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Employment Services 2015 Outcomes Management Report

MDI is a nonprofit, social enterprise with the mission to serve people with disabilities by offering inclusive employment opportunities and services. MDI headquarters are in the Twin Cities and there are three additional locations in Grand Rapids, Hibbing and Deer River, Minnesota. MDI's goal is to provide long-term employment with competitive wages and benefits in an integrated and inclusive setting. MDI also provides placement services for people with disabilities in community businesses.

Deer River Hired Hands, a licensed Day Training & Habilitation program that operates a recycling facility affiliated with MDI in 2013. Currently, Deer River Hired Hands employs 58 people with developmental disabilities who work in the recycling facility in Deer River and in MDI - Grand Rapids.

MDI partnered with at least eight other non-profit organizations in 2015 to provide work for people with disabilities in our MDI operations. These organizations supported workers with disabilities to learn and maintain their jobs for the length of the United States Postal Service contract. MDI also worked with five temporary agencies that also assisted in production needs.

MDI emphasizes that all employees are treated equally. All employees participate in meetings with supervisors and quarterly meetings with the CEO and management staff. Everyone has the same opportunity to discuss services, the financial condition of MDI, and future plans of the organization. In addition, MDI has an "open door policy" that allows all employees to seek out management, ask questions, and present ideas. There are suggestion boxes located in all four plants where employees can anonymously present ideas or voice concerns.

MDI's goal is to have an integrated workforce where 40 – 50% of the employees have documented disabilities with at least one "Significant Functional Limitation" (See attached for definitions) and other barriers to competitive work. To accomplish this goal MDI has developed business operations that provided employment to 476 employees and temporary workers as of December 31, 2015; 225 or 47% of those employees had documented disabilities. Throughout 2015 the number of workers was as high as 656 in order meet the production needs. In 2015 there were as many as 280 employees with disabilities hired to work at the four MDI plants.

Overall Satisfaction

MDI employees report a very high level of overall satisfaction with their employment. An employee satisfaction survey included both MDI employees and temporary employees. The 2015 results for the statement, "I like my job at MDI." was 96% who either agreed or highly agreed with that statement.

Enhancing respectful communications should be an area of focus for MDI in the coming year. The statement that "People at MDI treat each other with respect." received the average lowest score of 3.05 out of 4 in the survey with either agreeing or highly agreeing with the statement.

Overall Results - Last Three Years

<u>Year</u>	<u>Revenue</u>	<u># of Employees</u>	<u># of Employees /w Disabilities</u>	<u>Percent of Employees w/Disabilities</u>
2015	\$45.4M	476	225	47%
2014	\$16.7M	285	147	51%
2013	\$23.4M	230	130	56%

Revenue and Product Lines

MDI continues to invest in growing and diversifying its business in order to retain and grow job opportunities for people with disabilities. In addition to selling more products and services to existing customers, MDI has expanded into new customers, markets and product lines. The organization has several sales and marketing campaigns underway, and intends to launch two new products lines in 2016.

Income by Product Line

<u>Product or Service</u>	<u>2015</u>	<u>percent</u>	<u>2014</u>	<u>percent</u>	<u>2013</u>	<u>percent</u>
US Postal Service Totes	\$23,728,942	52%	\$5,808,636	34%	\$6,807,194	29%
US Postal Service Stamps (service)	\$878,139	2%	\$826,725	5%	\$1,212,616	5%
US Postal Service EMM Trays	\$11,468,541	25%	\$1,642,446	10%	\$7,819,744	34%
US Postal Service MM	\$573,313	1%	\$0	0%	\$0	0%
Deer River Hired Hands	\$1,299,165	3%	\$1,186,683	7%	\$283,510	1%
Commercial Plastics	\$6,298,288	14%	\$6,206,439	36%	\$6,053,684	1%
Commercial Assembly	\$661,060	1%	\$558,522	3%	\$772,166	3%
Grants and Donations	\$513,264	1%	\$439,170	3%	\$219,668	3%
Other	\$32,354	0%	\$17,517	0%	\$279,820	1%
Total	\$45,453,066	100%	\$16,686,138	100%	\$23,448,402	100%

Production Operations and Quality Control

Production operations are in well-equipped plants that provide good-to-excellent working conditions for employees. The rapid expansion of sales in 2011/2012 and again in 2014/15 exemplifies the effectiveness of manufacturing operations and the Quality Management System (QMS) that supports it. The QMS is modeled for

compliance with the ISO9001:2008 standard for quality management systems in which we achieved registration in September, 2013. The registration is for three years, with a recertification audit occurring in August/September 2016 that will include the Deer River Hired Hands operation. Immediately following recertification we will pursue a migration to the latest version of the standard, ISO9001:2015 with a goal of completing this transition by August/September 2017. MDI's Senior Management and Quality teams received an introduction to the new standards in March 2016. Among the changes in the new standard are an even greater emphasis on risk analysis and senior management's involvement in the quality management system.

Employment Services

MDI provided services to 225 individuals with disabilities as of 12/31/15. The breakdown of categories and disabilities served is illustrated in the following charts:

Employment at MDI

as of December 31, 2015	<u>Total</u>	<u>Eligible with a disability</u>	
Twin Cities	53	22	42%
Hibbing	40	31	78%
Grand Rapids	88	37	42%
Deer River	75	58	77%
Employees	256	148	58%
Temporaries	220	77	35%
Total	476	225	47%

Wages & Hours Worked

MDI continues to be a leader in fair wages for employees with and without disabilities paying all at least minimum wage and benefits. The average wage for MDI employees with disabilities who receive services from the Employment Services team was \$9.88 per hour with the average hours worked per week of 30.

MDI's Placement Services had an average hourly wage was \$10.74 per hour with the average hours worked per week of 23.

<u>Disability Category</u>	<u>MDI*</u>	<u>Placement Services</u>	<u>Total</u>	<u>Percent</u>
Intellectual	90	3	93	48%
Auditory	24	3	27	14%
Visual	4	0	4	2%
Physical	8	8	16	8%
Mental Illness	19	18	37	19%
Orthopedic/Neurological	13	4	17	9%
Number of Individuals	158	36	194	100%

*These results only include MDI employees. Temporary workers are not included in this data.

Satisfaction

In 2015, the satisfaction of MDI employees with disabilities for services received from the Employment Services team was 98%. A satisfaction rating is received annually for each employee who received supports from the Employment Services team. The overall satisfaction of people with disabilities who received Placement Services was 100%. Satisfaction was measured for individuals after reaching 90 days of successful employment.

Placement Services

MDI offered placement services in the Grand Rapids/Hibbing areas in 2015. The program is designed to serve people with disabilities referred by Minnesota Vocational Rehabilitation Services (VRS) or State Services for the Blind, placing them into competitive employment in community businesses. MDI provides support and follow-up to help guarantee job satisfaction and success. MDI also provides a placement specialist who works out of the VRS offices in Hibbing and Virginia. This placement specialist provides services directly to VRS clients in coordination with their VRS counselor. This position is funded through a grant from Vocational Rehabilitation Services.

The following chart shows results for the Placement Services program in 2015:

Individuals Served in 2015

	Placement Services	Placement Services-VRS	TOTAL
Referrals	12	24	36
Placements	9	26	35
Closures*	3	14	17

*Closures are counted once employment is retained for 90 days after placement.

Expansion of Placement Services

In July of 2015, MDI received a two-year grant from the state of Minnesota for \$450,000 for the continuation and enhancement of services to people with disabilities or individuals who have other barriers to work. The goal for the use of the funds is to expand skill development and enhance employment opportunities of MDI employees and temporaries in all MDI operations. The dollars are primarily being used for 1)new and existing positons that will support people with disabilities and barriers to employment and 2)training of Employment Services staff, as appropriate in the areas of Person-Centered Planning, Motivational interviewing and Job Placement.

Recommendations:

MDI has seen significant improvement in sales levels and its financial position. Challenges facing MDI continue to be:

- Obtaining enough business to provide long-term jobs for people with disabilities that pay competitive wages and benefits while still maintaining revenue to sustain the organization
- Improving cultures of respect in all locations.

Marketing and public relation efforts are a priority to create awareness about MDI's business model and its competitive, high quality products and services for business customers. Employment Services is working with Human Resources staff on initiatives to emphasize the importance of respect between all MDI employees.

Using person-centered thinking and planning skills, the Employment Services team will focus on the following two goals:

- 1) Grow and expand employment opportunities for people with disabilities in all service areas.
- 2) Provide skill development and advancement opportunities that allow people to achieve their full potential.

MDI's Employment Services team is structured with the following positions:

- Director of Employment Services
- Employment Support Specialists (5) – Supporting employees with disabilities in the MDI Operations in Deer River, Grand Rapids, Hibbing and the Twin Cities
- Placement Support Specialists (4) – Supporting employees interested in new employment opportunities in Grand Rapids, Hibbing and the Twin Cities and clients referred by Vocational Rehabilitation Services in Grand Rapids, Hibbing, International Falls and Virginia, MN

Jeanne Eglinton

March 31, 2016

Significant Functional Limitations as defined by Vocational Rehabilitation Services of Minnesota

There are seven identified areas that, due to a severe physical or mental impairment, one or more of a person's functional capacities are , restricted to the degree that the person requires services or accommodations not routinely made for others in order to prepare for, secure, retain, or regain employment.

The seven areas are:

1. Communication means the ability to effectively give and receive information through words or concepts, using methods such as reading, writing, speaking, listening, sign language, or other adaptive methods
2. Interpersonal skills means the ability to establish and maintain personal, family, and community relationships as it affects, or is likely to affect, job performance or job retention*
3. Mobility means the physical or psychological ability to move about from place to place inside and outside the home, including travel to and from usual destinations in the community for activities of daily living, training, or work.
4. Self-care means the skills needed to manage self or living environment, such as eating, toileting, grooming, dressing, money management, and management of special health or safety needs, including medication management, as they affect an individual's ability to participate in training or work-related activities.
5. Self-direction means the ability to independently plan, initiate, organize, or carry out goal-directed activities or solve problems related to working.
6. Work skills means:
 - a. The ability to do specific tasks required to carry out job functions; or
 - b. The capacity to benefit from training in how to perform tasks required to carry out job functions.
7. Work tolerance means the capacity or endurance to effectively and efficiently perform jobs requiring various levels of physical demands, psychological demands, or both.

*Source America of the AbilityOne Commission identifies all of the same SFLs except Interpersonal Skills is not identified as an SFL.