



State Use Programs and Direct Labor Requirements

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The Current State Use Program Landscape

- **General threshold across states for direct labor hour ratio requirement (DLHR) is 75%**
- **Trends in disability employment policy have led to questions about the sustainability of this threshold**
 - Changes to Workforce Innovation Opportunities Act (WIOA)
 - Growing emphasis on competitive integrated employment (CIE)
- **Questions about if jobs often included in State Use Programs constitute CIE can translate to vocational rehabilitation (VR) agencies [reducing referral rates](#)**

Potential Consequences of a Threshold Change

- **Difficult to predict exact outcomes of a threshold change due to lack of precedent**
 - Possible expansion of employment opportunities or responsibilities for disabled workers, such as supervisory activities rather than solely direct labor
 - Possible reduction in available jobs overall with hours requirement reduced
 - Possible increased ability for workers to transition to jobs outside of those with program partners (CIE)
 - Possible increased VR referrals
- **Federal procurement threshold change pilot has been formally proposed by AbilityOne (but not yet implemented)**
 - 50% was most commonly recommended ratio
 - Frequent suggestion to include all labor in ratio, not just direct labor

[Source: Designing a Reduced-Ratio Pilot for the AbilityOne Program](#)

Potential Questions to Consider

- **If Oklahoma were to change its DLHR and wanted to measure potential impacts over time, metrics to consider could be:**
 - Number of workers with disabilities employed before and after implementation
 - Average weekly hours worked by disabled workers
 - Nature of job duties performed by workers with disabilities
 - Number of disabled employees who were promoted within the program
 - Number of disabled employees who transitioned to other job opportunities
 - Degree of integration of workers with disabilities with workers without
 - Number of VR referrals to State Use Program partners

[Source: Designing a Reduced-Ratio Pilot for the AbilityOne Program](#)



Questions?

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