



FY2019-FY2023 STRATEGIC PLAN

“You see things; you say, ‘Why?’ But I dream things that never were; and I say ‘Why not?’”
- *George Bernard Shaw*

“THE AMERICAN DREAM...HAS NOT BEEN A DREAM OF MERELY MATERIAL PLENTY, THOUGH THAT HAS DOUBTLESSLY COUNTED HEAVILY...IT HAS BEEN A DREAM OF BEING ABLE TO GROW TO FULLEST DEVELOPMENT... UNHAMPERED BY THE BARRIERS WHICH HAD SLOWLY BEEN ERECTED IN THE OLDER CIVILIZATIONS...”

- JAMES TRUSLOW ADAMS, AMERICAN BUSINESSMAN, HISTORIAN, AUTHOR OF “THE EPIC OF AMERICA” WHO COINED THE PHRASE “THE AMERICAN DREAM”

A MESSAGE FROM THE PRESIDENT AND CEO

As Americans, we believe in the power of dreams. At Melwood, we believe that all individuals have the ability to make their dreams come true. At Melwood, we work hard every day to empower individuals with disabilities to find their chosen paths and to pursue their dreams: to work, to play, to live in a world where people with disabilities are fully included.

Since 1963, our focus has been on assisting people with disabilities in exploring their interests and identifying their strengths to pursue activities and careers of their choosing. Our first victories were just getting in the door, arranging an interview, and landing a job – any job. Thanks to advances in technology and a growing societal expectation of inclusion, the challenge is no longer getting an opportunity, it is ensuring that people with disabilities are set up to succeed in a career of their choosing and are not subjected to disparate treatment in the workplace.

Since launching Melwood's last strategic plan in 2013, our expanded programs have positively impacted the lives of thousands of individuals in Maryland, Washington D.C. and Virginia. We have strengthened our business operations and improved our financial position, allowing us to serve more people, to invest in new and innovative ideas, and to ensure our work is relevant for years to come.

For our next five years, we plan to leverage our strength and stability to lead in innovation of the fields of employment and support services for people with disabilities. We will work tirelessly to increase diversity in the

workforce in a wider array of jobs. Moreover, we will ensure that our programs align with the dreams and desires of the next generation as youth transition from school to work in a fast-paced, more inclusive world.

Recognizing the relevance of our experience, we seek to expand our services to support injured veterans in their efforts toward community reintegration, long-term employment, and positive family dynamics. We believe this is a natural and essential diversification of our mission – to serve those who so bravely gave of themselves to serve our country.

Recognizing that good business practices strengthen our ability to serve, we will maintain our focus on organizational excellence and on the support and evolving needs of our stakeholders, donors, and the community-at-large.

The goals and strategies outlined in this plan synthesize what we have learned from our conversations with participants, caregivers, employees, donors, clients and community leaders. This plan is a living document that belongs to every one of our stakeholders. It will guide the members of our Melwood team, each of whom is committed to our mission and believes in the inherent potential and abilities of every person. It serves as our promise to the people we serve that here, at Melwood, you can find your own version of the American Dream.



Cari DeSantis
President and CEO

**“ABLED DOES NOT MEAN
ENABLED. DISABLED DOES
NOT MEAN LESS ABLED.”**

– KHANG KIJARRO NGUYEN, ARTIST

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GUIDING PRINCIPLES

All People Have the Ability and Potential to Enrich Their Own Lives and the Lives of Others.

First and foremost, we believe that everyone has abilities and potential. All persons should have access to meaningful opportunities so that they can discover their strengths and abilities and reach their full potential. With understanding and forethought, all activities (work, play, education and therapy) can be accessible. Melwood has a legacy of hearing people's goals, working with them to achieve success and, most importantly, helping them empower themselves to reach their full potential.

All People Have the Right to Choose Their Own Path.

All persons deserve an opportunity to explore their interests, to set their own goals and to strive to achieve those goals. For more than fifty years, Melwood has been proving that, if given the chance, people with disabilities are perfect for the job. The challenge is no longer getting any opportunity; it is ensuring that people with disabilities are encouraged to pursue their passions, are set up to succeed, and are supported in overcoming barriers.

All People Have the Right to Meaningful Inclusion in the Community.

All persons deserve to be included in their community, and every community benefits from fully including people with disabilities. "Inclusion" does not simply mean the placement of people with disabilities in the general workforce. True inclusion comes from complete integration and membership in a community. Membership is about belonging, having full access, being accepted, being supported and having an environment in which all persons can explore their interests, employ their abilities, and reach their full potential.

WHAT DRIVES MELWOOD?

OUR MISSION

Melwood advocates for and empowers individuals with disabilities to transform their own lives through unique opportunities to work and play in the community.

OUR VISION

A world where people with disabilities are fully included.

OUR CULTURE

Our culture is formed by our Commitment to People, our Core Values, and our shared Mission and Vision. It is the foundation of everything we do and provides direction to our programs and services.

OUR COMMITMENT TO PEOPLE

Our first priority is to assist people with disabilities to create full and meaningful lives of their own choosing. We value our employees' achievements in supporting this priority. We ensure that they understand how their responsibilities fit into Melwood's success, provide them with the skills and resources they need, assess their performance fairly, and recognize their outstanding contributions.

CORE VALUES



RESPECT

We value one another by listening when someone is speaking, using polite language, and showing consideration for the perspectives, abilities and achievements of others, even when we disagree.



HONESTY

We believe in fairness and sincerity. All communications and interactions are grounded in integrity and truthfulness.



DEDICATION

We are committed to bringing our best selves to Melwood. We pledge to be dependable, accountable and present. We promise to be open to change.



QUALITY

We take pride in what we do by following the rules, working safely and reporting mistakes so that they can be corrected.



INCLUSIVITY

We all win when everyone is included and participates. We embrace all differences and respect all backgrounds, all talents and all capabilities.



TEAMWORK

We must work together to achieve our mission. We do our part to make the whole group successful.



COMPASSION

We extend kindness and understanding to everyone we meet. We are concerned about the well-being of others.



INNOVATION

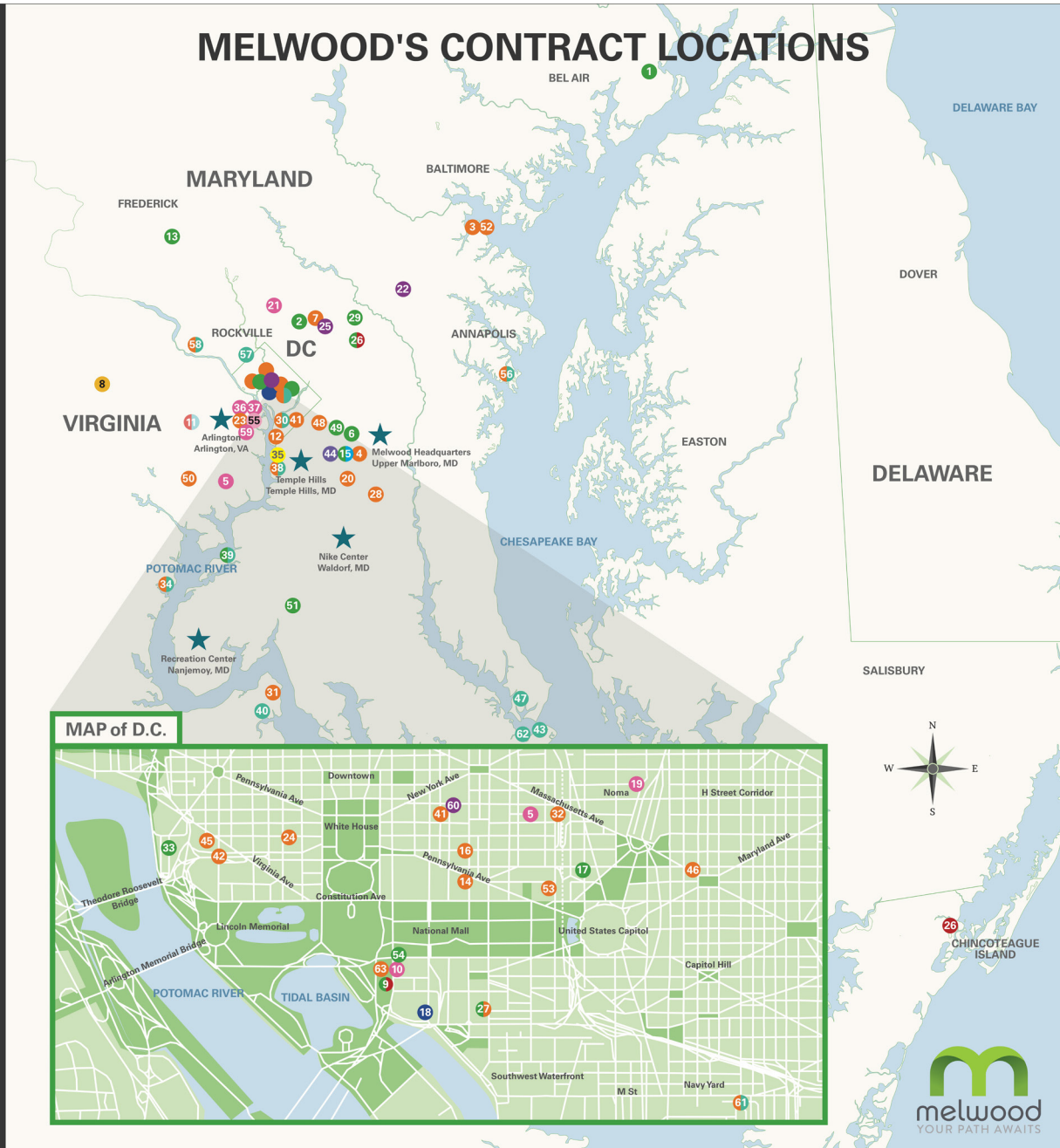
We make every effort to identify and create opportunities to improve. We take the risks necessary to meet challenges with creative solutions. We are always reviewing, evaluating, and making changes to achieve our goals.

WHERE WE SERVE

MELWOOD'S CONTRACT LOCATIONS

- 1 Aberdeen Proving Grounds (APG)
- 2 Adelphi Laboratory Center (ALC)
- 3 Ameresco (Building 164 at Coast Guard)
- 4 Andrews Air Force Base - AAFB (Subcontract to Chimes)
- 5 Army Corps of Engineers (ACE I and ACE II)
- 6 Army Reserve Center (ARC)
- 7 Beltsville Agricultural Research Center (USDA / BARC)
- 8 Bureau of Alcohol, Tobacco, Firearms, and Explosives
- 9 Bureau of Engraving and Printing (BEP)
- 10 Defense Advanced Research Projects Agency (DARPA)
- 11 Defense Health Headquarters (DHHQ)
- 12 Department of Energy- Naval Reactors Laboratory (DOE-NRL)
- 13 Department of Energy, HQ (DOE)
- 14 Department of Justice (DOJ)
- 15 Dower House Campus
- 16 Federal Bureau of Investigation (FBI)
- 17 Federal Bureau of Prisons (FBOP)
- 18 Federal Communications Commission Contracts & Purchasing Center (FCC)
- 19 Federal Energy Regulatory Commission (FERC)
- 20 Federal Law Enforcement Training Center (FLETC)
- 21 Food and Drug Administration (FDA)
- 22 Fort George G. Meade (FGGM) US Army Garrison
- 23 Franconia (GSA)
- 24 General Services Administration Central Office Building (GSA, HQ)
- 25 George Washington Carver Center (GWCC)
- 26 Goddard Space Flight Center (NASA)
- 27 Housing and Urban Development (HUD)
- 28 International Association of Firefighters (IAFF) Center of Excellence
- 29 James J. Rowley Training Center (USSS)
- 30 Joint Base Anacostia-Bolling
- 31 Joint Warfare Analysis Center (JWAC)
- 32 Judiciary Square (GSA)
- 33 Kennedy Center
- 34 Marine Corps Base Quantico
- 35 MGM National Harbor
- 36 National Credit Union Administration (NCUA)
- 37 National Endowment for Humanities (NEH)
- 38 Naval Research Laboratories
- 39 Naval Support Facility Indian Head (Indianhead/Stumpneck)
- 40 Naval Surface Warfare Center Dahlgren
- 41 New Executive Office Building/ Remote Delivery Site (NEOB/RDS) / GSA
- 42 NVE (Potomac Annex Bldg 1-5)
- 43 Patuxent River Naval Air Station
- 44 Peace Corps
- 45 Potomac Annex- Navy Hill Complex (GSA)
- 46 Senate Employee Child Care Center / Architect of the Capitol
- 47 Solomons Annex
- 48 Suitland Records Center (GSA)
- 49 Suitland Policing and Guard Booth (GSA)
- 50 TMG Construction
- 51 Town of La Plata
- 52 United States Coast Guard (USCG) - Cutters, Curtis Bay
- 53 United States Courthouse (USCH) / GSA
- 54 United States Department of Agriculture Headquarters Building (USDA HQ)
- 55 United States Department of State
- 56 United States Naval Academy (USNA)
- 57 US Naval Observatory
- 58 US Naval Surface Warfare Center (Carderock)
- 59 United States Patent and Trademark Office
- 60 United States Secret Service Headquarters (USSS) (GSA)
- 61 Washington Navy Yard
- 62 Webster Field
- 63 Yates (GSA)

- Administrative Services
- Janitorial
- Printing Services
- Custodial
- Landscaping
- Recycling
- Document Conversion
- Loading Dock
- Reprographics
- Embroidery Services
- Mail/Fulfillment
- Total Facilities Management
- Horticulture
- ★ Melwood Main Locations
- Warehouse Fulfillment



WHERE WE **SERVE** (CONTINUED)



DISTRICT OF COLUMBIA

185

PEOPLE SERVED

30

VETERANS SERVED

26

CONTRACT WORK LOCATIONS

556

JOBS*

\$7,657,775

WAGES PAID TO RESIDENTS

\$362,744

TAXES PAID BY EMPLOYEES



MARYLAND

980

PEOPLE SERVED

60

VETERANS SERVED

18

CONTRACT WORK LOCATIONS

1,129

JOBS*

\$37,315,495

WAGES PAID TO RESIDENTS

\$2,297,942

TAXES PAID BY EMPLOYEES

39

COMMUNITY EMPLOYERS



VIRGINIA

397

PEOPLE SERVED

88

VETERANS SERVED

11

CONTRACT WORK LOCATIONS

155

JOBS*

\$7,680,836

WAGES PAID TO RESIDENTS

\$330,072

TAXES PAID BY EMPLOYEES

176

COMMUNITY EMPLOYERS

*77% of Melwood direct labor is provided by people with disabilities

**“DISABILITY IS A MATTER OF
PERCEPTION. IF YOU CAN DO
JUST ONE THING WELL, YOU’RE
NEEDED BY SOMEONE.”**

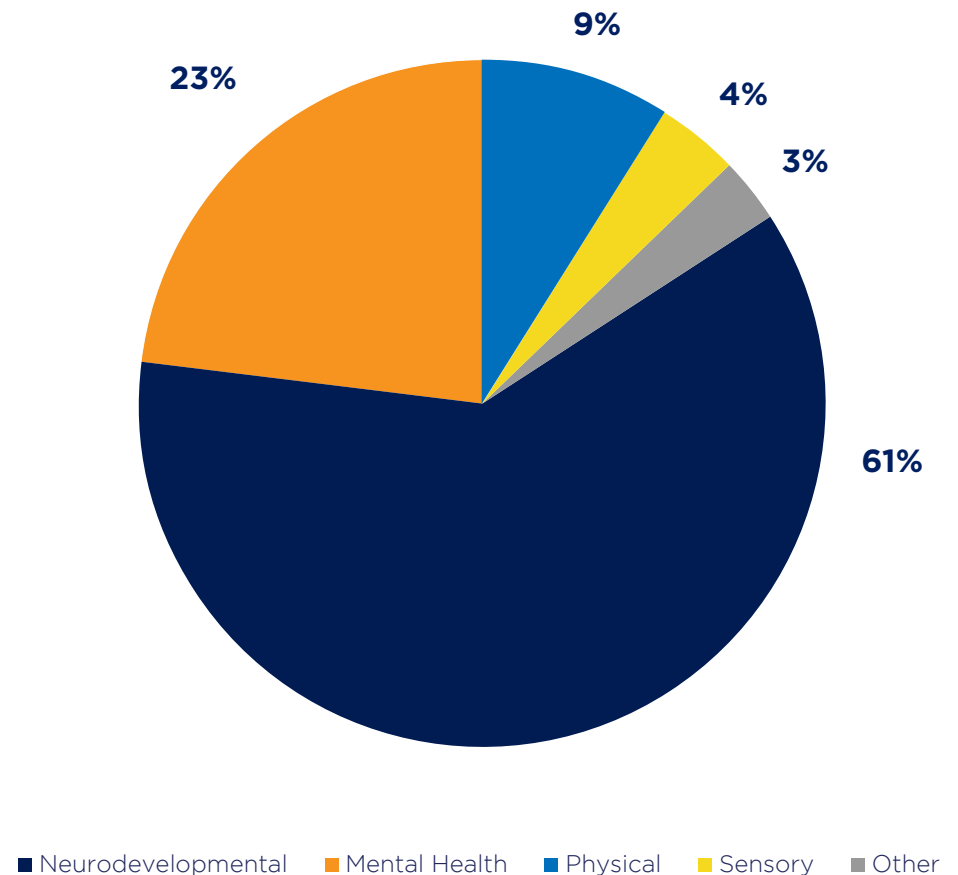
- MARTINA NAVRATILOVA

OUR **STAKEHOLDERS**

At our founding, Melwood's focus was teaching plant care to young adults with developmental disabilities who were considered to be untrainable and unemployable. At the time, providing any meaningful work activity was considered innovative and cutting edge. We were small and we were local, drawing most of our participants from our backyard.

Fifty-five years later, today's Melwood is committed to inspiring people with disabilities to break through barriers so they may pursue careers of their choosing and enjoy meaningful community inclusion. Our reach has grown to include the greater Washington, D.C. area, including Maryland and Northern Virginia. While people with neurodevelopmental challenges remain a core constituency, we have grown to offer support services to people affected by other conditions and to veterans affected by post-traumatic stress (PTS(d)) and mild traumatic brain injury (mTBI). Melwood even offers inclusive children's programming to help foster a generation that will demand a world where people with disabilities are fully included.

POPULATION SERVED BY MELWOOD **PRIMARY DIAGNOSIS CATEGORY**



10%

OF AMERICANS AGE 25 TO 44 HAVE A DISABILITY

(SOURCE: "AMERICANS WITH DISABILITIES STILL CAN'T LAND JOBS," CBS NEWS, JULY 26, 2017)

ADULTS WITH DISABILITIES HAVE MEDIAN MONTHLY EARNINGS OF \$1,961 COMPARED WITH \$2,724 FOR THOSE WITH NO DISABILITY.

(SOURCE: AMERICANS WITH DISABILITIES: 2010, US CENSUS BUREAU)

26.6% OF NON-INSTITUTIONALIZED PEOPLE WITH DISABILITIES LIVE BELOW THE POVERTY LINE

(SOURCE: 2016 AMERICAN COMMUNITY SURVEY)

ONLY 17.9% OF PERSONS WITH DISABILITIES ARE EMPLOYED

(SOURCE: PERSONS WITH A DISABILITY: LABOR FORCE CHARACTERISTICS SUMMARY, US BUREAU OF LABOR AND STATISTICS, JUNE 21, 2017)

ONLY 5% OF AMERICANS WORK WITH SOMEONE WITH AN INTELLECTUAL DISABILITY

(SOURCE: 2015 POLL FOR SHRIVER MEDIA AND SPECIAL OLYMPICS INTERNATIONAL)

34% OF WORKERS WITH A DISABILITY WORK PART-TIME (COMPARED TO 18% OF TYPICALLY-ABLED WORKERS)

(SOURCE: US BUREAU OF LABOR AND STATISTICS, JUNE 21, 2017)

228,600 WORKERS WITH DISABILITIES ARE PAID LESS THAN THE MINIMUM WAGE.

(SOURCE: US DEPARTMENT OF LABOR WAGE AND HOUR DIVISION PRESENTATION, JANUARY 22, 2015)

42% OF AMERICANS HAVE HAD NO PERSONAL CONTACT WITH SOMEONE WITH AN INTELLECTUAL DISABILITY

(SOURCE: SHRIVER POLL)

80% AMERICANS WITH DISABILITIES ARE NOT IN THE LABOR FORCE

(SOURCE: BUREAU OF LABOR STATISTICS)

THE WORLD TODAY

The landscape and trends affecting Melwood, our mission, and the people we serve demonstrate the current potential and opportunity for making great advances toward our vision of a world where people with disabilities are fully included.

Among Americans today, there is a growing appreciation for and expectation of inclusion and diversity. People are more receptive to the idea of individuals with disabilities having greater opportunities and fewer barriers. There is a strong preference for developing support systems and programs tailored to the individual participant's interests and goals rather than steering them into group programs that limit choice and individuality. Melwood's stakeholders not only adhere to these trends but have also expressed a strong desire for all to embrace them. Our stakeholders expect us to DREAM BIG about what people with disabilities can accomplish.

The opportunities created by these social trends are further strengthened by advances in the workforce and technology fields. The advent of virtual assistant technology has been a game changer for adaptive technology. Because it is being mass produced for the general consumer, it has achieved a scale that greatly reduces prices. In addition, it has become so commonplace that it erodes some of the stigma of assistive technology. Workforce data suggests that there are industries with significant needs that can be met by the people Melwood serves if they are provided with the proper training and technology.

The current landscape also reveals conflicts and paradoxes. While Americans are more open to inclusion and employment of people with disabilities, fear and discomfort still exist. On the policy and regulatory front, the implementation of the Workforce Innovation and Opportunity Act, arguably the disability rights community's greatest legislative advancement since the Americans with Disabilities Act, contradicts requirements of the Javits-Wagner-O'Day Act, which governs the AbilityOne program, a program that is among the nation's largest providers of jobs for people with disabilities. These conflicts do not dissuade us from pushing further to advance our mission; they simply remind us that obstacles do remain that must be addressed and inspire us to dream even bigger.

Melwood can no longer afford to continue with business as usual if it intends to meet the needs of a changing world. While preparing people with disabilities for work in the custodial, landscaping and recycling fields was once revolutionary, Melwood's programs now run the risk of being perceived as limiting individuals' potential rather than empowering individuals to be their best selves, to reach their fullest potential, and to have true choice.

Melwood stakeholders would like for Melwood to offer a wider array of program services to its participants. Most agree that Melwood should add new lines of business that reflect the modern job market and that would offer new types of employment opportunities to participants.

OUR PROGRAMS

Career Support Services

Workforce Development and Guidance

Melwood professionals prepare individuals with barriers to employment by helping them develop the tools and skills that are generally needed to enter the workforce and succeed in employment.

Job Development and Placement

Melwood professionals help individuals determine preferred fields of work, and then assist them in acquiring the skills and work-related behaviors necessary to succeed in that field of work.

Employment Supports

Via on-site work visits, home visits, phone calls, and planning meetings, Melwood professionals help participants identify potential barriers to success and develop a plan for overcoming those barriers. The Individualized Plan includes their strengths, abilities, and personal goals and addresses possible obstacles through improved skills, self-advocacy, or navigation of community resources.

Direct Employment

Melwood employs hundreds of people with disabilities on its service contracts with federal, state, and local governments, as well as private companies. For many people with disabilities, this is their first job and a pathway to success in the workforce.

Community & Day Services

Personal Support Services

Melwood professionals provide learning-assisted daily living skills in areas including: hygiene, nursing services, personal care, household management, and budgeting.

Community Learning Services

Melwood professionals provide quality person-centered supports in local community settings for people who are self-directed as an alternative to facility-based programming.

Traditional Day Services

Melwood professionals provide quality day supports to all people served through meaningful activities and volunteer opportunities while ensuring choice and personal growth. Activities are facility-based with a strong focus on community inclusion.

Camp Accomplish

Melwood professionals provide a 10-week inclusive summer program for children, ages 5-18. Programming is offered in both day and overnight camp formats.

Wraparound Services

Access Adventures Respite Program

A respite program designed for people with disabilities, ages 18 years and older, which consists of overnight, weekend or weeklong, local and out-of-town activities.

Equine-Assisted Activities and Therapies

An experiential program using Melwood's horses. Equine-assisted activities are all activities in which Melwood's clients, participants, volunteers, instructors and horses are involved, usually with a developmental goal. Equine-assisted learning (EAL) is an experiential learning approach that promotes the development of life skills for educational, professional and personal goals through equine-assisted activities. Equine-assisted therapy (EAT) is treatment that incorporates equine activities and/or the equine environment. Rehabilitative goals are related to the client's needs and the medical professional's standards of practice.

Horticultural Therapy

A program that delivers therapeutic outcomes through documented modalities, work, and training experiences in greenhouse operations. The program also uses horticulture to engage the public and provide meaningful community inclusion for people served.

Community Awareness

Employment Readiness

Work with employers, from small businesses to major corporations, to prepare them for an inclusive workforce.

Advocacy

Advocate for public policy that eliminates unfair and disparate treatment and promotes opportunities for people with disabilities.

Veterans Services

Operation Tohidu®

A 5-day retreat designed with the goal of enabling participants to heal from service-related trauma through experience-based learning and other alternative therapies and interventions. These retreats are offered to veterans and active duty personnel who are coping with PTS(d), mild traumatic brain injury, anxiety, depression and/or trauma related to military service, including military sexual trauma.

Vets Ready2Work

This program supports veterans and wounded warriors with their professional development and with achieving meaningful, lasting employment opportunities.



FY2019-2023 STRATEGIC PLAN

GOALS

GOAL 1

Increase the number of people with disabilities in the workforce.

GOAL 2

Innovate the field of support services for people with disabilities.

GOAL 3

Respond to the needs, dreams, and desires of the next generation.

GOAL 4

Deliver organizational excellence.

GOAL 5

Grow Melwood's service delivery to injured veterans seeking community reintegration, employment, and positive family dynamics.

FY2019-2023 STRATEGIC PLAN

STRATEGIES

Goal 1

Increase the number of people with disabilities in the workforce.

Strategy 1.1: Develop and implement a robust advocacy program that encourages full inclusion in the workforce and reaches federal, state and local government, the business community, education systems, the media, and the community at large.

Strategy 1.2: Expand our human services delivery system and types of services to reach a larger geographic footprint in Maryland, Virginia, and Washington D.C. and to support the interests of the next generation of people with disabilities.

Strategy 1.3: Partner with more businesses and organizations to create competitive integrated employment opportunities for people with disabilities in the community.

Strategy 1.4: Grow the number of contract services we perform for government and commercial customers, enabling Melwood to hire more people with disabilities.

Strategy 1.5: Explore acquisitions, mergers, joint ventures, and partnerships with other social, educational, or workforce agencies in order to expand our offerings, locations, and advocacy reach.

Goal 2

Innovate the field of support services for people with disabilities.

Strategy 2.1: Explore promising ideas and innovations in the field and, as feasible and desirable, take to scale.

Strategy 2.2: Investigate the feasibility of offering adjunctive therapies (such as hippotherapy, art therapy, music therapy and others) to support personal growth and potential career aspirations of the people we serve, and, if feasible and desirable, implement such programming.

Strategy 2.3: Expand community support services, transitioning traditional facility-based day programs to best-practice programming in the community.

Strategy 2.4: Investigate and incorporate emerging research findings and best practices into our program offerings.

Goal 3

Respond to the needs, dreams, and desires of the next generation.

Strategy 3.1: Expand youth programming to support the continuum from interest exploration to job readiness to career support.

Strategy 3.2: Expand partnerships with regional high schools to assist in the transition from school to the workforce.

Strategy 3.3: Leverage technology and innovation to ease the transition from school to work.

FY2019-2023 STRATEGIC PLAN

STRATEGIES (CONTINUED)

Goal 4 **Deliver organizational excellence.**

Strategy 4.1: Cultivate an inspired, empowered and skilled workforce who are dedicated to our mission and values and a pleasure to work with.

Strategy 4.2: Focus on continual process improvement, modern technology, best practices and innovation in all we do.

Strategy 4.3: Promote financial sustainability and growth through good stewardship of our resources, fundraising, customer loyalty and adaptable business models.

Strategy 4.4: Raise public awareness of Melwood's brand, services, capabilities, and experiences.

Strategy 4.5: Maximize use of the Melwood Retreat & Recreational Center and explore appropriate service programming for that facility.

Strategy 4.6: Develop robust, consistent and transparent data systems and analytics to demonstrate Melwood's impact.

Goal 5 **Grow Melwood's service delivery to injured veterans seeking community reintegration, employment, and positive family dynamics.**

Strategy 5.1: Expand the Operation Tohidu Program to increase the number of veterans served.

Strategy 5.2: Develop a protocol for Operation Tohidu participants to include virtual sessions before and after in-person retreats, and robust impact and outcomes data capture and analysis.

Strategy 5.3: Focus on recruiting veterans to Melwood in order to serve veterans and also to close Melwood's skilled trades recruiting gap.

Strategy 5.4: Explore opportunities and possibilities for providing additional social and economic opportunities or supports for injured veterans.

Strategy 5.5: Develop and implement a robust resource-generating plan to serve veterans, including fundraising, fee-for-service programs, partnerships, and other opportunities that will ensure long-term sustainability.

Strategy 5.6: Leverage PATH Accreditation to develop funded Equine-Assisted Activities and Therapies for Veterans.

FY2019-2023 STRATEGIC PLAN

MEASURES OF SUCCESS

GOAL 1

1.1
Number of People with Disabilities Working at Melwood and in the Community due to Melwood Efforts.

1.2
Number of Employers Partnering with Melwood to Expand Job Opportunities for People with disabilities.

GOAL 2

Number of Programs Offered by Melwood.

2.2
Participant/ Stakeholder Satisfaction.

2.3
Number of Participants in Facility-Based vs. Community-Based Programming with Melwood.

GOAL 3

Number of Transitioning Youth Served by Melwood.

3.2
Transitioning Youth Satisfaction.

3.3
Number of Schools Partnering with Melwood to Expand Training and Job Opportunities for Transitioning Youth.

GOAL 4

Financial Performance and Resource Utilization.

4.2
Employee Engagement and Satisfaction.

4.3
Positive Name Recognition and Brand Awareness.

GOAL 5

Number of Veterans Served by Melwood.

5.2
Number of Veterans Employed by Melwood.

5.3
Number of Melwood Programs Serving Veterans.

5.4
Performance of Veteran-Oriented Fundraising Appeals.

APPENDIX 1
**MELWOOD
HISTORY**

MELWOOD HISTORY

The Early Years – An Option for Adults with disabilities (1963 – 1970)

It was an innovative idea for its time. On seven acres of unimproved land — donated by Andrews Air Force Base — Melwood’s founders pitched an Army surplus tent and began to lay the infrastructure for a place where people with disabilities could gain specific job skills and earn self-generated income.



The first successes came in horticulture. Participants cultivated plants through Melwood’s horticulture rehabilitative therapy program and sold them at work sites around the Washington D.C. area. The program grew, and in the early 1970s Melwood purchased a 108-acre property in Nanjemoy, Maryland. At the time, the facility was a fully functioning farm that was used as a training site for individuals with disabilities to gain job skills in agriculture, farming, landscaping, and horticulture in order to go out and pursue careers in the community. The Nanjemoy campus was the center of Melwood’s job training programs in Charles County for a number of years.

The program was built employing a sheltered workshop model. While pay was modest and there was limited opportunity for inclusion, it was a first step on Melwood’s journey to creating a world where people with disabilities were fully included.

Building On Early Wins (1971 – 2013)

Career Exploration and Supports

Early successes in horticulture led to grounds keeping and landscaping contracts, where Melwood employed people with disabilities to perform services at facilities in and around the Washington, D.C. metropolitan area.

Melwood’s crews consistently delivered good, dependable work for its customers. As a result, Melwood was offered a chance to grow its number of customers and to expand into other lines of business: custodial, recycling, and total facilities management.

The program model was simple: customers hired Melwood to perform services and Melwood used those opportunities to employ people with disabilities, teaching them job skills and expanding opportunities to earn pay. Work at customer sites allowed more opportunities for inclusion, and many customers recognized that the Melwood employees were a crucial component of the customers’ communities.

To allay concerns that hiring Melwood would increase customers’ costs, Melwood employed a special minimum wage certificate (also known as a 14(c) certificate) in its early years. A special minimum wage certificate allows employers to pay wages below the federal minimum to employees who have differing abilities that directly affect their job performance. The premise of the special minimum wage certificate is that an employee with disabilities working at a lower productivity rate gets paid based on their relative productivity (i.e., if the employee is 80% as productive as the time standard for a job, then the

MELWOOD HISTORY

(CONTINUED)

employee may be paid 80% of the wage typically earned by performing that job).

This program model was strengthened in 1971, when Senator Jacob Javits convinced Congress to amend the Wagner-O'Day Act, a remnant of Franklin Roosevelt's New Deal that brought employment opportunities to people who were blind. Under the Wagner-O'Day, the federal government was required to purchase certain commodities, like brooms and mops, from institutions that employed and supported people who were blind. Javits' amendments expanded the program to cover the procurement of services (e.g., custodial services, landscape services, etc.) and expanded the Act to cover people with "significant disabilities" other than blindness.

Melwood landed its first contract under the new Javits-Wagner-O'Day Act in 1975. It was a contract to provide grounds maintenance and custodial services for three U.S. Army reserve buildings, including the building next to Melwood's headquarters. Melwood continued to win more and more contract opportunities under the Javits-Wagner-O'Day Act, earning its first \$1 million contract in the 1990s. By 2013, Melwood was competing for and winning contracts with annual values of up to \$20 million.



Recreation Programs

With development pushing further outside the DC beltway, agriculture became a less likely prospective employer of Melwood participants. With little need for a 108-acre training farm, Melwood sought a new purpose for this tract of land, and Melwood's recreation programs were conceived.

By the early 1980s, construction had begun on the lodge-style cabins and dining hall at the west end of the property. The cabins became home to the early Access Adventures program, which hosted several retreat-style camp-themed vacations for adults with disabilities throughout the year. Eventually Access Adventures began adding getaway destination vacations to the schedule and saw great success.

Soon Melwood identified the need for summer youth programming. With the addition of high and low challenge courses, a swimming pool, basketball court, and stables, Camp Accomplish opened its doors in 1998 to children with disabilities and their siblings. Eventually the camp expanded to be open to all children, with and without disabilities. Today, Camp Accomplish serves over 600 youth each year.

As the camp grew, horseback riding grew in popularity as an activity. In 2004, thanks to a very generous donation, an indoor riding arena was constructed on the property to allow for riding lessons and equine activities year-round, regardless of the weather conditions. The stables were also enclosed and built into a complete barn that is still used today as a bustling center for the full-fledged Equestrian Program, which includes both lessons and trail-riding activities.

Further Advancing the Mission (2013 – 2018)

Eliminating Use of the 14(c) Special Minimum Wage Certificate

In 2013, Melwood set itself on a path of phasing out its use of a special minimum wage certificate. While initially it still allowed an employee to be paid less than the Wage Determination Rate (WDR) for a federal contract job, it no longer allowed an employee to be paid less than the normal statutory minimum wage. While Melwood recognized, in 2013, that using a special minimum wage certificate stood counter to its vision, it also recognized that not using one was a big change that could jeopardize Melwood's ability to operate and provide critical services to people with disabilities. Over the ensuing years, Melwood contemplated the issue, analyzed the costs, and readied itself for operating without a special minimum wage certificate. Melwood fully relinquished its special minimum wage certificate on February 14, 2016.

Employee Development, Business Growth and Efficiency

In 2013, Melwood launched an employee development and leadership initiative that focused on augmenting existing skill sets with additional senior leadership training and recruiting to enhance opportunities to improve processes and to drive business growth. Melwood invested in employee compensation to align pay to market, established a tuition reimbursement program, and cultivated a wealth of expertise in social services, government contracting, quality, human resources, finance and many other aspects of the organization. At the same time, Melwood invested in technology -- bringing Melwood into the 21st century and empowering employees to focus more on programming and less on administrative tasks.

Through this initiative and its resulting innovation, efficiencies, and stakeholder satisfaction, Melwood was able to increase its revenue in AbilityOne contracts by over \$4 million through the awarding of two grounds maintenance contracts -- Aberdeen Proving Ground (APG) and United States Coast Guard (USCG), and the addition of the Department of Justice (DOJ) janitorial services contract to Melwood's portfolio of high profile AbilityOne contracts in the Washington-Baltimore metropolitan area.

A focus on stewardship and improvements in financial management yielded financial stability and sustainability for the long term, as well as a strong foundation for future growth. This included a concerted effort to control and reduce the growth of outstanding accounts receivables, which has resulted in the organization recovering millions of dollars owed by the federal government. The creation of a legal department reduced exposure to liability, resulting in high cost savings and efficiency. Furthermore, an improved risk management strategy has yielded significant savings in workers compensation and insurance premiums.

Efficient Operations Allow Investment in Programs and Innovation

Solar Power Arrays

In 2015, Melwood installed a 930-kilowatt (kW) solar photovoltaic (PV) system at its seven-acre campus in Upper Marlboro. Totalling nearly one megawatt, the system features a 1,335 panel rooftop array, six carport arrays and an electrical vehicle (EV) charging station. The system was funded by WGL Energy through a Power Purchase

MELWOOD HISTORY

(CONTINUED)

Agreement, with additional funding for the solar carport provided through the Parking Lot Solar PV Canopy with Electric Vehicle Charger Grant Program grant from the Maryland Energy Administration (MEA), requiring no upfront investment from Melwood. The arrays offset 829 metric tons of carbon dioxide annually, which is equal to the amount of CO2 emissions sequestered each year by a 679-acre U.S. forest. Today, nearly all of our Dower House Road's energy requirements are met by its solar power arrays.

Electronics Recycling

Embracing the transition from paper-based operations to digital operations, Melwood launched its Electronics Recycling business line in 2014. Melwood secured the Responsible Recycling R2: 2013, ISO 14001 and OSHAS 18001, the leading certifications in the electronics recycling industry, after meeting a set of strict guidelines for responsible recycling. Our employees provide Melwood's clients with secure data and electronic equipment management services conducted under some of the highest environmental management and security standards available, once again proving that people with disabilities are perfect for the job. Several individuals with disabilities have received industry-recognized certifications in operating a forklift for purposes of this program, providing them with a valuable marketable skill for future employment.

Vocational Support Services

Melwood made a substantial investment in its Vocational Support Services team. This began by hiring the first licensed social worker to lead vocational support services at Melwood. She implemented a number of initiatives aimed at increasing the professionalization of staff and improving the level of service, including case presentations and professional development. Today, Vocational Support

Services is structured in teams pairing experienced graduate-level case managers with professionals newer to the field. This team structure allows support professionals with more experience to mentor newer professionals and to offer case consultations.

Focus on Community-Based Services

With the evolution of social awareness, the trend in the field of services for people with disabilities is greater community exposure and inclusion. To that end, the Community Services Department adjusted its strategy to focus more on community-based integration activities and has been effectively moving participants from facility-based day programming into the community for experiences, services and employment opportunities.

Operation Tohidu® and Melwood Veterans Services

With a 55-year history of innovative service and advocacy for people with disabilities, growing numbers of veterans have been coming to Melwood for assistance. When Melwood realized that many veterans were having a difficult time landing and staying in a job and reintegrating into their families and communities, they set out to find a solution, brought in experts (many



MELWOOD HISTORY

(CONTINUED)

of which are also military) and developed Operation Tohidu. This experiential retreat is built around activities designed to enable participants to gain mastery of their post-deployment situation: education, exercise, experiential learning, peer support, group intervention, and other non-medical and non-pharmacologic therapies and interventions.

In 2016, with the support of a bequest from the estate of Peter M. Kolls and his wife, Geraldine “Gerry” Schaeffer, M.D., Melwood established a separate charitable entity for veteran services under its corporate umbrella: Melwood Veterans Services, LLC (MVS). With the addition of Linden’s Vets Ready2Work program, the goal of MVS is to expand program offerings to include more career readiness and career support programs, similar to those we offer to other people with disabilities.

Affiliation with Linden Resources

On July 1, 2017, Melwood acquired Linden Resources, Inc., a nonprofit AbilityOne organization that has been providing meaningful employment opportunities and innovative services for people with disabilities in Northern Virginia since 1959. With Linden’s Northern Virginia presence complementing Melwood’s strength in D.C. and suburban Maryland, the acquisition positioned Melwood as a leading provider of jobs and development opportunities for people with disabilities in the Washington metropolitan area. It also enabled Melwood to provide greater choices and quality services to the people it serves.

The affiliated organizations have nearly 1,800 employees, earn over \$100 million in annual revenue, operate approximately 58 AbilityOne contracts and serve over

2,500 people with disabilities each year in the Washington metropolitan area.



APPENDIX 2
**ENVIRONMENTAL
SCAN**

OVERALL TRENDS

Unemployment and Underemployment Continue to Disproportionately Impact People with disabilities

The U.S. Bureau of Labor Statistics reports that 17.9% of people with disabilities were employed in 2016. In contrast, the employment-population ratio for those who were typically-abled was 65.3%. The unemployment rate for people with disabilities sits at 10.5% today, more than double the rate for those who are typically-abled (4.6%). Jobless rates for people with disabilities were also higher across all educational attainment groups.

Workers with a disability are more likely to be employed part-time than those who are typically-abled. Among workers with a disability, 34% usually worked part-time in 2016, compared to 18% of those who were typically-abled. The proportion of workers who are employed part-time for economic reasons continued to be slightly higher among those with a disability than among those who are typically-abled (6% versus 4%). These individuals were working part-time because their hours had been reduced or because they were not able to find a full-time job.

There is yet another category that must also be considered -- those who are not in the labor force. Whereas an unemployed person is not working but seeking work, people in this category are neither working nor seeking work. A larger proportion of people with a disability--about 8 in 10--were not in the labor force in 2016, compared to

about 3 in 10 of those who were typically-abled.

Public Perception of Intellectual Disabilities Improving; Room for Improvement Remains

A late 2015 poll for Shriver Media and Special Olympics International, supported with funding from the Richard and Cecilia Attias Foundation and conducted by Harris Poll, revealed that Americans who have personal contact with someone with an intellectual disability (more than half of our population) are increasingly accepting and positive. Unfortunately, the poll also demonstrated that lack of contact has left a legacy of misinformation, dated stereotypes, ignorance and fear in the other nearly half of Americans.

Low Contact Rates Suggest There Is Still Much to Do to Attain Inclusion

The poll found that 56% of Americans personally know someone with an intellectual disability. Only 13% of Americans say they are friends with such individuals, and only 5% work with someone with an intellectual disability.

42% of Americans have had no personal contact with someone with an intellectual disability. Even more shocking, 18% of Americans claim they have never heard the term intellectual disability.

But there is hope that awareness and inclusion are on the rise, and that becoming more inclusive will be part of

larger generational changes. The Harris Poll found that millennials are more likely than their older counterparts to know someone with an intellectual disability (66%) and have a greater understanding of what it means to have an intellectual disability. This may be, in part, due to changes in education policy that resulted in more inclusive school environments.

While There Is Growing Support for Integrated Employment, Concerns and Misconceptions Remain

The Harris Poll found that 93% of people agreed that those with intellectual disabilities should be employed. While Americans strongly support including people with intellectual disabilities in the workplace, their level of comfort working with such individuals is not quite as strong. 83% of Americans said they would be comfortable working alongside a person with an intellectual disability. Sadly, 1 in 5 indicated that they would not be comfortable hiring such individuals.

SOCIOPOLITICAL TRENDS

The U.S. is Trending toward Diversity, Inclusion, and Pluralism

Surveys show that the United States is, overall, trending toward inclusion and pluralism. Consider for a moment the following:

- A Pew survey found that 58% of Americans believed that the increasing racial and ethnic diversity of the

U.S. make the country a better place to live. Further, the study found that most Americans (59%) say immigrants strengthen the U.S. through their hard work and talents.

- America is increasingly more accepting of people who are LGBT. The number of Americans supporting same-sex marriage has been steadily increasing since 2009. By the time that same-sex marriage became legal nationally in 2015, public opinion on the subject reached almost 60% approval levels according to polls by The Wall Street Journal and the Human Rights Campaign, having crossed the 50% mark in 2011 and not going below that mark since.
- Americans want universal healthcare. While significant opposition remains to the Affordable Care Act, 58% of those living in the United States favor replacing it with a federally-funded program that would provide all Americans with insurance.

Why does this matter? In John Kingdon's Policy Streams Approach, policy formation is described as the result of the flow of three 'streams': the problem stream, the policy stream and the politics stream. When these streams align, a policy window opens which facilitates change. A trend towards diversity and inclusion suggests that, with respect to barriers affecting people with disabilities, the politics stream is aligning with the problem and policy streams. In other words, this trend may suggest that a policy window is opening that will facilitate addressing the

social and policy barriers affecting people with disabilities. The increasing number of states examining the issue of subminimum wages suggests there is some credibility to this hypothesis.

Section 14(c) of the Fair Labor Standards Act under Scrutiny

Section 14(c) of the FLSA allows employers to pay wages below the federal minimum to employees who have disabilities that directly affect their job performance. Employers can do this through a Special Minimum Wage Certificate obtained from the USDOL's Wage and Hour Division (WHD). The special minimum wage rate must be commensurate with those rates paid to typically-abled workers in the region for essentially the same type, quantity and quality of work.

An employer with a Special Minimum Wage Certificate must review productivity/wage rates for individuals paid on an hourly basis at least once every six months. This is done by conducting a Time Study. An employee with a disability is timed while performing key tasks of the employee's job. That time is then compared to a standard time for each task, which is set by timing three proficient, typically-abled employees performing the same task, and then calculating the average of their times. In addition, employers must review the wages of all employees at least annually to reflect changes in the prevailing wages paid

to experienced, typically-abled workers for essentially the same type of work.

As early as 2013, Melwood had begun to examine the appropriateness of 14(c) considering its mission. In July 2013, Melwood decided that it would no longer use Section 14(c) to pay employees with disabilities less than the normal statutory minimum wage, which at the time was \$7.25 per hour. Despite this decision, Melwood kept its Section 14(c) certificate and continued to pay a productivity-based wage less than the U.S. Department of Labor's Wage Determination Rate to workers with disabilities on federal contracts, while still paying more than the normal statutory minimum wage. On January 19, 2016, Melwood CEO Cari DeSantis recommended that the Board of Directors resolve to eliminate the use of the FLSA Section 14(c). They did, and Melwood fully surrendered its 14(c) certificate on February 14, 2016.

In 2014, Congress passed the Workforce Innovation and Opportunity Act (WIOA), which places several restrictions on the use of subminimum wages, requiring that people with disabilities be counseled about their vocational options before being referred to a sheltered workshop. The law also called for the creation of the Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities (the "Advisory Committee"). This committee was charged with making

recommendations on the future of the 14(c) program. The resulting report recommended that it be phased out entirely, which the Federal National Council on Disability had already endorsed. Both WIOA and the Advisory Committee will be discussed in more detail in subsequent sections.

On February 12, 2014, Executive Order 13658, “Establishing a Minimum Wage for Contractors” raised the minimum wage to \$10.10 per hour for workers on covered federal contracts. The Executive Order stressed that the minimum wage applied to workers with disabilities. While such workers could be paid less than the specific wage determination rate for their position based on productivity, they could not be paid less than the Executive Order mandated minimum wage of \$10.10 per hour.

Meanwhile, state legislatures also began to consider the issue of subminimum wages. In 2015, New Hampshire became the first state to ban the practice of paying subminimum wages to people with disabilities. Maryland followed suit in 2016 with Melwood testifying in both Senate and House of Delegates hearings in favor of abolishing subminimum wages.

Workforce Innovation and Opportunity Act (WIOA)

WIOA is landmark legislation that amended the Rehabilitation Act of 1973. It was designed to: (1) strengthen and improve our nation’s public workforce system, (2) help Americans with significant barriers to

employment, such as disabilities, attain high-quality jobs and careers, and (3) assist employers with hiring and retaining skilled workers.

WIOA sets the standard for competitive employment. For an employment outcome to be considered competitive, WIOA regulations require that the outcome satisfy the following criteria: (1) competitive earnings, (2) integrated locations, and (3) opportunities for advancement.

“Competitive earnings” is defined as earnings that are equal to or greater than the highest minimum wage rate in effect where the place of employment is located and comparable to the customary rate paid by the employer to typically-abled employees.

“Integrated location” is defined as employment in a setting usually found in the community and in which the employee with disabilities interacts with typically-abled employees and other persons.

“Opportunities for advancement” is a factor that requires that employees with disabilities be eligible for the same opportunities for advancement as typically-abled employees in similar positions.

Unfortunately, the U.S. Department of Education, Rehabilitation Services Administration (RSA) has interpreted those goals in such a way that nonprofit organizations like Melwood, which were established specifically to employ individuals with disabilities, are

deemed not to offer competitive employment. This is a point of active contention.

Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities Issues Final Report

As mentioned previously, the Advisory Committee was authorized by Section 461 of WIOA. The members were appointed by the Secretary of Labor and included self-advocates, providers of employment services, national disability advocacy organizations, academic/research experts, and employers. The Advisory Committee was charged with studying and presenting recommendations on:

- Ways to increase the employment opportunities for individuals with significant disabilities in competitive integrated employment;
- The use of the 14(c) certificate; and
- Ways to improve oversight of the application of 14(c).

The committee released its final report on September 15, 2016. The following is a synopsis of the Advisory Committee's noteworthy recommendations:

Amend the Fair Labor Standards Act to Phase Out 14(c) and End the Practice of Subminimum Wages

While the Advisory Committee ultimately calls for the elimination of 14(c), it suggested using a phased approach to do so. In the short term, the Advisory Committee called

for stricter oversight and stronger enforcement of this provision of law, including increased penalties for misuse. It also called for a stricter standard for the issuance or renewal of subminimum wage certificates, suggesting that they should only be issued/renewed when "necessary in order to prevent the curtailment of opportunities for employment." Recognizing that the elimination of 14(c) would greatly affect the business model of many organizations serving the community, the Advisory Committee called for more technical assistance for states and certificate-holders.

Amend the Javits-Wagner-O'Day Act

Consistent with the Advisory Committee's preference for competitive integrated employment, the final report called for an evaluation of the appropriateness of the 75% direct labor ratio required by the Javits-Wagner-O'Day Act and the resulting AbilityOne Program. Not surprisingly, it also called for immediately disallowing the use of 14(c) certificates on AbilityOne contracts.

On the administrative front, the Advisory Committee called for a new AbilityOne procurement and selection process. Elements of the proposed new process include:

- Selection and award process transferred outside of the purview of SourceAmerica;
- A minimum referral requirement of two qualified vendors to the Commission;
- Re-competition of contracts; and

- Awarding preference to nonprofits that successfully transition people with disabilities to non-AbilityOne competitive integrated employment.

Establish a Cross-Agency Working Group Regarding Integrated Day Services & Wrap-Around Services

The Advisory Committee charged this group with clarifying that the purpose of integrated day and wrap-around supports is: (1) to maximize competitive integrated employment, (2) to facilitate authentic community involvement (emphasis added), (3) to identify the key components of effective integrated day services, and (4) to suggest methods and metrics for collecting and using data to improve outcomes. Perhaps of most significance, the Advisory Committee charged the proposed working group with making clear the departure from facility-based services.

Create a Ticket to Work-like Program Focused on Transitioning Youth

Elements of this proposed program include:

- assisting youth with developing Individualized Career Plans focused on competitive integrated employment and building self-sufficiency;
- career coaching and exploration;
- counseling and guidance on navigating adult systems such as employment supports and healthcare;
- career planning to help youth learn about workforce participation and financial independence; and

- waivers of certain federal program requirements (e.g. providing stipends to offset SSI benefit changes).

AbilityOne and SourceAmerica Scrutinized

On July 31, 2015, CNN reported that SourceAmerica was being investigated by authorities for illegal operations, financial fraud, mismanagement, operating in violation of the law, steering of contracts, and possibly obstruction of justice.

On September 4, 2015, federal agents raided the corporate offices of Goodwill Industries in Memphis, Tennessee in an apparent escalation of the investigation. Goodwill Industries had received more than \$22 million in AbilityOne contracts since 2010, at which time two Goodwill executives served on SourceAmerica's board of directors. Later that year, WikiLeaks released recordings of a former SourceAmerica executive likening its operations to the mafia.

SourceAmerica has repeatedly denied any wrongdoing, even as federal investigators convened a grand jury in January 2016. On May 18, 2016, Senator John McCain introduced language into the National Defense Authorization Act for 2017 to discontinue Department of Defense contracting with the AbilityOne program and SourceAmerica until they can be reformed. The bill states in part: "The Secretary of Defense shall not contract with the AbilityOne nonprofit agency ... until such time that

the Inspector General for the Department of Defense certifies to Congress ... the internal controls and financial management systems of the AbilityOne nonprofit agency ... are sufficient to protect the Department of Defense against waste, fraud, and abuse.”

The ripple effects of this investigation have been felt throughout the program. It is believed that Dover Air Force Base pulled out of AbilityOne, after Melwood was selected, in part because of this reporting. Melwood's newest customer USDOJ has added extra stipulations to its contract because of these investigations and the OIG at NASA has examined Melwood operations at Goddard (which review was closed in 2017 with no findings of wrong-doing on Melwood's part).

WORKFORCE TRENDS

Demand for Skilled Labor Outweighs Supply

Demand for skilled labor, defined as labor that requires special training for its satisfactory performance, appears to be greater than supply. This year the National Federation of Independent Business reported that 44% of small businesses looking to hire skilled labor reported few or no qualified candidates for jobs they were actively trying to fill. Similarly, the USG and Chamber of Commerce Commercial Construction Index found that nearly 95% of contractors had a moderate to difficult time finding skilled workers in the second quarter of 2017. Similar findings

were also the result of a survey by the National Association of Business Economics. The skilled labor shortage is significant enough that it is considered a factor in the slowing rate of job growth. Despite close to record levels of job openings, year-over-year job growth was recorded at 1.6% at the beginning of 2017 which was down from 2.3% in 2015.

The problem, in large part, is the result of an aging workforce. The U.S. now finds itself with a skilled labor workforce that has more people leaving than entering. Emsi, an economic modeling company, has found that more than 50% of tradespeople are over the age of 50. Manufacturing Institute and Deloitte concluded that nearly 22% of skilled manufacturing workers (roughly 2.7 million workers) are retiring over the next decade. At the same time, federal figures show that only 8% of college-aged adults are enrolled in vocationally-oriented certification programs.

The problem has been exacerbated by policy decisions that discouraged vocational education and prioritized college completion. Because of thin margins and global competition, employers have been reluctant to fill this void by making a long-term investment in creating training programs to build their own workforce talent pool. It has been cheaper and more effective in the short-term for employers to hire experienced employees from

competitors. Herein lies the problem -- students cannot find training opportunities (or afford them if they can find them) and employers do not want to pay the minimal cost to cover training for fear that it will reflect negatively on their profit and loss statements.

Skilled trades, defined as career paths that require manual work but are far above the level of simple labor and require a degree of specialized training, are among the highest potential job categories for young workers who lack a college education. None of the top jobs in skilled trades demand more than a certificate and/or a high school diploma. Moreover, they pay surprisingly well -- an average of \$20.35/hour. This is consistent with Melwood's experience, where skilled trades positions at its Fort George G. Meade contract are among the highest paid direct labor positions.

Brick and Mortar Retail is on the Decline - E-Commerce is on the Rise

A report by an outplacement consultancy, Challenger, Gray & Christmas, shows the retail sector leading all others in job loss/reduction. Retail has shed 67,596 jobs in 2017. Retail job cuts are 51% higher this year than through the same point last year. Many of these cuts can be attributed to sales shifting from in-store to online, and the increased presence of self-serve kiosks. Consider for a moment the evolution of grocery store checkout. Twenty years ago, a customer would have been supported by as many as three

employees: one cashier, one bagger, and one curbside attendant, who would help load groceries into your car. Today, nearly half of the open registers in a grocery store are self-checkout requiring only one employee to monitor them.

While retailers are downsizing their brick and mortar presence, as well as the staffing required to support a physical location, they are investing in their e-commerce platforms. As a result, we are seeing a labor market in which skilled technical, and logistics/supply chain talent is in high demand. For many of these companies, sales associates are being replaced by call center representatives, warehouse employees, and shipping specialists.

Careers in the Arts are Strong

Careers in the arts are becoming increasingly popular and offer solid pay -- the average wage for positions that require only a high school diploma is \$27.85/hour. The arts also appear more willing to risk hiring employees with less experience; nearly a third of positions in the arts are held by workers under the age of 25.

Notably, the Washington, D.C. metropolitan area has the highest concentration of arts jobs as measured by location quotient (LQ). Using this measure, the national average concentration of any job in any given area is 1.0. Washington, D.C. has a quotient of 2.43, meaning that

it is nearly two-and-a-half times as concentrated as the national average.

The Two Skills Most Needed in 2022

The World Economic Forum's Future of Jobs report (2016) forecasts that 5 million jobs will be lost to automation by the year 2020. Devin Fidler, Research Director at the Institute for the Future, suggests that "there are some overarching shifts poised to change the nature of work itself." Drawing on the work of Fidler and similar researchers and combining their thoughts with BLS data related to job growth categories, two skills are required for workers to remain highly marketable in 2022 -- when our next strategic plan is complete: computational thinking and caregiving.

Computational Thinking

Computational thinking is the ability to manage large amounts of data, identify patterns, and make sense of it. With technology streamlining the data collection process, the ability to manage it will become even more critical.

This trend may prove empowering for individuals with disabilities who see data and process thoughts differently. Ultra Testing, a software testing company, is one of the more than fifty small businesses launched as a social enterprise to specifically hire adults on the autism spectrum. Ultra builds on the employment strengths of adults with autism, specifically stating on its website that

its teams "include individuals on the Autism Spectrum who can have heightened abilities that are an exact match for software testing."

Larger companies like the Ford Motor Company have also noticed room for potential. In June 2016, the automaker launched a pilot program by hiring four adults with autism, possessing college degrees, to work in its product development department at its world headquarters. The program was developed with the Autism Alliance of Michigan, which trained Ford staffers on how to interact with their new colleagues with autism, including creating direct and concise job functions, while gaining an understanding of the employees' social limitations. Ford found these individuals to be excellent hires in its accounting, information technology and digital innovation departments, and vehicle evaluation and verification test lab. The program has been so successful that it has more than quintupled in size in only one year.

Caregiving

We are living longer, and we commit to providing healthcare for more of the population than ever before. Every aspect of the healthcare sector is poised for growth. While telemedicine, robotic surgical equipment, and other forms of automation are changing how healthcare is delivered, the demand for caregivers continues to rise. While automation and technology may make treatment more efficient or more accurate, they simply cannot

provide a good bedside manner. People prefer caregivers that exhibit social and emotional intelligence as well as cultural competency.

Outplacement firm, Challenger, Gray & Christmas, analyzed trends to predict the hottest job sectors from 2018 through 2025, and found half of them to be related to caregiving. This is not just a demand for highly educated doctors and nurses; this trend includes medical technicians, medical secretaries, and medical assistants. The Bureau of Labor Statistics projects the number of home health aides to grow by 38.1%.

Micro-Enterprises and the Gig Economy

A full-time job with one employer has been considered the norm for decades, but increasingly, this fails to capture how a large share of the workforce makes a living. Narrowly focusing on traditional jobs ignores the fact that roughly 68 million Americans successfully derive income from multiple income streams, shaping work lives to their own liking. This may be a particularly desirable option for individuals desiring flexibility and/or who require more support than can reasonably be accommodated in a competitive integrated work setting.

For purposes of this discussion, Independent Work has three defining features: a high degree of autonomy; payment by task, assignment or sales; and a short-term relationship between worker and client. It encompasses people who provide labor services as well as those who

sell goods or rent assets.

While only 15% of independent earners use them today, digital platforms such as Upwork, Uber, Airbnb, or Etsy have grown rapidly. These types of online marketplaces are easy to join and use. They offer the aspiring independent worker with efficient payment systems and infrastructure with little or no upfront investment. They also provide enhanced marketing through: (1) better search and matching functionality, and (2) profiles, reviews, and transparent information about the seller. (Some also offer the profiles, reviews, and transparent information about the customer, allowing the seller to make an informed choice before committing to a business relationship.)

The U.S. Department of Labor's Office of Disability Employment Policy lists the following benefits of Independent Work for people with disabilities:

- Independence and the opportunity to make their own business decisions;
- The ability to set their own pace and schedules;
- Reduction of transportation problems when a business is home-based; and
- Continued support from Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)—including healthcare—when income and assets are within these programs' requirements.

This customized Independent Work scenario has given rise to an entrepreneurial model known as the “micro-enterprise.” A micro-enterprise is a small business, typically having fewer than five employees and requiring less than \$35,000 in startup capital. While micro-enterprises originated to help poverty-stricken citizens of developing countries, the model can be applied to addressing the needs of adults with disabilities.

A study by James W. Conroy, PhD., Ron Irvine, and Charles S. Ferris of the Center for Outcome Analysis looked at whether micro-enterprise options offer a viable alternative to “adult day programs” and “sheltered workshops” for citizens with disabilities. The study found that although total earnings over all sources of income for the participants did not increase, they did not decrease either -- and the quality of work life outcomes were dramatic and positive. Interestingly, the study also observed that the introduction of micro-enterprise options had a positive impact on the overall quality of work life for the direct support professionals as well.

Independent work is not without its challenges. One area of concern for independent workers is their limited access to income security protections, such as unemployment insurance, workers’ compensation, and disability insurance. The fact that minimum wage and anti-discrimination laws may not apply to them, coupled with the lack of retirement security, cause major concern. Other potential

hurdles include: (1) reduced access to credit, (2) the risk of not being paid for work that is already performed, (3) complex tax filing, licensing, and regulatory compliance requirements, (4) minimal social interaction, and (5) less opportunities for coaching and personal development.

TECHNOLOGY TRENDS

Virtual assistant technology is an artificial intelligence (AI) system that emulates human interaction to perform particular tasks. Virtual assistants are proliferating because of deep neural networks, machine learning, and other advancements in AI technologies. The intelligence behind the technology includes a heightened capacity for learning, reasoning, and understanding.

While virtual assistant technology is currently being marketed primarily to make life easier for smartphone users, people with disabilities are benefiting from the escalating efforts of the tech industry more than any other group. Virtual assistant technology can often do in five seconds something that takes a person with disabilities five or ten minutes. For example, virtual assistant technology can easily overcome barriers like websites that are not accessible to screen readers. Because it is often voice activated, it can overcome the barriers that a mouse and keyboard present for someone who struggles with fine motor skills.

The largest and most recognizable technology companies

(Apple, Microsoft, Amazon, Facebook and Google) now offer virtual assistants. Apple's Siri is the best known, having been available since 2011, but Microsoft now has Cortana, Amazon has Alexa, Facebook is testing one called M, and Google builds its voice assistant into its search apps. This reflects the broad commercial appeal of virtual assistant technology.

The broad commercial appeal of virtual assistant technology is beneficial to people with disabilities for two reasons. First, the broad commercial appeal results in a scale that drives down prices. Hardware is not specialized niche equipment marketed to a small segment of the population; it is often a smartphone or tablet. Second, because it is based in technology that is being increasingly used by the general population, it has less of a stigma than former adaptive technologies.

STAKEHOLDER PARTICIPATION

Melwood sought the input of stakeholders through community input surveys launched in August and September 2017, which were primarily offered in digital format. They were circulated using Melwood e-mail distribution lists and social media platforms. To bridge the

digital divide, surveys were also distributed to participants' families in paper format.

Survey participants represented all stakeholder groups: employees, volunteers, donors, interested community

members, families, and, most importantly, program participants. Nearly 20% of respondents described themselves as program participants. (Both Vocational Support Services and the Community Services Department worked to facilitate the participation of employees with disabilities and program participants, who wanted to participate in the survey.)

Melwood Is Viewed as Sticking to Its Mission

The 2013-2018 Strategic Plan saw Melwood grow into new service areas, most notably veteran services. While Melwood leadership saw this growth as a natural expansion of Melwood's mission, there was the potential that stakeholders would view this endeavor as a distraction. Survey results suggest that most stakeholders were comfortable with the expansion.

More than 70% of respondents believe that Melwood's mission to "advocate for and empower people with disabilities to transform their own lives through unique opportunities to work and play in their community" accurately reflects its work. Another nearly 20% felt the mission was somewhat reflected by Melwood's work. Less than 10% felt that Melwood had strayed from its mission completely.

Stakeholders Open to Serving New Types of People within Reason

While survey respondents make clear that they most strongly support Melwood services for people with disabilities, they make clear that they see the value in having Melwood support other types of people. Most respondents supported Melwood expanding to serve people with behavioral health issues, and there was strong support for expanding to offer services to the elderly (43% support, 35% unsure, 22% do not support).

These findings should not be interpreted as open support for expanding services to anyone. For example, respondents by and large support offering services to veterans who are suffering with post-traumatic stress or other war-related injury (45% agreed that Melwood offered an appropriate amount of services to this group, another 45% agreed that Melwood should increase services to this group). But when asked if Melwood should offer services to veterans regardless of whether the veteran was affected by post-traumatic stress or other disability, most respondents said “no.” Similarly, most respondents did not support serving people facing barriers to employment other than disability. While stakeholders are willing to support Melwood in serving a broader population, there is a limit to how far they think Melwood should stretch.

Giving Purpose to “Advocate”

After being reminded that Melwood’s mission includes the word “advocate,” respondents were asked whether

they thought that Melwood should engage in legislative advocacy or lobbying on issues that affect people with disabilities. The response was overwhelmingly yes (69.67% of respondents). If respondents did not reply yes, they most likely were unsure (25.41% of respondents).

Other Stakeholder Takeaways *What Stakeholders Value Most*

It comes as no surprise that job readiness and support services are most valued by stakeholders. Nearly 70% of respondents rated these services as very important. Inclusive children’s programming that allows children with and without disabilities to play together (i.e. Camp Accomplish) scored the second highest level of support with nearly 65% of respondents rating it as very important.

Stakeholders Want a Wider Array of Services

Most stakeholders would like for Melwood to offer a wider array of program services to its participants. 75% agreed that Melwood should add new lines of business that reflect the modern job market and that would offer new types of employment opportunities to participants.

Programming Preferences

Stakeholders support community-based services over facility-based services by 17%. They support customized individual programming over large group program offerings by 12%.

APPENDIX 3

METHODOLOGY

METHODOLOGY

The Melwood mission and strategy reflect our continual pursuit of a world where people with disabilities are fully included. This strategic plan aims to address the staggering underrepresentation of people with disabilities in the workforce by providing impactful, innovative programs that urge our communities to dream big.

Similar to our process for developing programs and business services, Melwood called upon a wide array of experiences and perspectives to develop our future strategy and affirm both our mission and vision. This approach is rooted in Melwood's core values of inclusivity and teamwork, and is consistent with our Commitment to People.

The strategy outlined in this document synthesizes information gathered from stakeholders (both internal and external) through active dialogue, secondary source review, and surveys. A summary of those methods follows:

Melwood Participants and Their Families

On an annual basis, Melwood surveys its participants and their families to gauge their satisfaction with Melwood programs and services. While these surveys are primarily a measure of where Melwood is today, they allow these critical stakeholders an opportunity to share with Melwood ways in which it can improve.

Melwood participants and their families were also invited to participate in a survey designed specifically for Melwood's strategic planning process. This survey asked

participants to not only reflect on today's performance, but also to share their thoughts on questions regarding how and whether Melwood should grow.

A select few members of this category also participated in in-depth interviews, which were done in two formats. First, the Board of Directors sets aside time at each of its meetings to hear directly from a program participant. Second, a select few participants were chosen to participate in an in-depth interview with Edelman, a public relations and marketing consultancy firm engaged to help Melwood with its branding project.

Melwood Community, Donors, and Policy Leaders

Members of the Melwood community were invited to participate in a survey designed specifically for Melwood's strategic planning process. This survey asked participants to not only reflect on today's performance, but also to share their thoughts on questions regarding how and whether Melwood should grow. Respondents identified themselves as: donors, employers of Melwood participants, neighbors, and peers in the field of support services.

Input was also gathered through our ongoing dialogue with community leaders and policymakers. This includes, but is not limited to, discussions with:

- Members of Congress (Jack Bargman (R-MI), Lisa Blunt-Rochester (D-DE), Anthony Brown (D-MD), Ben Cardin (D-MD), Bobby Scott (D-VA), Chris Van Hollen (D-MD), and Tim Walz (D-MN))

- Members of the Maryland General Assembly (Senator Thomas “Mac” Middleton, Delegate Eric Luedtke)
- Members of the Trump Administration (OSERS Acting Assistant Secretary Ruth Ryder)
- Members of the Hogan Administration (Lt. Governor Boyd Rutherford, Secretary Carol Beatty (Disabilities), Secretary George Owings (Veterans Affairs))

Melwood also engages the community through participation in events such as the Congressional Briefing: Future of Work for the Disability Community, SourceAmerica’s Grassroots Advocacy Conference and Developmental Disabilities Day in Annapolis; and through membership in organizations like the Maryland Association of Community Services, and Virginia Access.

Melwood’s website also offers community members the opportunity to provide input 24/7/365. This tool is maintained by the External Affairs Department.

Melwood Leadership (Board of Directors, Executive Team, and Senior Management Team)

Melwood Leadership was invited to participate in a survey designed specifically for Melwood’s strategic planning process. This survey asked respondents to not only reflect on today’s performance, but also to share their thoughts on questions regarding how and whether Melwood should grow.

At a meeting in September 2017, the Senior Management Team was asked to focus on the first half of the SWOT analysis (Strengths and Weaknesses) through a facilitated activity. This discussion was primarily focused on Melwood’s present operations.

Once the discussion of strengths and weaknesses was complete, the Senior Management Team was briefed on the environmental scan that was prepared as part of the strategic planning process. Following this briefing, the Senior Management Team focused on the latter half of the SWOT Analysis (Opportunities and Threats) through a facilitated activity. Senior Management Team members were asked to respond to the following questions:

- If Melwood had unlimited resources, what would you like to see Melwood do?
- Is there an unmet need we can meet?
- In today’s discussion, was there an idea or an opportunity that you would like Melwood to seize?

A Board Retreat was held in October 2017. The first day of the retreat focused on the Board and Executives reviewing the environmental scan and then hearing from thought leaders in the field of support services. These thought leadership presentations included the following discussions:

- Thinking Beyond Facility-based Services with Karen Lee, Executive Director of SEEC;
- Technology Trends with Betsy Beaumon, President of Benetech;
- The benefits of Equine-Assisted Activities and Therapies with Alanna Flax-Clark, a para-equestrian in a wheelchair who is actively training for the Paralympics in equestrian;
- The benefits of art as therapy and career with Alba Somoza, a woman living with cerebral palsy who has become an accomplished artist, a docent at the MET, and who teaches art to children with and without differing abilities;
- The need for vocational education with Rebecca Cheraquit, who serves as Melwood's Vice President of Community Services;
- Empowerment through accessible design with Sady Paulson, a woman living with cerebral palsy, who has become a recognized cinematographer most recently doing work for Apple;
- Hospitality as a social enterprise with Elizabeth Kinner and Chef Linda Volger, who established a full-fledged restaurant and catering business as a means to teach job skills to people affected by homelessness; and
- The importance of advocacy with Anastasia Somoza, who began her advocacy work in 1993, when, at the age of 9, she had the opportunity to ask President Bill Clinton to help mainstream her twin sister Alba into the New York City public school system.

At the conclusion of the first day, retreat attendees were asked to share their thoughts on the presentations. Specifically, they were asked:

- What are you uncomfortable with?
- What inspired you?
- What challenged your assumptions?
- What did you hear that resonated?

On the second day of the retreat, attendees participated in facilitated discussions. A World Café activity posed the following questions to the group:

- How will the world be different in 5 to 10 years for people with disabilities?
- Our mission references both “work” and “play.” Given the growing focus on Competitive Integrated Employment, is “play” still relevant to our mission?
- Our mission says that we “advocate.” What does it mean for Melwood to “advocate” for people with disabilities?
- Is our mission now broader or narrower than when Melwood started its last strategic plan?
- Should we be looking to serve more people? Should we be looking to serve new types of people?
- What do we need to do in the next five to ten years in order to prepare to fulfill our mission?

METHODOLOGY (CONTINUED)

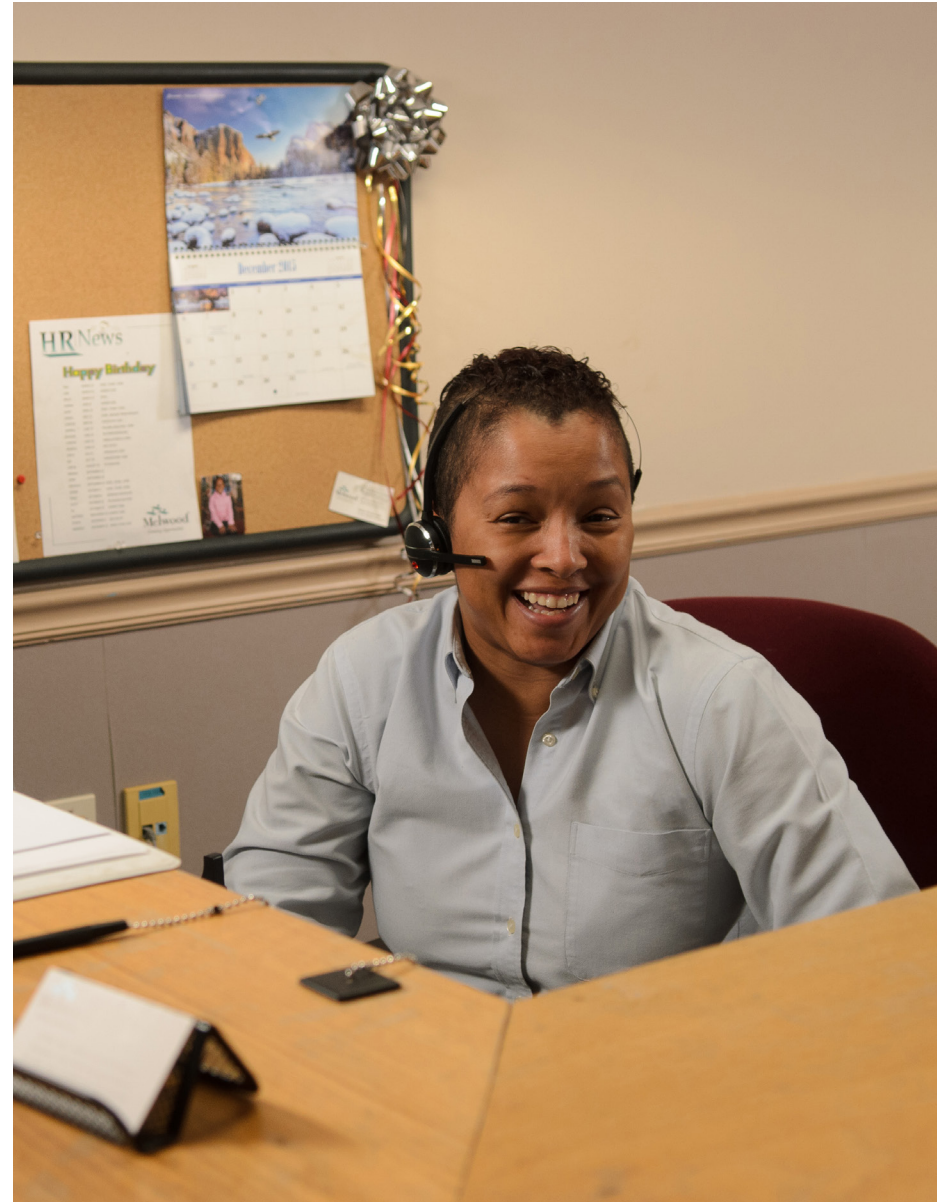
The same set of questions was posed to the Senior Management Team at its November 2017 meeting. Both the Board and the Senior Management Team were presented with an initial draft of the Strategic Plan in January 2018 to ensure that we captured the mindset of Melwood leadership accurately, and that we clearly focused on the priorities that Melwood leadership wanted to pursue.

Responses were collected and consolidated, and were instrumental in developing initial drafts of the strategic goals and strategies related thereto.

Melwood Staff

Melwood staff were invited to participate in the community survey, and were also invited to participate in a survey specifically designed for employees, who have a more intimate understanding of Melwood operations. This survey sought feedback on Melwood's strengths, weaknesses, and areas for growth.

Employees also participated in Engagement and Satisfaction Surveys in both 2014 and 2017. This data was utilized as well.





**SO MANY OF OUR DREAMS AT FIRST SEEM IMPOSSIBLE,
THEN THEY SEEM IMPROBABLE, AND THEN, WHEN WE
SUMMON THE WILL, THEY SOON BECOME INEVITABLE.**

- CHRISTOPHER REEVES

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