



Senate Bill 2012

House Appropriations Committee | Human Resources Division
Representative Jon Nelson, Chairman

Vocational Rehabilitation | Damian Schlinger – Director
March 9, 2023



Health & Human Services

HHS Goal: Help ND become the healthiest state in the nation

We'll focus on three actions to accomplish this:

Invest in the
FOUNDATIONS
of well-being



Economic
Health



Behavioral
Health



Physical
Health

Ensure everyone has the
opportunity to realize
their **POTENTIAL**



Strong, Stable
Families



Services Closer
to Home



Early Childhood
Experiences

Efficiency
Through
Redesign

High-
Performing
Team

Give everyone the
OPPORTUNITY to
decide to:



Be Healthy



Be Active



Find & Prevent
Disease Early

DHHS serves people with Disabilities



Intellectual Disability

Fetal Alcohol Syndrome
Autism Spectrum
Down Syndrome



Physical or Sensory Disability

Mobility Impairment
Vision Impairment
Hearing Impairment



Behavioral Health Disability

Anxiety Disorders
Depression
Addiction



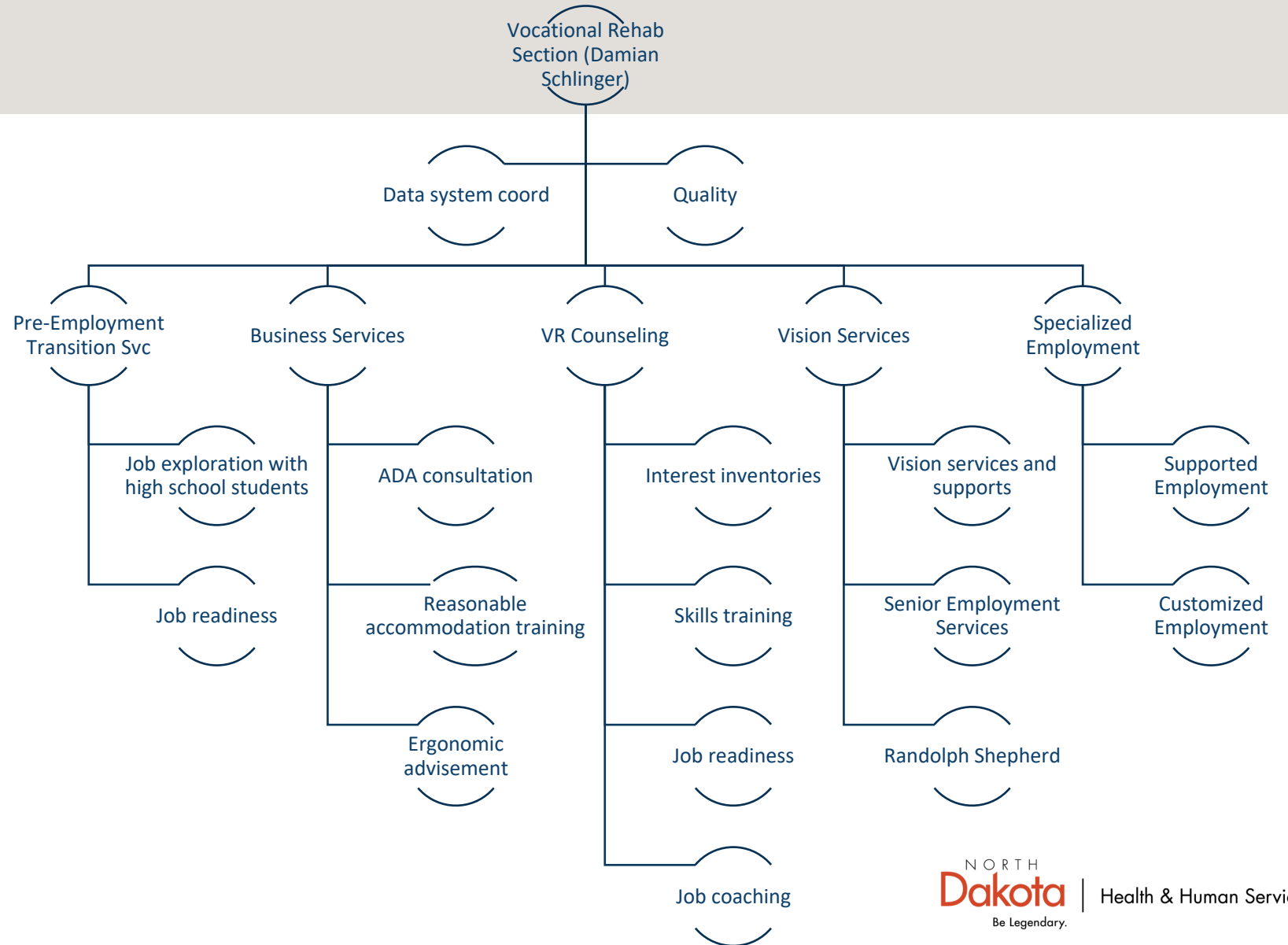
Cognitive or Neurological Disability

Learning Disability
Acquired Brain Injury
Multiple Sclerosis



Vocational Rehab: Staffing and Team Structure

The purpose of Vocational Rehab is to assist North Dakotans with disabilities to enter or re-enter the workforce through individualized services

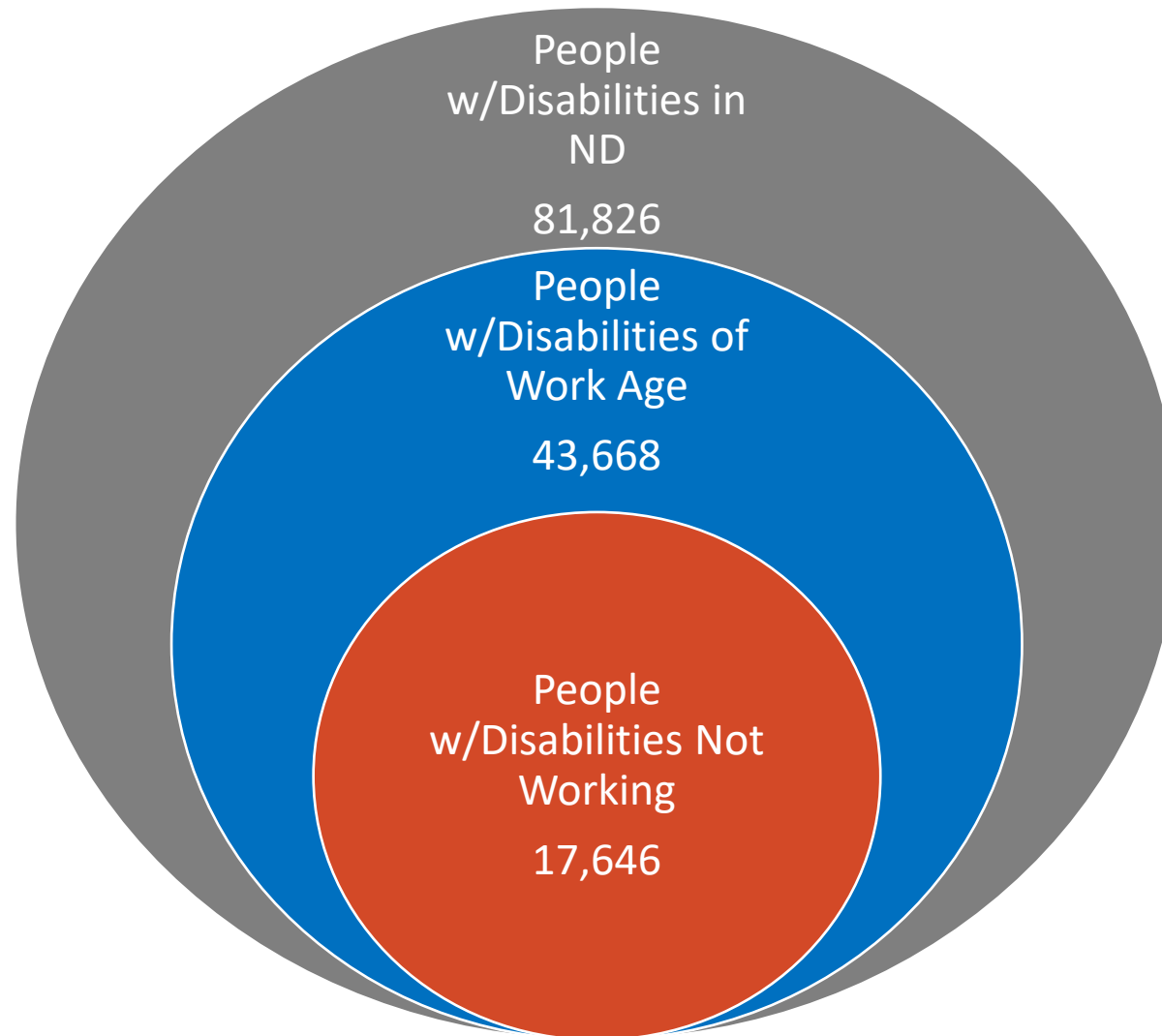


Vocational Rehab

21-23 Authorized FTE Base	23-25 Executive Budget FTE	12-31-22 Vacancies
85.0	85.0	2.0

Avg Age	Avg Yrs of Service	Turnover 2021	Turnover 2022
48	9	22.7%	18.8%

Vocational Rehabilitation: An Essential Part of the Workforce Solution



Who might choose to seek services from Voc Rehab?



- Individual seeking service can have a congenital or acquired disability
- Services are inclusive of all types of disability – learning, developmental, physical, cognitive, behavioral
- Barrier to seeking, maintaining, or advancing in employment due to disability
- Jobs acquired are from entry-level to professional
- Clients can come back through the process for career progression, change in career goal or job situation

What is Vocational Rehabilitation? What do we do?

Pre-employment Transition Services (Pre-ETS)

- Students ages 14-21
- Job exploration
- Job readiness training
- VR has contracts w/ 71 school in ND

Services to Business

- Connect to qualified applicants
- Retaining existing employees w/ developed or have a worsening disability
- ADA accommodation consultation
- Education on disability awareness, tax incentives

Supported Employment/ Customized Employment

- Additional support during Rehab Process
- Job search, interviewing skills, resume writing, tuition assistance, negotiate job tasks w/employer, on-the-job training, etc.
- Coordinate supports once VR case is closed

Vision Services (OIB- Older Individuals who are Blind)

- Individuals 55+ with a significant visual impairment
- Home or environmental accommodations/ equipment
- Assistive technology – magnifiers, lighting
- Communication skills

Specialized Programs

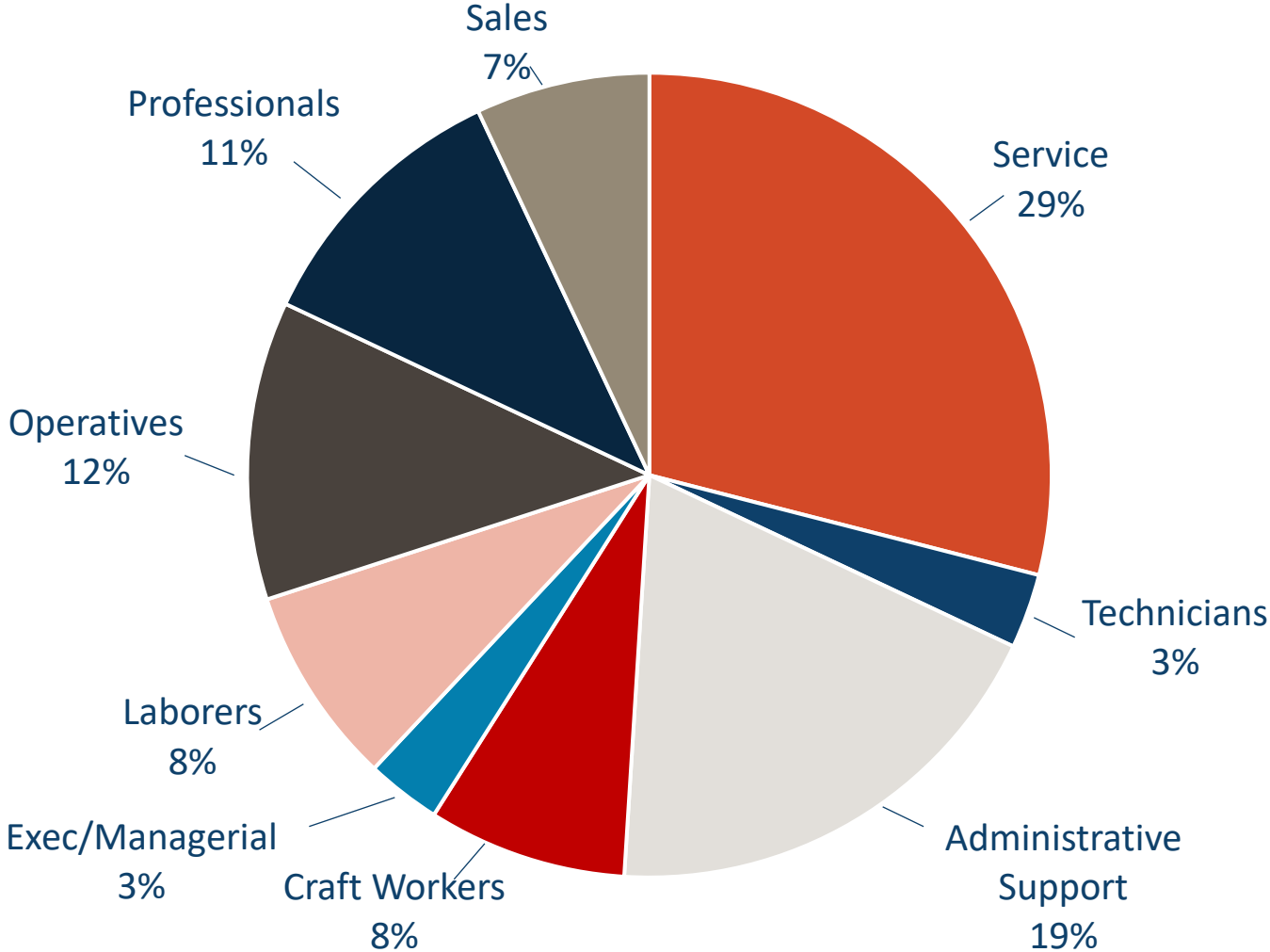
- Senior Community Service Employment Program (SCSEP) – part of Older Americans Act – 55+, unskilled
- Randolph-Sheppard – blind vendors in cafeteria settings in federal buildings

The Voc Rehab Process



People who utilize VR are employed in many major occupational categories key to our state's economy

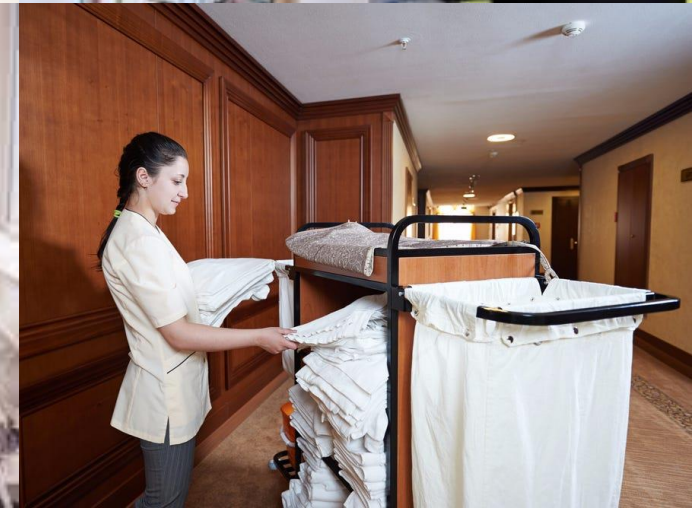
Client Job Types – FFY 2021



Connecting with Employers: Services to Businesses

Any ND employer is eligible for VR services (non-profit or for-profit business or government agency)

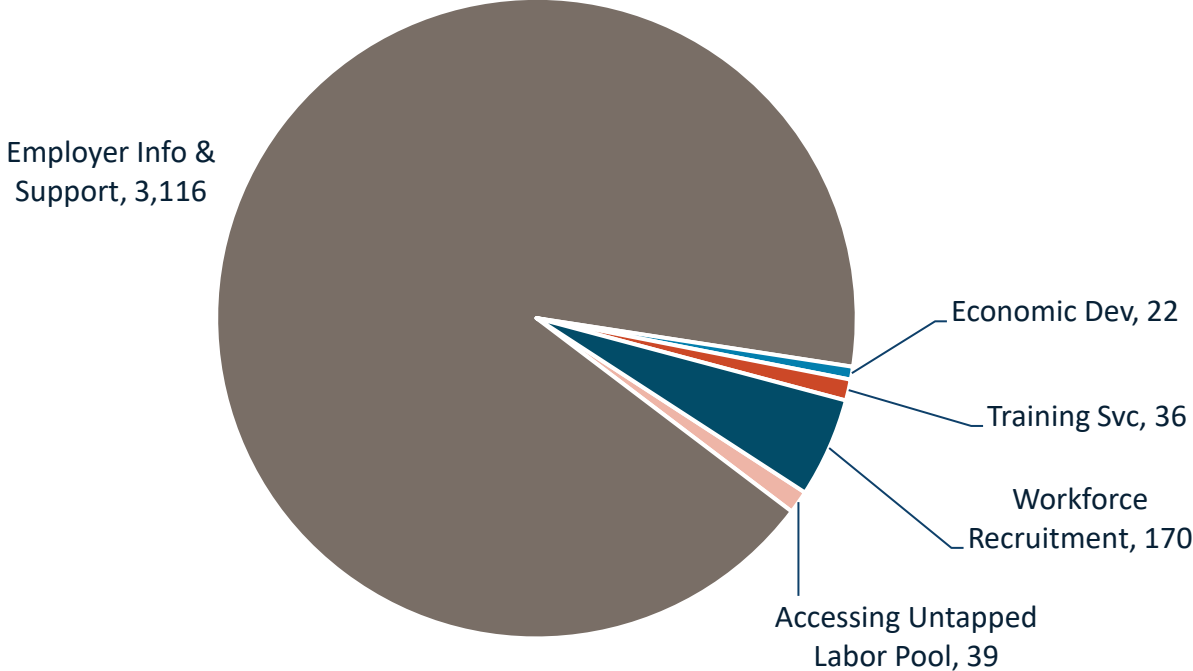
- Assist employers in connecting to an untapped labor pool of people with disabilities
- Retaining existing, well-trained and productive workers who may have developed or have a worsening disability
- Providing education on disability awareness, tax incentives and the Americans with Disabilities Act



Connecting with Employers: Services to Businesses

In FFY 2022, VR staff provided 3,383 services to 1,850 different businesses

- ✓ Oil and Gas
- ✓ Construction
- ✓ Hospitality
- ✓ Administrative & Support
- ✓ Education
- ✓ Health
- ✓ Finance
- ✓ Government
- ✓ Manufacturing
- ✓ Retail



Service Delivery Improvements – 21-23

Sound Investments

- Doubled Client Financial Participation limits = more working families qualify
- Increased hourly rate to Community Rehab Providers (CRPs) by 15%
- Increased client tuition minimum from \$600 to \$1,000 per semester

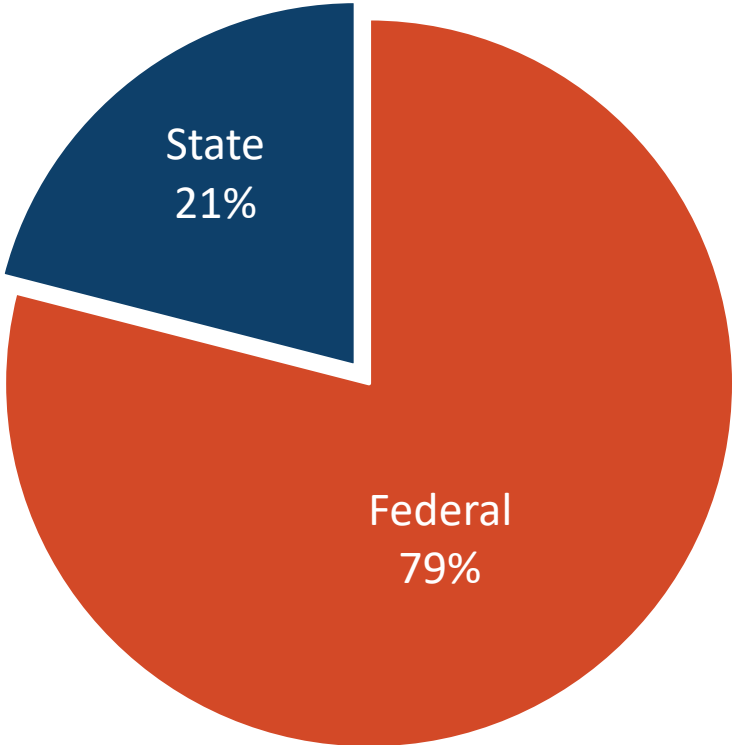
Satisfaction and Engagement

- Client satisfaction – 90% in 2022
- Re-imagined eligibility process – 32% faster engagement

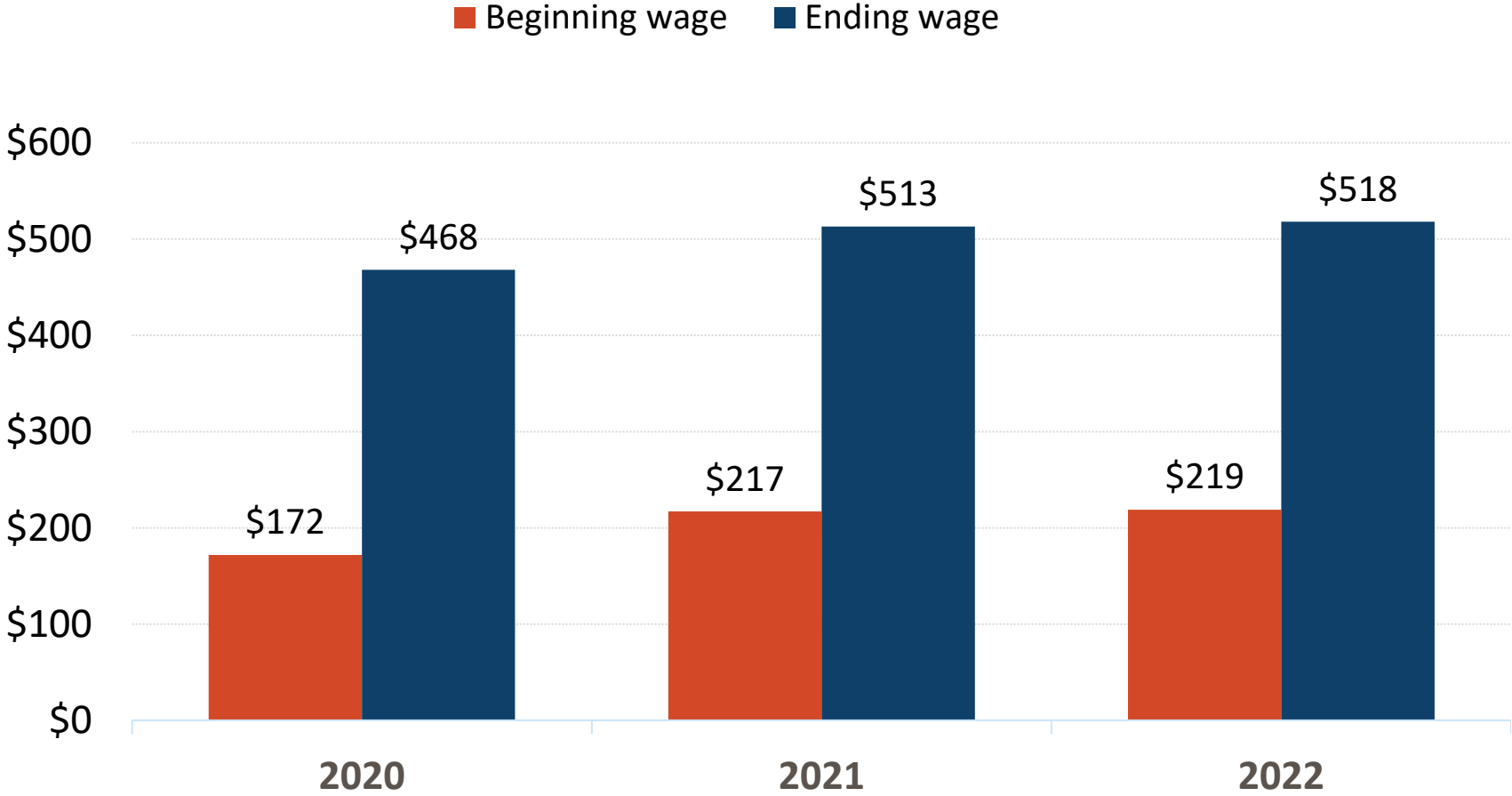
Vocational Rehabilitation Section Return on Investment

For every **one dollar spent**
on Vocational Rehab services
Clients **earnings increase by**
\$10.43/hour

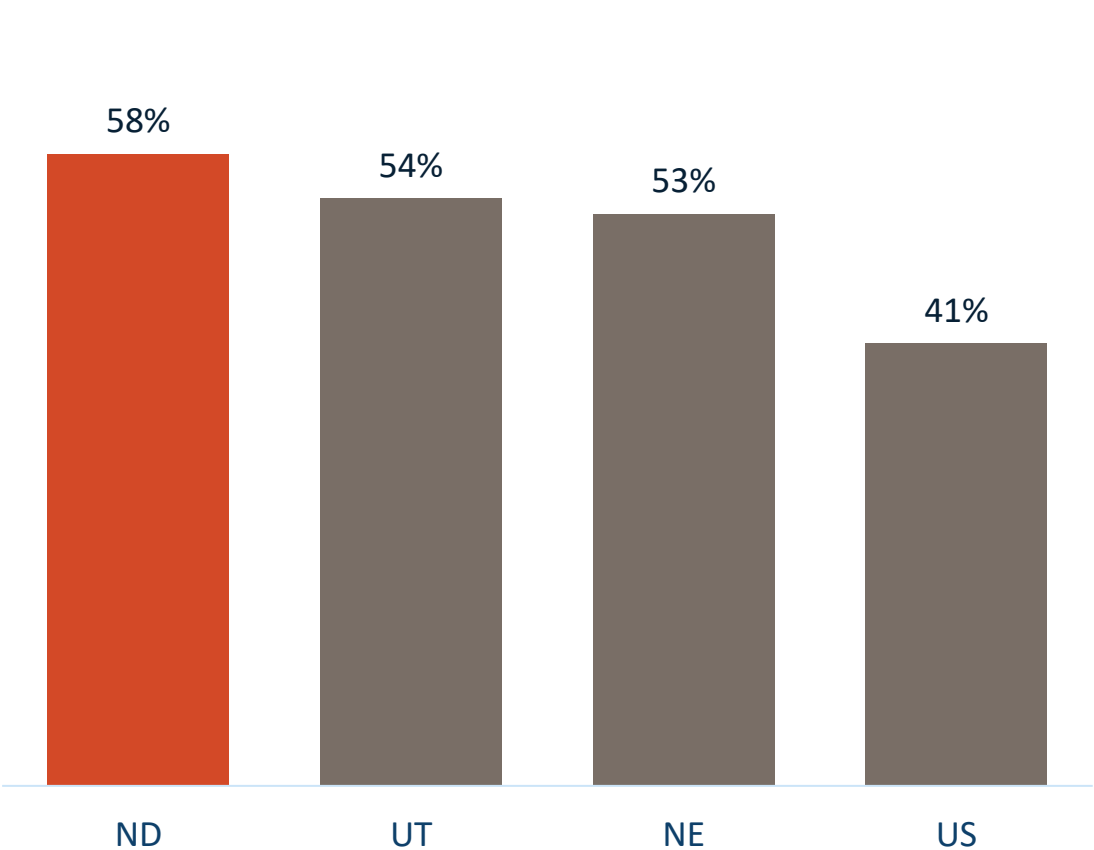
For every **one dollar spent**
on Vocational Rehab services
Clients **pay \$2.09 in taxes**



In FY22 the weekly wage of VR clients increased an average of 136% after receiving VR services



ND is 1st in the U.S. by % of People with disabilities who are employed



Rethink What's Possible

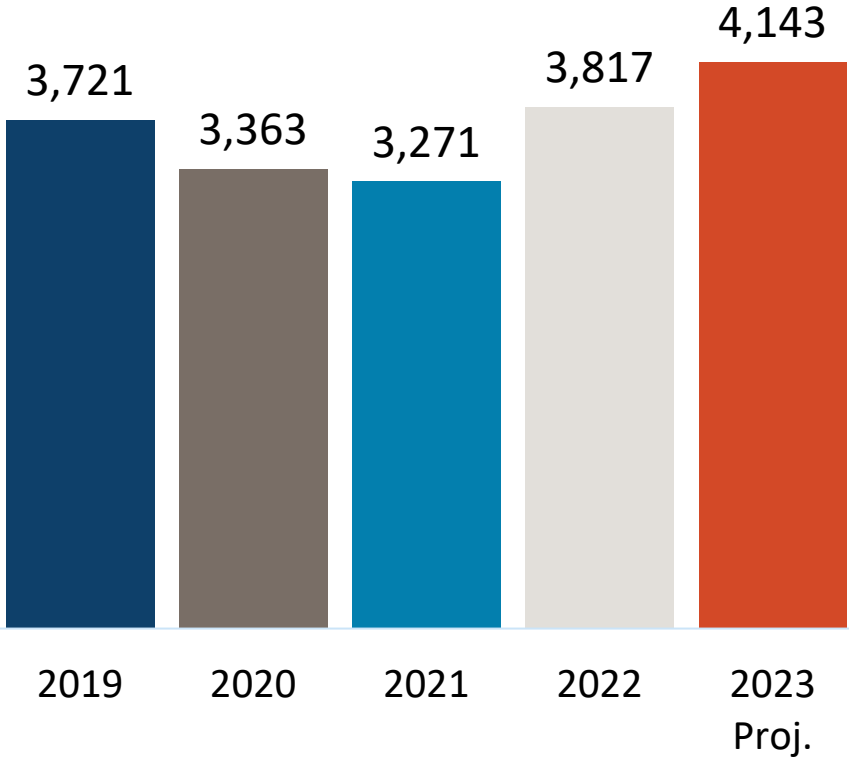
68.6%

North Dakota's seasonally adjusted labor force participation rate in Dec 2022

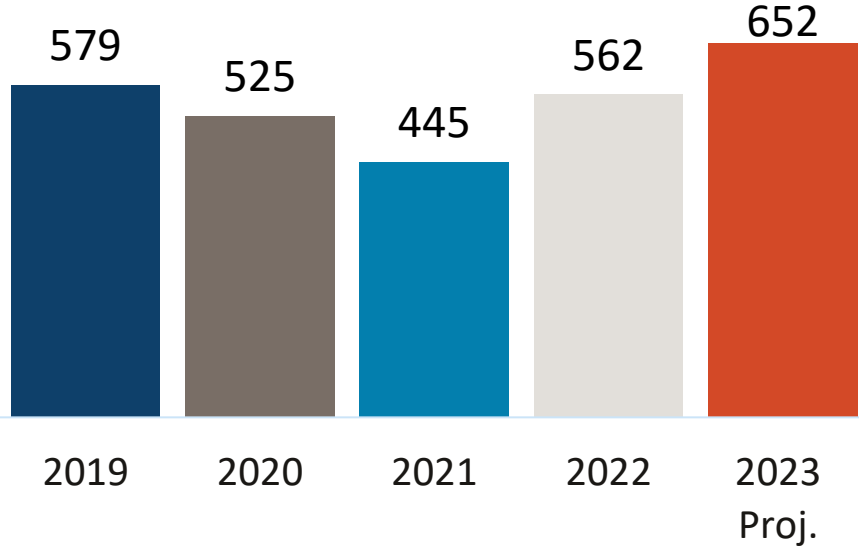
In ND we aspire to see the labor force participation rate for people with disabilities be equal to the state's overall rate.

Successful Job Placements increased by 26% from 2021-2022

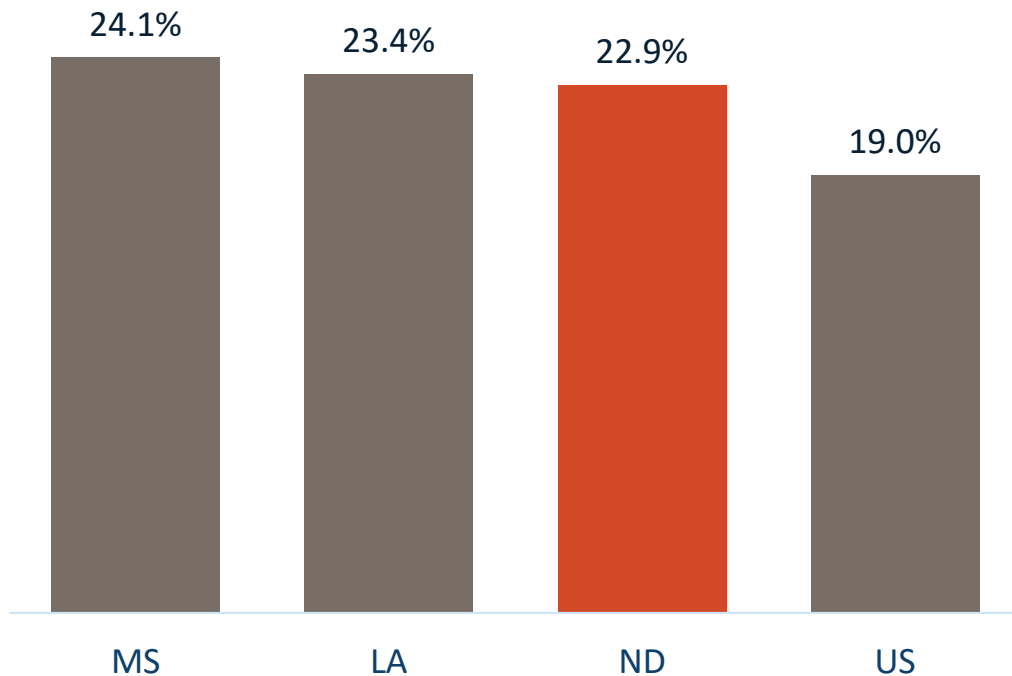
Individuals actively enrolled/engaged with Voc Rehab Services



VR Clients Successfully Placed



ND is 3rd in the U.S. by % of people with vision disabilities who live independently in the community



- 313 new applicants for vision services in 2022
- 555 individuals with vision disabilities served
- Vision team works collaboratively with independent living centers, ND Assistive, etc.

Supported Employment/Customized Employment Tax Credit

Tax Incentive (HB 1409 / 67th Legislative Assembly)

- Created a ‘business income tax credit for employment of individuals with developmental disabilities or severe mental illness’
- Up to 100 businesses were eligible for 25% of up to \$6,000 in wages paid annually for each employee if the individual needed Supported Employment or has a significant disability requiring Customized Employment in order to obtain employment
 - Note: HB1409 modified bill passed in 2019-21 legislative session by adding supported employment

74

Tax credits approved

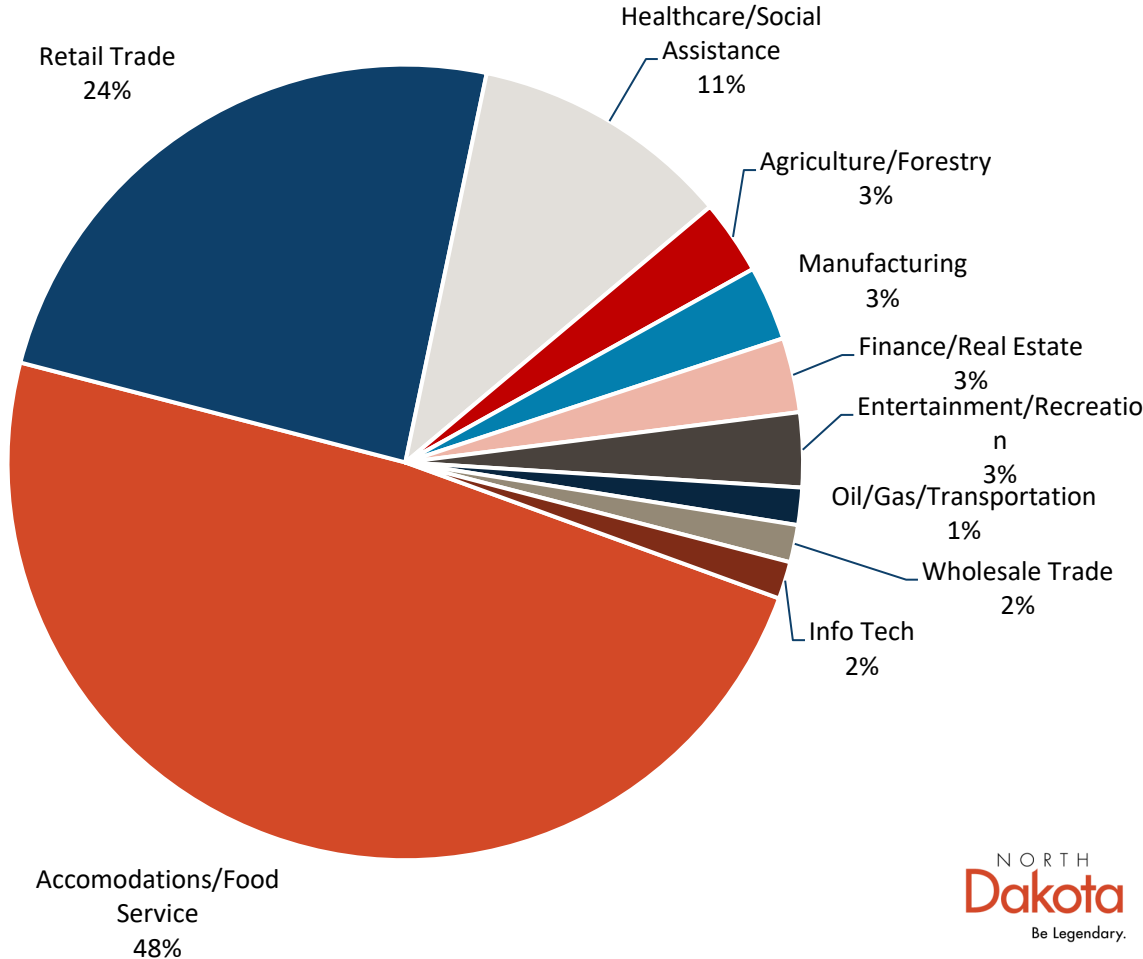
0	CY2019
0	CY2020
28	CY2021
46	CY 2022

Under consideration HB 1244

- Increases to 200 businesses
- Removes sunset clause

Supported Employment/Customized Employment Tax Credit used in a variety of industries

Businesses who have utilized the employment tax credit created by HB 1409 in the 67th Legislative Assembly represent a wide cross section of the industries that are present in North Dakota's economy.



Additional Programs

Senior Community Service Employment Program (SCSEP)

- Adults age 55+, and below 125% of poverty threshold, gain skills toward re-entering the workforce. Participants may not necessarily have a disability.

Federal Plan Responsibility

- WIOA Unified State Plan for Workforce – DOL (along with JSND, Adult Education and English Literacy, Dept of Commerce, and DPI)
- State Plan for Independent Living – Admin for Comm Living/HHS

North Dakota Assistive

Councils and Commissions

- Statewide Rehabilitation Council
- State Independent Living Council

Designated State Entity for Centers for Independent Living

- Independent living skills training
- Information and referrals for orientation and mobility
- Transition services – from institutions to home/community based; also youth transition to independent living
- Peer mentoring
- Advocacy

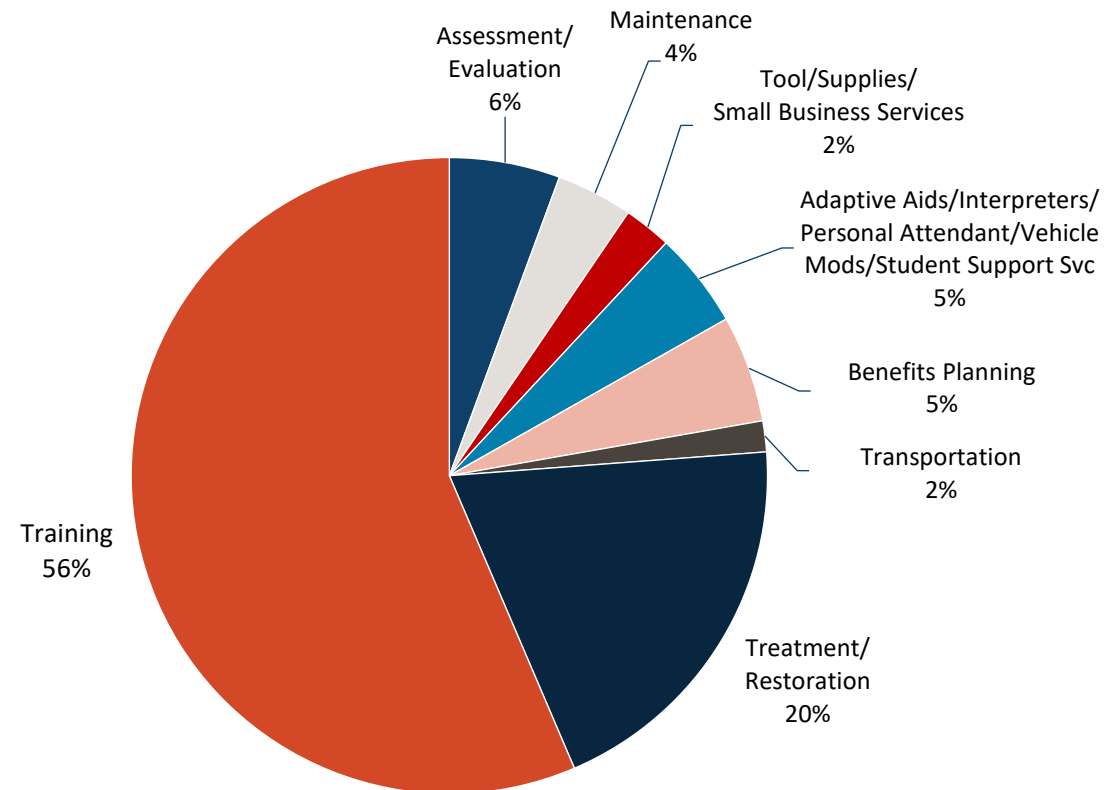
Case Service Expenditures FFY 2022 - \$2,685,887

The largest share of VR's service expenditures (56%) support training

- On-the-Job Training
- Work Experience
- Job Development
- Customized Employment
- Supported Employment
- Post-secondary Tuition

Treatment/Restoration services account for 20% of service expenditures

- Therapy/Medical visits (PT, OT, behavioral health)
- Hearing and vision aids



About Voc Rehab Contracts

- Independent Living Centers
- ND Assistive
- Pre-Employment Transition Students
- Market Decisions - satisfaction surveys
- Motivational Interviewing
- Customized Employment – NDCPD
- Benefits Planning – RSI
- Client Assistive Program (CAP)
- VR Development Group – online training
- World of Work Inventory (WOWI)

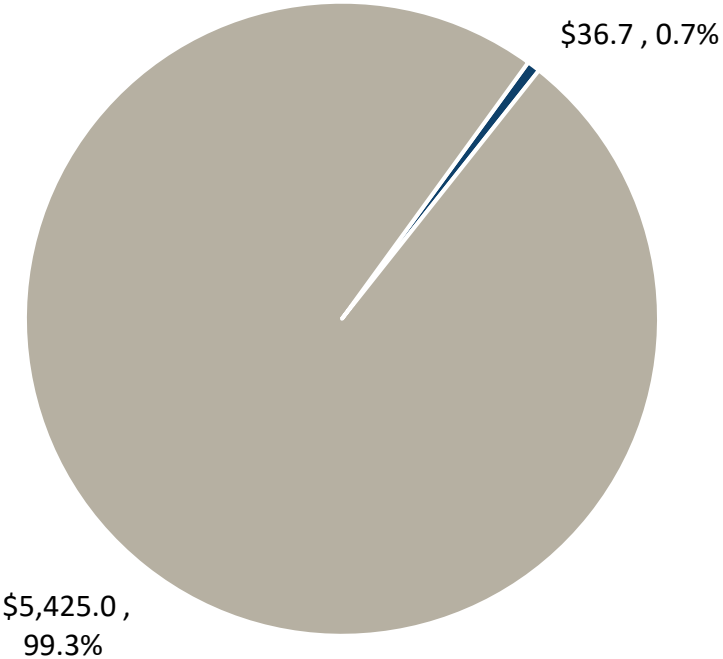


Section Budget Compared to Engrossed SB 2012 (in millions)

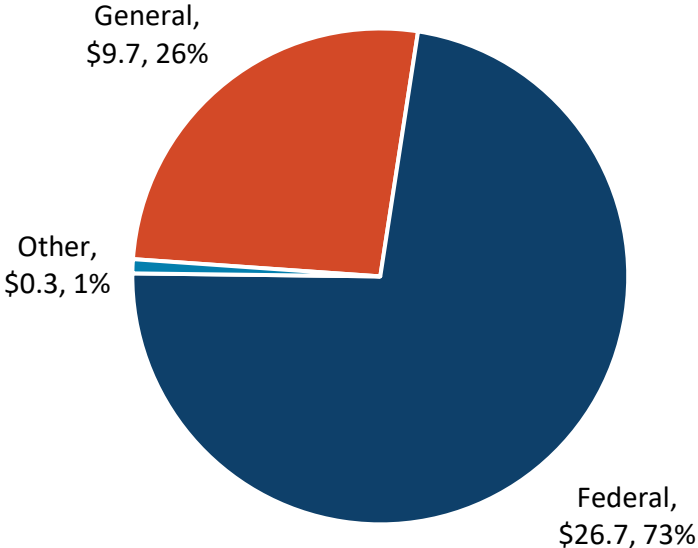
Voc Rehab represents <1% of SB 2012, \$36.7 million

2023-2025 Engrossed SB 2012

■ VOCATIONAL REHABILITATION ■ OTHER SECTIONS



Vocational Rehab Budget by Source



Vocational Rehab: Comparison of 2023-2025 Funding

Description	2022 - 2025 Budget Base	Increase / (Decrease)	2023 - 2025 Executive Budget	Increase / (Decrease)	Engrossed SB 2012
General Fund	\$ 9,060,209	\$ 637,033	\$ 9,697,242	\$ (38,377)	\$ 9,658,865
Federal Funds	24,098,266	2,740,464	26,838,730	(143,779)	26,694,951
Other Funds	195,002	140,897	335,899	-	335,899
Total Funds	\$ 33,353,477	\$ 3,518,394	\$ 36,871,871	\$ (182,156)	\$ 36,689,715

Comparison of Total Budget with Funding (in millions)

INCREASE FROM BASE TO ENGROSSED SB 2012 \$3.30 MILLION

Salaries – \$2.8M

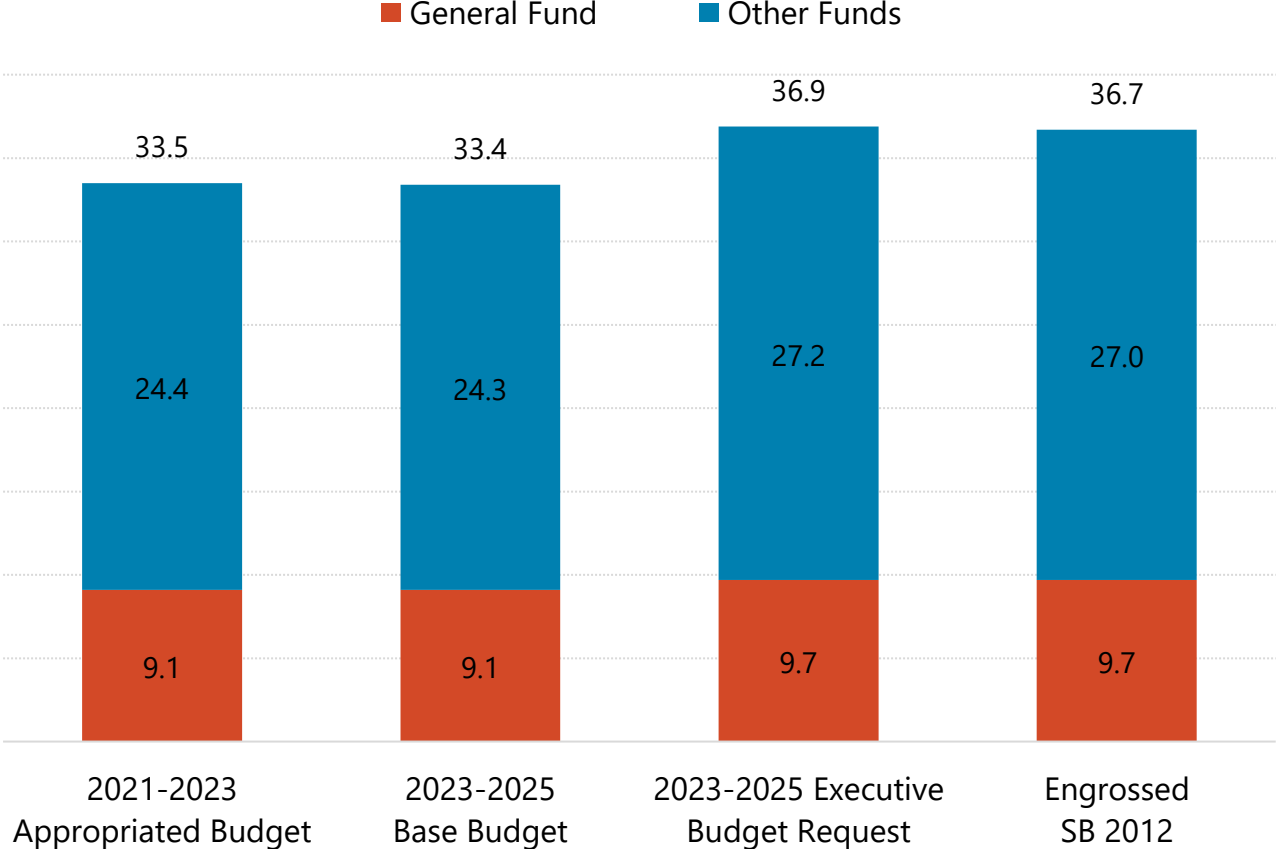
Senior Community Service Employment Program/SCSEP - \$900k (transfer from Aging section)

Wage Equity - \$1.9M

Operating Fees and Services – \$384k

Increased Pre-Employment Transition Service – young adults into workforce; required to provide services statewide

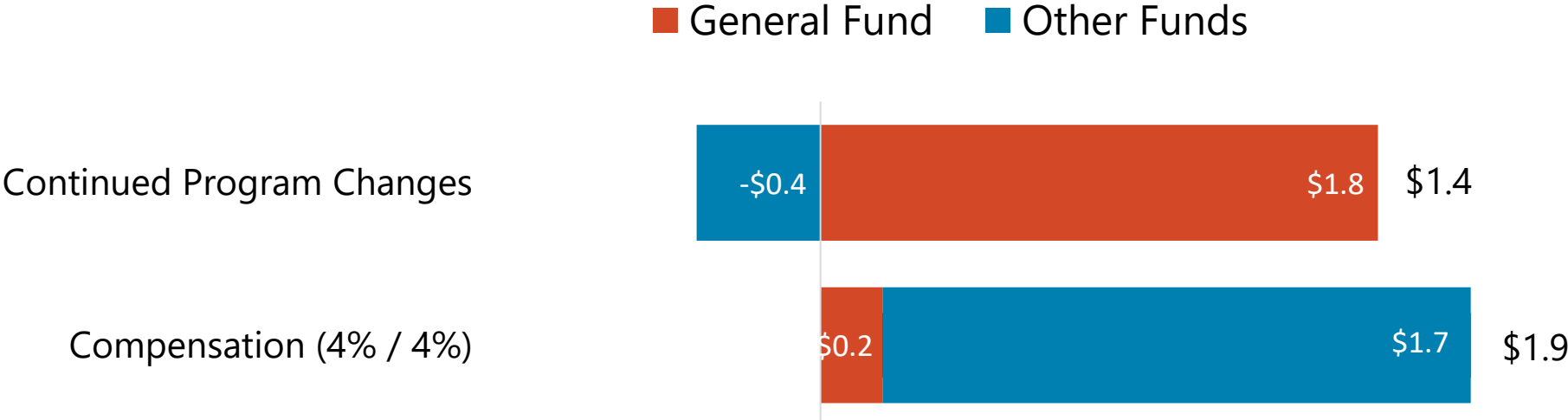
Rents/Leases – \$394k increase (shift from HSC budget)



Comparison of 2023-2025 Budgets and Related Funding By Detailed Expense

Description	2022 - 2025 Budget Base	Increase / (Decrease)	2023 - 2025 Executive Budget	Increase / (Decrease)	Engrossed SB 2012
511x Salaries - Regular	\$ 9,809,078	\$ 1,230,092	\$ 11,039,171	\$ 229,996	\$ 11,269,166
512x Salaries - Other	-	1,371,618	1,371,618	(649,262)	722,356
513x Salaries Temp	12,960	130,361	143,321	-	143,321
514x Salaries Overtime	-	-	-	-	-
516x Salaries Benefits	4,934,424	289,962	5,224,386	237,111	5,461,497
Total Salaries & Benefits	\$ 14,756,463	\$ 3,022,033	\$ 17,778,496	\$ (182,156)	\$ 17,596,340
52x Travel	411,154	61,470	472,624	-	472,624
53x Supply	70,752	12,390	83,142	-	83,142
54x Postage & Printing	39,999	7,001	47,000	-	47,000
55x Equipment under \$5,000	9,465	2,535	12,000	-	12,000
56x Utilities	6,900	(1,500)	5,400	-	5,400
57x Insurance	-	-	-	-	-
58x Rent/Leases - Bldg/Equip	704,631	413,149	1,117,780	-	1,117,780
59x Repairs	8,774	19,268	28,042	-	28,042
61x Professional Development	403,918	13,047	416,965	-	416,965
62x Fees - Operating & Professional	5,724,087	378,652	6,102,739	-	6,102,739
67x Expenses	-	-	-	-	-
53x Supplies	12,020	(4,020)	8,000	-	8,000
60x IT Expenses	688	(688)	-	-	-
68x Land, Building, Other Capital	-	-	-	-	-
69x Over	-	-	-	-	-
69x Equipment Over \$5,000	-	-	-	-	-
71x Grants, Benefits, & Claims	11,204,626	(404,943)	10,799,683	-	10,799,683
72x Transfers	-	-	-	-	-
Total Operating	\$ 18,597,014	\$ 496,361	\$ 19,093,375	\$ -	\$ 19,093,375
Total	\$ 33,353,477	\$ 3,518,394	\$ 36,871,871	\$ (182,156)	\$ 36,689,715

Voc Rehab: Overview of budget changes (IN MILLIONS)



Vocational Rehabilitation: What's on the horizon?

- Continue drive to 1,000 job placements annually
- Expand DOCR pilot to more correctional institutions
- Establish/re-establish connections and outreach w/traditional and non-traditional partners
- Electronic/digital processes for efficiency
- Team member development





Contact information

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<https://www.hhs.nd.gov/vr>