county-based manager so the county is now making the decisions on who is participating and what their plan content will be. In Missouri, that’s a huge shift in how it’s been done.”

These successes are leading several workshops to examine the idea of changing state statutes to include community employment services such as career preparation or job coaching. Although there are many questions yet to answer, Wagner sees benefits.

“Workshops have served people with disabilities for years,” he said. “They know their personalities, their challenges. If workshops had that capability and a reliable funding source, they could provide some much needed employment and training services through the partnership. You could see collaborative efforts with local schools or other programs that are just not possible now.”

Regardless of the final direction, change is almost certainly inevitable. “Change is at the door, not just for the county boards but other agencies,” Wagner concluded. “Workshops are in that sea of change as well. Ultimately, there are some great opportunities for everyone.”
Manufacturers Assistance Group in Poplar Bluff was recently honored by one of its most important business partners, the Briggs & Stratton Corporation (B&S).

B&S, the world’s largest producer of gasoline engines for outdoor power equipment, operates a major engine manufacturing facility in Poplar Bluff. Last year, one of the company’s major suppliers, Fortis Plastics, closed its area facility, which threatened not only Poplar Bluff, but all B&S engine facilities.

In an early 2012 letter, B&S management noted that several individuals and companies came forward to support B&S. Even with all of this help, they singled out one company that was critical to B&S’s continued operation in Missouri and stated, “Manufacturers Assistance Group (MAG) played a key role in supporting B&S. Working overtime and changing schedules with little notice, MAG continued to produce the assemblies that B&S needed…Many thanks to (manager) Jeff Arnold and the entire team at MAG.”

The letter was signed by the B&S plant manager in Poplar Bluff, as well as the corporation’s VP of North American Operations, president of the Engines Group and the corporation’s chairman, president and CEO.

Anniversary Reminder of “Layered” Services

Opportunity Sheltered Industries Inc. (OSI) recently celebrated 25 years of service in Texas County.

Located in Houston, OSI serves the area with contract work for companies throughout the Ozarks, while providing employment for people with disabilities. Their silver anniversary was the focus of celebration and a major feature article by Doug Davison in the Houston Herald.

Davison noted that the valuable work is important, but employees also go to the company’s warehouse in Houston for another reason: it gives them a purpose. “That purpose—and the feeling of importance it subsequently brings to the lives of those involved—has been offered since OSI opened for business in 1987,” Davison wrote.

Manager Sharon Tyger, who has been OSI’s leader for 10 years and has been working there since its inception, stressed the range of services. “Our goal is to help them either get to a point where they can be competitively employed or employ them here if we don’t think that’s going to be a possibility,” she told Davison. “Some people work here for a while and develop some self-confidence and skills and are able to move on to other jobs, while others stay. It all depends on what their capability of learning is. We try to focus more on their ability, instead of their disability, and finding what they can do and how they can progress.”

At OSI, workers package hardware and catalogs for Wood Pro, a cabinetry firm in Cabool. They also process cardboard for Invensys Appliance Control of West Plains for use in packaging appliance parts such as control knobs for stoves.

The company also offers custom embroidery, processes products for Evans Sporting Goods and GAMO and handles mailing for Landmark Bank. The workshop is equipped with industrial washers and dryers, which are used for laundry from Texas County Memorial Hospital.

One of the largest jobs OSI provides is assembling a large number of plastic Easter eggs for National Entertainment Technologies (NET) in Marshfield. Nearly one million eggs pass through OSI workers’ hands each year.

Like virtually all workshops, OSI pays employees through a special system overseen by the federal government that allows for sub-minimum wage. Workers are essentially paid based on their production.

“The good point is that our people can make as much as they can make,” Tyger was quoted as saying, “but we pay for what is being produced, so we can afford to be competitive.”

The effort can be nerve-wracking for Tyger and her staff. Comprehensive time studies must be conducted before the company commits to jobs Any cost overruns must be absorbed by OSI.

Tyger stressed the workshop employment is more than “just” a job; both the individuals and taxpayers benefit. She noted that money earned in a sheltered workshop multiplies more than five times. “So even if we’re given a dollar in tax money, that dollar is circulated within the county several times.” Equally important, OSI workers don’t need special services such as day activities that would have to be funded entirely by taxpayers.
Southeast Enterprises has changed its e-mail system and has several new e-mail addresses. Manager DeeAnn Stock's is deeann@southeastenterprises.org.

The new manager at Pemiscot Progressive Industries is Angela Hudgins, ppi@cosmowireless.net.

Valley Industries in Hazelwood is mourning the November passing of plant manager and dear friend Nancy Nelson. She served Valley Industries with dedication and leadership for over 21 years and had been involved with sheltered workshops for 36 years. She was a tireless advocate for helping workers achieve dignified and meaningful employment.

Thanks to grant funding of $19,852, Randolph County Sheltered Industries recently bought a new portable recycling bin system. The grant was secured through Mark Twain Solid Waste Management District planner Cindy Hultz of Mark Twain Regional Council of Governments. Randolph County Sheltered Industries, located in Moberly, provided a 10 percent match. The trailer-mounted system was quickly put to use. Manager Greg Kohls said recycling is one area that has created jobs at Sheltered Industries. Within a week, four new clients had begun working there.

Jeffco Subcontracting Inc. in Arnold has partnered with the West County R-IV School District in Park Hills, Mo., to recycle their paper, cardboard and electronics. The effort is funded, in part, through a federal grant overseen by the Missouri Department of Natural Resources in the amount of $6,000 per year. The school district will hold a recycling event at the school in the spring. JSI has also obtained a grant from their Senate Bill 40 board to have a facilitator to assist them to develop strategic planning and best business practices.

October Meeting Covered Wide Range of Topics

The October MASWM meeting had several important items on the agenda. Legislative Chair Randy Hylton noted that the Legislative Breakfast at the Capitol will begin at approximately 7:15 a.m. Wednesday, Jan. 30 in Hearing Room 2, Jefferson City.

Hylton noted the combination of many new legislators and pressing budget shortages will make this meeting extremely important. He reported that, while they were hoping for $26,366,457, which would be the “fully funded” amount for 2014, DESE reduced it to $24,783,457 (HB-2002), which is roughly the same amount as the previous several years.

All told, EESW has not received over $10,000,000 due per Statute but not “appropriated” in each year’s respective General Revenue Budget. This is disappointing and needs to be addressed via grassroots efforts. Legislative Consultant “Mo” McCullough will be working on HB-2002 and in support of the state “Set Aside Legislation.” On the federal level, he reported on HR3086, relating to 14(c), the Fair Wages for Workers legislation, which is opposed by ACCSES. This will continue to be watched very closely.

Director Fulvio Franz reported that the Department of Elementary and Secondary Education Sheltered Workshop Division noted a recent survey of workshops. More than 80 percent of the shops responded.

Aaron Martin reported on the fall training session, which was well received. Topics are being reviewed for the April annual meeting. If you have ideas, contact Aaron at amartin@foundationworkshop.org or your district director.

Dee Froneyberger reported on continued work with MoDOT reviewing proposals from interested parties bidding on overseeing the MoDOT rest areas.

Les Wagner of MACDDS presented information on changes in funding and services for people with developmental disabilities.

Another topic included possible formation of a statewide group health insurance pool, similar to SWIM. The Bukaty Companies is performing a “census” of interested workshops to determine the feasibility and interest in the concept.

This year, workers and staff of Valley Industries Sheltered Workshop and Thrift Store in Hazelwood, Missouri celebrated the organization’s 45th anniversary of being successfully in business. The operation opened on March 13, 1967 with 15 workers and a volunteer staff. They have grown to the present workforce of 200 and a 60,000-square-foot facility and separate 3,500-square-foot thrift store. The highly experienced workforce includes two of the original workers from 1967, still working for Valley Industries for over 40 years.
Warren County Sees Big Improvements, Plans Expansion

Warren County Sheltered Workshop has gone from no work to booming and growing following a year of serious effort by the staff.

New Executive Director Kelli Clodfelter, Production Manager John Simms, Administrative Assistant Jami Washburn and the entire staff have worked hard to accomplish this.

The workshop has grown from 42 to 80 employees and is providing services for several companies. Plans for expansion are even underway.

The community has also played a big role in helping the workshop to grow, bringing work that keeps 80 people busy.

Other workshops have helped as well, including Temco Inc., Boone Center, and Lafayette Industries. Fulvio Franzi of the Department of Elementary and Secondary Education, Workshop Division has also provided extensive assistance.

Recycling Center Reopens in Marshfield

Web-Co Custom Industries, Inc. of Marshfield celebrated the grand reopening of the Warren Beck Memorial Recycling Center, which will sustain the majority of Webster County’s recycling efforts.

The new $1 million addition includes 20,000 square feet and houses several balers for plastic, cardboard, textiles, tin, aluminum and plastic.

The new facility also includes trailers for glass recycling. There is a fenced-in area of approximately 5,000 square feet for Secure Document Destruction.

Several notable visitors came to witness the ribbon cutting by the Marshfield Chamber of Commerce, such as David Rauch from Senator Claire McCaskill’s office, State Representative Lyndal Fraker and Dan Gier from DESE. Web-Co held a raffle for a beautiful quilt, crafted by staff members of Web-Co, and gave away door prizes, which were donated by businesses in the Marshfield area.
Affordable Care Act Poses Questions, Answers for Shops

The MASWM Executive Committee has been examining information on the Affordable Care Act.

Dee Froneyberger, treasurer; Bob Engemann, secretary; and Vice President Brent Blackwell composed a summary of information in late December. There are still more questions than concrete answers, and workshops will have to wait and see how the ACA will ultimately affect the workshops and their employees. However, one attorney noted, “...an employer is generally free to provide a questionnaire requesting that employees voluntarily disclose the source of their health coverage.”

The Kaiser Foundation (www.kff.org) has an information site that may help (www.kff.org/health-reform/upload/8275.pdf).

The general information they gathered focuses on an overview of the ACA itself. Importantly, there is still some question as to whether developmentally disabled workers are exempt from the ACA. That could mean workshops would be responsible for those on Medicaid and for providing insurance for those who are not on Medicaid or some type of health plan effective 2014.

As far as the IRS is concerned, anyone receiving a W-2 is considered an employee regardless of a disability. All hours worked, paid vacations and paid holidays will all be included in the total number of hours for each employee to determine if he or she is considered full or part-time.

These and other important issues are discussed in the complete communications which is on the MASWM website, www.moworkshops.org via the link “Affordable Care Act.”

Client Payroll Software Can Be “In the Cloud”

Smaller workshops and community rehabilitation programs have historically been at a disadvantage when it comes to buying software for paying sub-minimum wages, piece rates and tracking attendance.

Typically, software requires a capital expense for the software plus a Windows Server. The cost is even higher because of the costs to hire an IT person to install and support the server. These costs quickly add up and become too large to consider “in this year’s budget.” So getting better tools to help people do their jobs and be more efficient is delayed—again.

Fortunately, there is an alternative. Software as a Service (SaaS) that is running in the “Cloud” eliminates the need for capital investments in software and hardware and the cost of staffing this function. All that is needed is a connection to the Internet and payment of a monthly access fee. The fee is based upon the number of clients served in the program, so smaller organizations pay less.

The software firm Vertex Systems has studied workshops and is proposing programs to address these issues. More information is available at the following links from the company.


U.S. Congresswoman Visits VIP Industries

U.S. House Representative Jo Ann Emerson took time out of her busy schedule to visit VIP Industries of Cape Girardeau on Oct. 11. She toured the sheltered workshop and met several employees, many of whom recognized Emerson and were anxious to greet her and show her their work.

The staff also had an opportunity to spend some time with the Congresswoman. Some of the issues they discussed included disabilities, employment and social security.

The highlight of the visit was a Certificate of Appreciation presented to Emerson thanking her for her years of service and support for Missouri sheltered workshops, as well as in appreciation of National Disability Employment Awareness month.