

THE AMERICANS WITH DISABILITIES ACT: WHAT IT MEANS TO SMALL BUSINESS OWNERS

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ABSTRACT

Small Business owners with as few as 15 employees came under the provisions of the Americans With Disabilities Act on July 26, 1994. A small business not affected in the employment area may need to provide the disabled customer access to the business. Successful small business strategies for the future should systematically incorporate not only the philosophy of accommodation for the disabled, but realistic attention to details of compliance and competitiveness. This paper reviews terms and conditions that will aid the business compliance_owner in planning for compliance with the ADA. Additional sources of help are also provided.

INTRODUCTION

The Americans with Disabilities Act of 1990--a major new civil rights law--makes it illegal to discriminate against individuals with disabilities in employment, public accommodation, public services, transportation, and telecommunications. This legislation, known as the ADA, extended coverage to businesses with as few as 15 employees on July 26, 1994. The purpose of this article is to inform the small business owner (SBO) or consultant of the ADA concepts that are relevant to the small business, the problems areas that require awareness and contingency planning, and some sources of additional expertise.

The need for ADA legislation was reconfirmed in a recent survey by the National Organization on Disability which indicated that two-thirds of disabled Americans between ages 16 and 64 are unemployed, a proportion that has not changed since 1986 ("Smaller Firms", 1994). The spirit of this legislation is conveyed by former Attorney General Richard Thomburgh (pp. 803-804):

Do not let this bright moment in modern American history escape you....The passage of ADA is truly another emancipation, not only for the 43 million Americans with disabilities who will directly benefit but even more so for the rest of us, now free to benefit from the contributions that these Americans will make to our economy, our communities, and our individual well-being.

The SBO can create an ADA plan as a component of a competitive strategy to employ the disabled and to improve the accessibility of disabled people as employees and as consumers.

The ADA affects small businesses particularly in the areas of public access and employment. This article will help the small business owner who does not have ready

access to the more sophisticated and expensive expertise of human resource consultants, attorneys, and architects, but who still must comply with the requirements of the legislation. Although small firms will be protected from "undue hardship," a successful business strategy for the competitive 1990's should give realistic attention to the details of compliance and competitiveness.

This article is divided into three main sections and two appendices. The first section discusses how to comply with public access requirements by making your premises more accessible to disabled customers and employees. In the second section we discuss issues concerning disabled employees such as when an employer has to be in compliance, what constitutes a disability, and how to clarify job descriptions and specifications. The third section provides guidelines for incorporating ADA planning into small business strategy. The appendices list sources of help for hiring and providing public access to the disabled.

The business owner should consider two categories of changes for complying with the ADA: (1) hiring disabled employees, and (2) serving disabled customers.

PROVIDING PUBLIC ACCESS

Definition--Public Accommodation

Public Accommodations and Services Operated by Private Entities is covered by Title III of the ADA. Section 302 states that no individual shall be discriminated against on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation by any person who owns, leases, leases to, or operates a place of public accommodation.

It is not yet clear what level of accommodation will be required. However, Kelly and Alberts (1990, p. 680) emphasize that:

Unlike Title I, which prescribes a minimum number of employees, there is no such limitation in Title III. Consequently, even a very small retail establishment is covered by the ADA and will have to conform to the pertinent public accommodations provisions.

Large organizations will comply with Title III by using the services of an architect. The small business owner may also need an architect, but may be able to achieve ADA compliance with a simpler strategy. When making building changes, specify that the contractor is responsible for meeting ADA specifications or other compliance requirements. Renegotiate leases to put the burden of building compliance on the owner. Existing contracts of all kinds need to be reviewed by an attorney to determine whether they are impacted by the ADA (Barbe', Cheek, and Lacho, 1992).

When the small business owner evaluates the structural changes needed to provide public access to customers, he or she should also consider whether specific groups of

disabled consumers should become a target market. At the same time, employing disabled individuals could become part of a strategy to best serve some groups of consumers.

Common Barriers Faced By The Disabled

Small business owners need to understand barriers faced by the disabled. Here are some examples:

- *Parking--Spaces too narrow, spaces not level, a curb or step located between the space and the walk, reserved parking signs not visible.
- 'Approach--Street between parking and entrance has no curb-cut or traffic signals, there are steps between sidewalk and entrance level.
- *Entrance--Doors too narrow to admit wheelchair, revolving doors next to locked swing doors, distance between paired doors too short for wheelchairs, excessive pressure needed to open the door.
- *Stairs--Steps with open railings or projected nosings to trip users on crutches, handrails too high or too low, or handrails too difficult to grasp.
- Elevators--Entrance too narrow for wheelchairs, cab size too small for wheelchairs, door level not aligned with floor level, controls out of reach, controls not marked with Braille indicators, no audible signal for upward or downward travel.
- *Floors--Coverings made of a slippery material or deep-pile carpeting, or different levels connected by steps only.
- * Restrooms--Located on another floor not connected by elevator, twin doors situated too close together for wheelchair access, inadequate wheelchair space.
- *Water Fountains--Spout and controls out of reach, placed in alcove too narrow for wheelchair access.
- * Coin-Operated Telephones--Booth is too narrow, controls are too high, and amplification is not provided.
- *Controls--Controls for windows, draperies, heat and light, and fire alarms are out of reach of wheelchair occupants.
- *Hazards--Doors to unauthorized areas not identifiable by touch alone, uncovered floor panels, low ceilings and fixtures.
- 'Alarms--Fire alarms that produce audio warnings only, or exit signs not readily identifiable.

*Other Typical Barriers--Storage cabinets or work surfaces too high or too low, clearance for wheelchairs under work surface or dining tables.

Ways to remove barriers and provide reasonable accommodation are making their way into the literature, especially the trade journals. Some examples follow:

- *Reposition Shelves or Telephones. Shelf and telephone heights should be at most 48 inches from the finished floor.
- *Widen Doors. Minimum clearance width of 32 inches when the door is open 90 degrees is the standard, with enough room for the wheelchair to maneuver through the door. Doors should open in, not out, for wheelchair access.
- *Adjust Aisles. Aisles must be 36 inches wide, and self-service areas (such as buffets and salad bars) must be no higher than 54 inches.
- *Upgrade Emergency Alarms. Alarms should provide both audible and visual warnings.
- *Position Grab Bars in Toilet Stalls. Grab bars should be 36 inches above the floor and should ideally be placed on all four walls securely around the toilet.
- *Insulate Pipes Under Sinks Hot water and drain pipes should be insulated to eliminate direct contact with them.
- *Install Adjustable Keyboard Pads. This allows workers to adjust the keyboard to their correct typing height.
- *Use Ergonomically Adjustable Chairs. Non-wheelchair workers may need to adjust their seating height.
- *Install Adjustable Lighting. Workers may need to adjust light in the workplace.
- *Consider Disability-Specific Hardware and Software. Users may control a computer by winks or nods. Software can magnify screen images, translation technology can convert screen images into spoken words, or voice-input devices may accommodate specific disabilities.
- *Install Ramps or Provide Cups. The disabled can be helped to reach the water cooler.
- *Purchase a TTY (teletypewriter) device. The deaf can communicate over the telephone system. Many firms have made their TTY lines toll-free to encourage their use.

•Provide Personal Service. When barrier removal is not readily achievable, the SBO may be able to accommodate the disabled person by providing personal attention to a disabled customer by such means as reading a menu or a price tag to a blind customer or bringing merchandise to a person in a wheelchair.

Public accommodations should install TTY devices in airports, for example, vibrating alarm clocks in hotels, and strobe lights for smoke alarms in restaurants. All facilities should retrofit door knobs to lever-handle locks.

In addition, some consulting firms that can help with special problems are listed in Appendix A.

BASIC ADA CONCEPTS FOR EMPLOYING THE DISABLED

Every SBO should consider the human resources needed to implement an ADA compliance strategy. The following descriptions will aid in selecting the implementation strategies that benefit the firm and comply with the ADA.

ADA Coverage for Employers

The provisions of Title I govern employment, and the EEOC has published a technical assistance manual for employers and persons with disabilities. Since this legislation extends to the millions of smaller firms with as few as fifteen employees, it is important that these firms understand how to comply with the law.

Definition--An Employer

For the first two years the act covered firms with 25 employees; after July 26, 1994:

(A) IN GENERAL.-The term *employer* means a person engaged in an industry affecting commerce who has 15 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year, and any agent of such person, employment agencies, labor organizations and joint labor-management committees. A special provision is included allowing employers to give religious-based preferences and requires that applicants and employees conform to their religious tenets (29CFR Part 1630.16(a)).

Definition--Disability

The definition of *disability* was borrowed from the Rehabilitation Act of 1973 which covers federal contractors. A disabled person has:

- (A) a physical or mental impairment that substantially limits one or more of the major life activities of such individual;
- (B) a record of such an impairment; or

(C) being regarded as having such an impairment.

What Is Disability?

Below are some practical examples of what does and does not constitute a disability under the ADA.

DISABILITY

Obesity

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Cerebral Palsy Epilepsy Muscular Dystrophy Multiple Sclerosis

Diabetes Learning Disabilities Hearing Aid Use

Manic Depression Mastectomy Victims

Recovered Alcoholic Recovered Drug Addict

Recovered Nervous Breakdown Current and Recovered Cancer

HIV-positive

NOT A DISABILITY

A Temporary Condition

Transvestism
Voyeurism
Transsexualism
Pedophilia
Bisexuality
Homosexuality
Exhibitionism

Compulsive Gambler

Pyromaniacs
Current Alcoholic
Current Drug Addict

Kleptomania

Gender Identification

Disorder

Definition--Qualified Individual with a Disability

The term qualified individual with a disability means an individual with a disability who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires. For the purposes of this title, consideration shall be given to the employer's judgment as to what functions of a job are essential, and if an employer has prepared a written description before advertising or interviewing applicants for the job, this description shall be considered evidence of the essential functions of the job.

This is one of the most important sections of the ADA for the small business owner. In order for the SBO to know if a disabled person can handle a particular job, the job requirements must be known. SBO's seldom have written job descriptions and job specifications, but now is the time to add this professionalism to the small firm. There are two reference books, available at any comprehensive library, to assist in this task. They are the <u>Dictionary of Occupational Titles</u> and the <u>Occupational Opportunities Handbook</u>, both published by the U.S. Department of Labor.

Job Analysis

Job analysis is the process of breaking down a particular job into its various parts. It is used to separate the essential job functions from the nonessential job functions of a particular position. Job analysis should be used for all jobs but is particularly useful when considering the job in relation to disabled applicants.

The SBO should ask these questions when preparing a job analysis (Loudon, 1991)

- 'How is this task performed? What methods, tools, or techniques are used?
- *How often is the task performed? Are those tasks performed less frequently as important to success as those tasks done more frequently?
- *How much time is allowed to perform the task?
- *Why is the task performed?
- *Where is the task performed?
- *How is the success of the task measured?
- *What happens if the task is performed wrong?
- *What aptitudes are necessary for the task?
- *What knowledge is necessary for the task?
- *What skills are necessary for the task?
- * How much physical exertion is required for the task?

A Need for Job Descriptions.

An employer's ability both to define "the essential functions" of a particular job and to establish that a qualified disabled individual cannot perform these functions will be critical in defending against a charge of discrimination under the ADA. This provision represents an important legislative concession to employers. In theory, employers can control their own destinies by determining in advance the physical and mental qualification requirements for particular jobs. Whenever possible, employers need to assess carefully the essential and nonessential aspects of each job. For some jobs, the best approach may be to itemize and prioritize all the duties of each position so that a written job description is clear, concise, and accurate (Creasman & Butler, 1991). Job descriptions are considered evidence of essential functions of a job, and should be prepared before advertising the position or interviewing applicants (Loudon, 1991).

Definition--Reasonable Accommodation

The ADA requires the employer to make reasonable accommodation for an otherwise qualified individual with a disability. Reasonable accommodation may include the following (Creasman & Butler, 1991):

- * Making existing facilities accessible to and usable by the disabled, including removing existing barriers;
- *Restructuring jobs, work schedules, and assignments;
- *Acquiring and modifying equipment;

- * Adjusting or modifying examinations, training materials, or policies;
- * Adopting new procedures;
- *Providing qualified readers or interpreters; and
- *Making other similar accommodations

Definition--Undue Hardship

Employers are not required to make an accommodation that would cause an undue hardship. The term undue hardship means an activity that is unduly costly, extensive, disruptive, or that will fundamentally alter the nature of a business operation. SBO's are protected because of their size and financial resources from undue hardship when it involves "significant difficulty or expense". These factors include (1) the nature and cost of the accommodation; (2) the size, type, and financial resources of the specific facility where the accommodation would have to be made; and (3) the size, type, and financial resources of the covered employer.

What should the SBO understand about the previous sections? First, the essential job functions must be known before it is clear whether a person with a particular disability could perform those job functions. A job analysis will reveal the essential job functions. A job description can be written after a job analysis is completed. If an otherwise qualified individual with a disability applies for a position, the ADA requires the employer to make reasonable accommodation, if the accommodation would not cause an undue hardship.

INCORPORATING ADA PLANNING INTO SMALL BUSINESS STRATEGY

Changes in the business to comply with the requirements of the ADA should be incorporated into the overall business strategy. Implementation of the following ideas and procedures will not only protect the small firm from possible litigation but also aid in the professional management of the firm and the achievement of successful long-term goals.

ADA Implementation Checklist for the Small Business Owner:

*The term is disabled. The SBO should become accustomed to using the term disabled instead of handicapped. Lindsay (1989-90, p. 334) quotes the Senate Labor Committee report:

The use of the term *disability* instead of *handicap* represents an effort by the Committee to make use of up-to-date, currently accepted terminology...to many individuals with disabilities the terminology applied to them is a very significant and sensitive issue.

*Avoid preconceived ideas. Most discrimination against the disabled is based on assumptions about work and the portrayal of disabled persons as helpless.

- Post the proper notices # (S.105). Every employer must post notices in an accessible format to applicants and employees which describe the applicable provisions of the ADA. The format is the same as prescribed by Sec. 711 of the Civil Rights Act of 1964 (42 U.S.C. 20003-10).
- * Understand essential job functions. An employer must know the essential functions of a job in order to determine whether or not a disabled person can perform the job. A clear understanding of these functions is related not only to the ADA, but also to the overall division of labor in the firm. Analysis for the ADA may provide insight into new divisions of labor that will also accommodate firm growth.
- *Be open to reasonable accommodation. Disabled people know what types of accommodations are effective. According to CCH (1990, p. 101): "Stereotypes about disability can result in stereotypes about the need for accommodations, which may exceed what is actually required. Consultations between employers and the persons with disabilities will result in an accurate assessment of what is required in order to perform the job duties." Use this five-step process for job accommodations:
- 1. Determine that the individual is minimally qualified;
- 2. Obtain job and task information by listing each step of a job and the requirements for performing each step;
- 3. Determine the job modification needs by examining the requirements of the job and the capabilities of the potential worker;
- 4. Explore alternatives with the worker:
- Select the most effective modifications.
- *Use Appropriate testing. Employers will have to (1) review and revise tests, the way tests are administered, other selection criteria, and practices to make sure they do not discriminate against disabled individuals, (2) use tests or selection criteria that are job-related, (3) use employment entrance exams only if they are given to all employees, regardless of disability.
- Follow guidelines for those with diseases. Employees with infectious and communicable diseases can be transferred from food handling jobs only if the diseases are on the list of infectious and communicable diseases published by the Secretary of Health and Human Service and if risk of harm cannot be eliminated by reasonable accommodation. Practices dealing with AIDS employees must follow the CDC (Centers for Disease Control and Prevention) guidelines.
- *Consider drug testing. The ADA legislation does not take a position on drug testing, and drug testing is not considered a medical examination for ADA purposes. Consequently, employers can require employees to conform with Drug-free Workplace Act requirements.

- *Know that other legislation supports ADA. The ADA does not invalidate or limit other federal, state, or local laws that give individuals with disabilities greater or equal protection.
- *Be a can-do manager. Remember that entrepreneurial managers are concerned with solving problems, not with inventing reasons why something can't be done.

Passage of the ADA requires a change in the thinking of Americans that has been a long time in coming:

Over forty years ago, the Department of Labor conducted a study and found that there were no significant differences in productivity, injuries on the job, absenteeism, or voluntary resignation between disabled and non-disabled workers" (Marlow & Marlow, 1990, p. 97).

The disabled face massive discrimination according to the Congressional Task Force on the Rights and Empowerment of Americans with Disabilities, and the disabled are being thwarted as much by obsolete attitudes as by inaccessible environments (Pati and Stubblefield, 1990). In addition, excluding from the workforce the 10 million employable disabled citizens out of the population of 43 million disabled costs society \$300 billion annually (Pati and Stubblefield, 1990), at a cost to the federal government of \$1 billion annually (Loudon, 1990).

Although the ADA became effective on July 26, 1990, it was only on July 26, 1994, that the ADA was extended to the estimated one half million businesses employing 15 to 24 workers. Attorney General Janet Reno, at a ceremony designed to educate the newly covered employees, told disability advocates that "too many have taken a wait-and-see attitude to determine whether the Justice Department is serious about forcing compliance. I have just one answer: we are serious" ("Disabilities Act," 1994). The need to comply with the ADA provides an opportunity to rethink our approaches to "the way we have always done it."

The regulations and their interpretations are confusing and voluminous. But the law will not go away, and the SBO can begin by using this article to incorporate ADA thinking into your business strategy. What the ADA means to the small business owner is another way to be more competitive in both the delivery of goods and services and in the creation of a motivating work environment for employees. As Attorney General Reno remarked, "It's not hard to comply with the ADA...because the ADA isn't just the way things should be. Now it's the law" ("Disabilities Act," 1994).

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APPENDIX A

SOURCES OF HELP FOR HIRING THE DISABLED

- *Help through Industry Retraining and Employment (HIRE) will pay for the cost of training a disabled worker up to 50% of the new worker's hourly wage for up to six months.
- * Databanks and hot lines ABLEDATA is a databank that lists reasonable-accommodation equipment for disabling conditions and is available online at (916) 654-8121.
- *Job Accommodation Network is a clearinghouse of jobs and accommodations needed by the disabled to perform those jobs is available at (800) 526-7234 (Breuer, 1993).
- *Software: Crosswalk and Descriptions Write Now! are examples of software packages used to define essential job functions in creating job descriptions (Breuer, 1993).

Program and Support Services

Program and support services are designed to help the disabled person enter and become established in the workplace. Employee support services are set up by rehabilitation agencies and businesses.

- The Federal Job Accommodation Network (JAN), offers free advice to employers (800) 526-7234. A database provides practical solutions for adapting jobs for disabled applicants and employees. Information includes job modifications, technological devices, and various work place adoptions. (Marlow & Marlow, 1990).
- 'State Commissions. Programs which instruct business on ADA implications are being conducted by rehabilitation commissions of each state and by state commissions for the blind (Ballenger, Franklin, and Robinson, 1992).
- * Unusual equipment needs can be met. A disabled individual who requires supporting equipment typically will bring it to the workplace. Sources of equipment include state funding or insurance funding. Rehabilitation programs may provide the person with all the equipment necessary to be productive in the job (Jacobs, 1990).
- Technical assistance is available. Federal agencies with responsibility for implementing the ADA must provide technical assistance manuals for each Title of this act. The Equal Employment Opportunity Commission (EEOC) publishes a

technical assistance manual for employers and disabled persons who have employment questions.

- *Public Law 101-336--July 26, 1990. The text of the ADA is available from the Superintendent of Documents, Government Printing Office, Washington, DC 20402 for \$1.50.
- *Commerce Clearing House Publication. CCH's Explanation of the Americans with Disabilities Act of 1990 can be ordered from Commerce Clearing House, Inc., 4025 West Peterson Ave., Chicago, IL 60646 for a nominal fee. See also the ADA special report by Jacobs (1990).
- Literature Sources. A sample of the literature by topical area is presented below.
 - *National Real Estate Investor--advice and resources for those involved in building design and construction (Alton, 1992).
 - Labor Law Journal--ADA articles targeted to employers (Creaseman & Butler, 1991; Kelly & Alberts, 1990; Thomburgh, 1990; Mello, 1993; Snyder, 1993).
 - *Management Review--many resources are listed in "A Toolkit for ADA" (1993).
 - *Legal and Human Resource Experts--(Jacobs, 1990; Lindsay, 1989-90; Marlow & Marlow, 1990; Pati & Stubblefield, 1990; Meisinger, 1990)

APPENDIX B

FINANCIAL INCENTIVES TO PROVIDE PUBLIC ACCESS

There are several sources of financial aid to help the small business owner provide public access to the disabled:

- *The Targeted Jobs Tax Credit Program targets newly disabled workers. In the first year a company can claim 50 percent of the first \$6,000 paid in wages as a tax credit. Twenty-five percent of the \$6,000 paid in the second year is deductible. The credit is limited to 90 percent of the company's tax liability.
- *The Internal Revenue Code as amended in 1990 allows a deduction of up to \$15,000 per year for the removal of qualified architectural and transportation barriers.
- *Help for small business is provided by the IRS for certain costs of compliance with the ADA.

An eligible small business is one whose gross receipts do not exceed \$1,000,000 or whose workforce does not consist of more than 30 full-time workers. Qualifying businesses may claim a credit of up to 50 percent of eligible access expenditures that exceed \$250 but do not exceed \$10,250. Examples of eligible access expenses include the necessary and reasonable costs of removing architectural, physical, communications, and transportation barriers; providing readers, interpreters, and other auxiliary aids; and acquiring or modifying equipment or devices (ADA Handbook, Appendix M:10).