



## **House Bill 1012 – Vocational Rehabilitation**

House Appropriations Committee | HR Division

Representative Jon Nelson, Chairman

February 4, 2025 | Jim Fleming, Interim Director | Vocational Rehabilitation Section

NORTH  
**Dakota**  
Be Legendary.

Health & Human Services

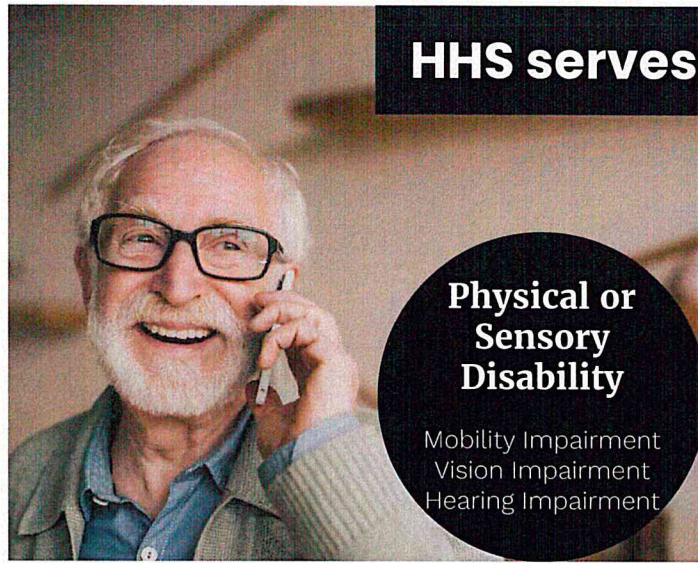


# HHS serves people with Disabilities



## 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



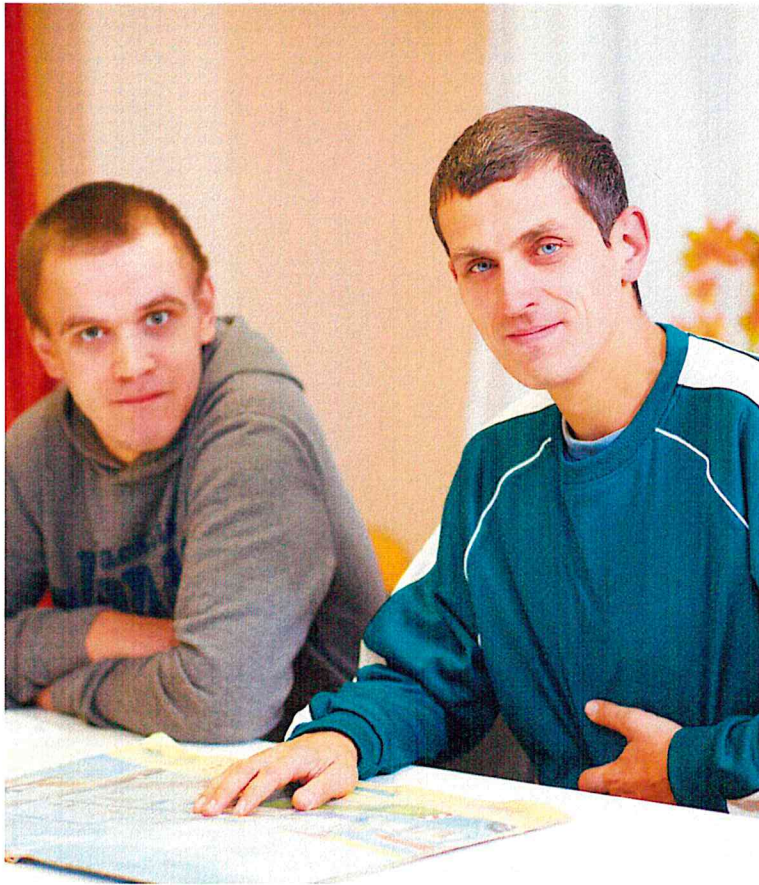
## Cognitive or Neurological Disability

Learning Disability  
Acquired Brain Injury  
Multiple Sclerosis



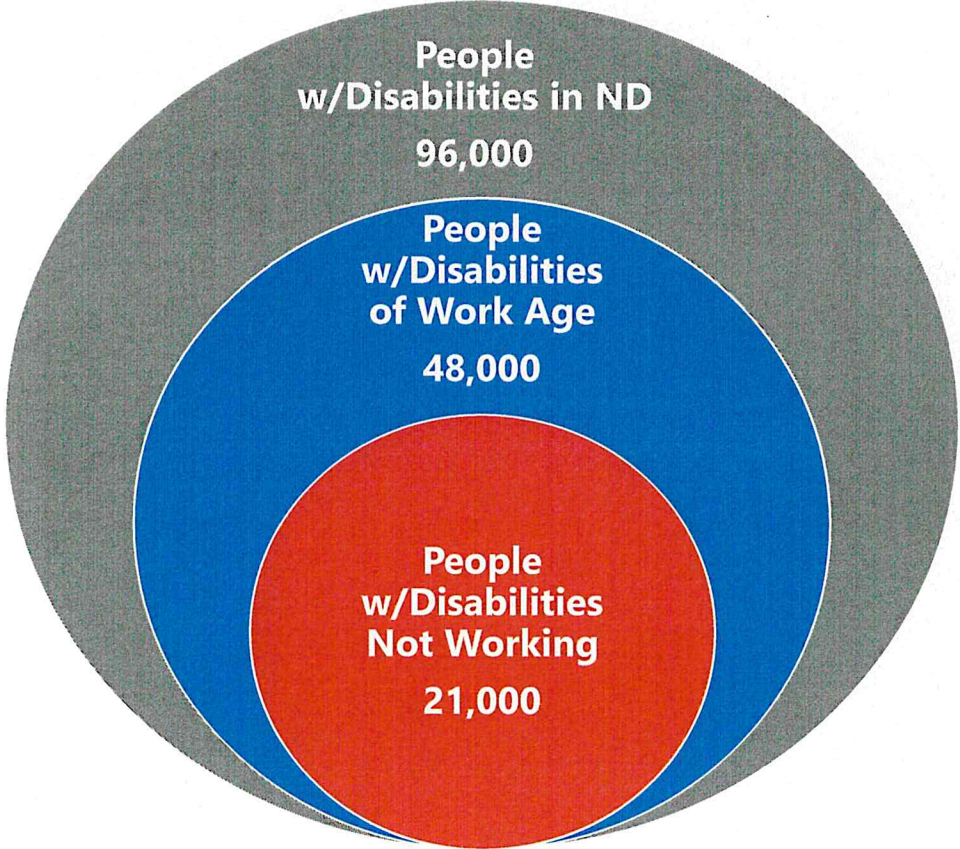


# Who might choose to seek services from Voc Rehab?



- 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

# Vocational Rehabilitation: An Essential Part of the Workforce Solution



Source: 2024 Disability Statistics  
Compendium (2022 data)



# 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





# 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)

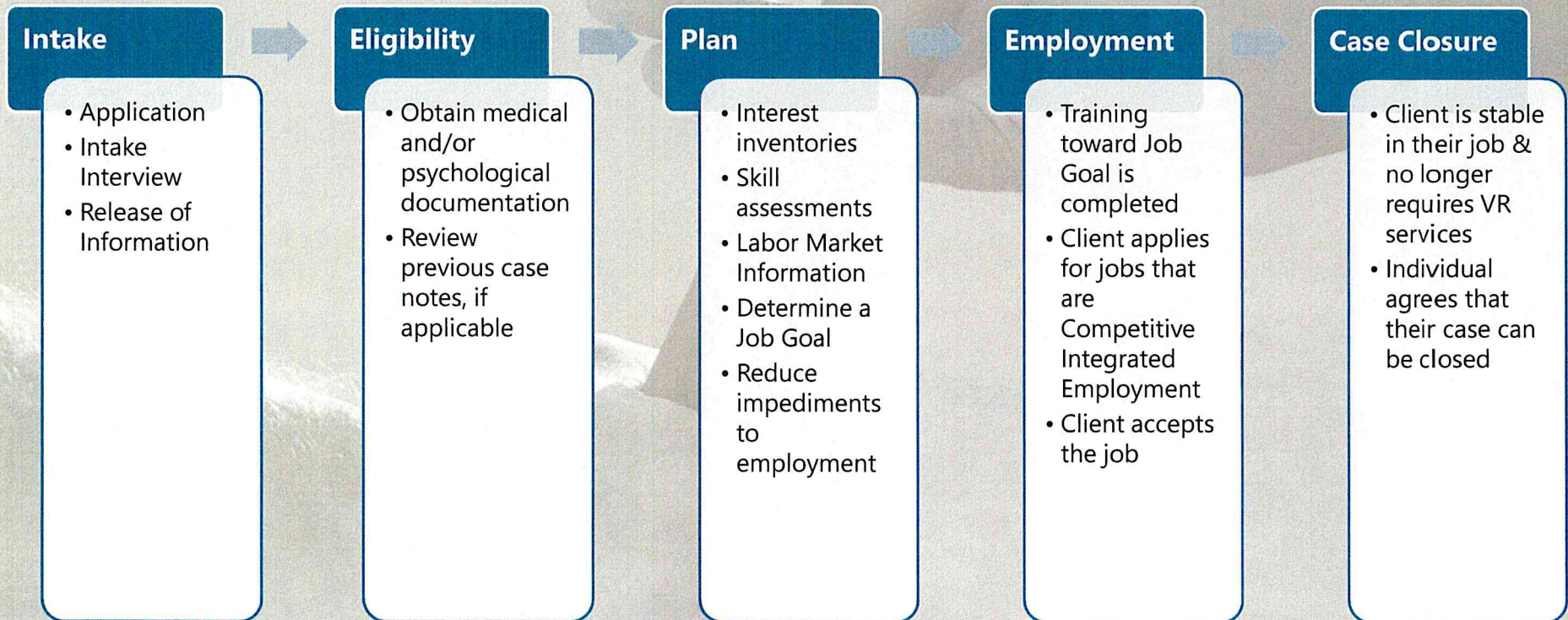
- Individuals 55+ with a significant visual impairment
- Home or environmental accommodations/ equipment
- Assistive technology – magnifiers, lighting
- Communication skills

## 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





# 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

## Randolph-Sheppard

## Councils and Commissions

- Statewide Rehabilitation Council
- State Independent Living Council

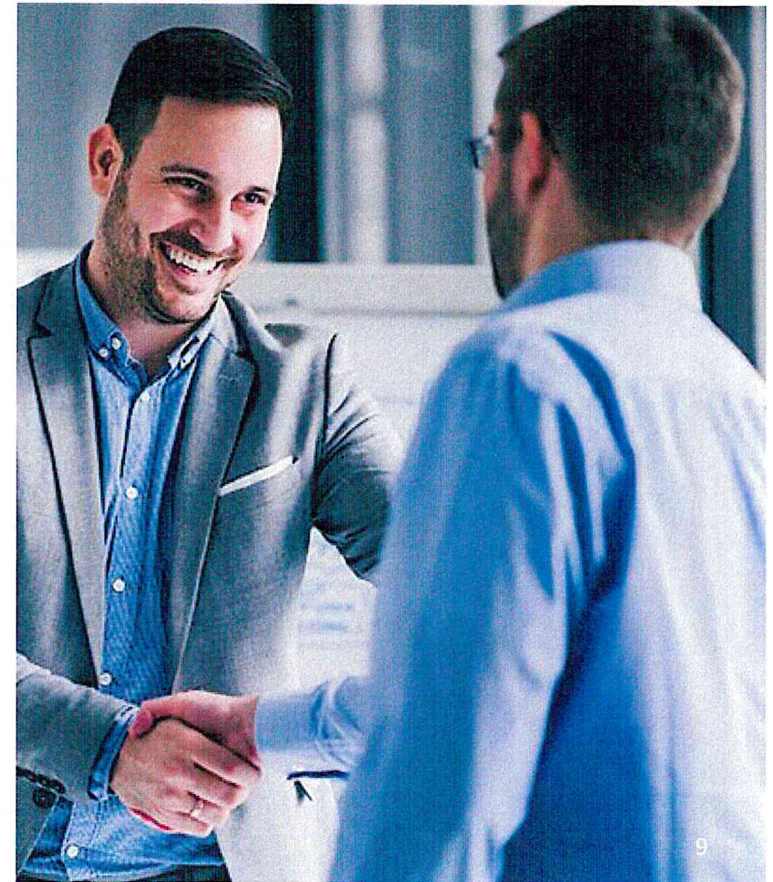
## Designated State Entity for Centers for Independent Living

- 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



# 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)





# VR Expands Workforce and Improves Lives

Employer  
Assistance:

Northwest  
Auto Body

## Business Success Story - Northwest Auto Body

Fargo business meets workforce needs with inclusive team



Located on Fargo's busy Main Avenue, Northwest Auto Body is a family-owned collision repair business that is having an impact on the community.

Inside, it's more than just a repair shop, which is why they were named 2024 North Dakota Vocational Rehabilitation (VR) Employer of the Year.

Manager Scott Johnson and his team have made it a warm and welcoming place for

people of all abilities.

Being familiar with VR, Johnson was excited at the opportunity to work with VR to help people with disabilities gain valuable work experience.

"People need chances, and I feel that just giving someone a shot is important," Johnson said. "In this industry, there are so many different jobs that a person can do."



# VR Expands Workforce and Improves Lives

## Client Success Story - Lori Davidson

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Hearing  
Assistance:

Lori Davidson

Overcoming hearing loss to remain in the workforce



Having crystal-clear hearing at work is a must for Lori Davidson. She spends her workday answering phone calls and interacting face-to-face with patients at a Grand Forks clinic.

"I love working with people," she said.

Three years ago, she noticed that her hearing started to change. It began impacting her work productivity, performance and efficiency.

"I was struggling to hear on the phone and had to ask people to repeat themselves to make sure I heard their information correctly," she said.

Davidson is not alone. Last year, nearly one in four people who were successfully employed and received services from North Dakota Health and Human Services' Vocational Rehabilitation Program (VR) were deaf or hard of hearing, which impacted their job.

To continue working, Davidson knew she needed help. She made an appointment with an audiologist who did an assessment and recommended hearing aids, but the cost was too much and not covered by her



# VR Expands Workforce and Improves Lives

## Client Success Story - Marcy Peterson

Vision  
Assistance:

[Marcy Peterson](#)

### Inspirational Fargo woman thrives despite vision loss



There is not a day that goes by that 91-year-old Marcy Peterson isn't either writing, painting or cooking in the comfort of her own home.

"I try to learn something new every day," she said.

Twenty years ago, she helped care for her husband as he battled the challenges of macular degeneration.

Little did she know that she would soon walk in his shoes. Life with legal blindness created obstacles, but she didn't let them stop her from remaining independent.

"I'm determined, and that's what keeps me going," she said. "You find a way of doing things that you never thought of before, and you have to be willing to not only look for help but to accept it."

### Simple solutions that support independence

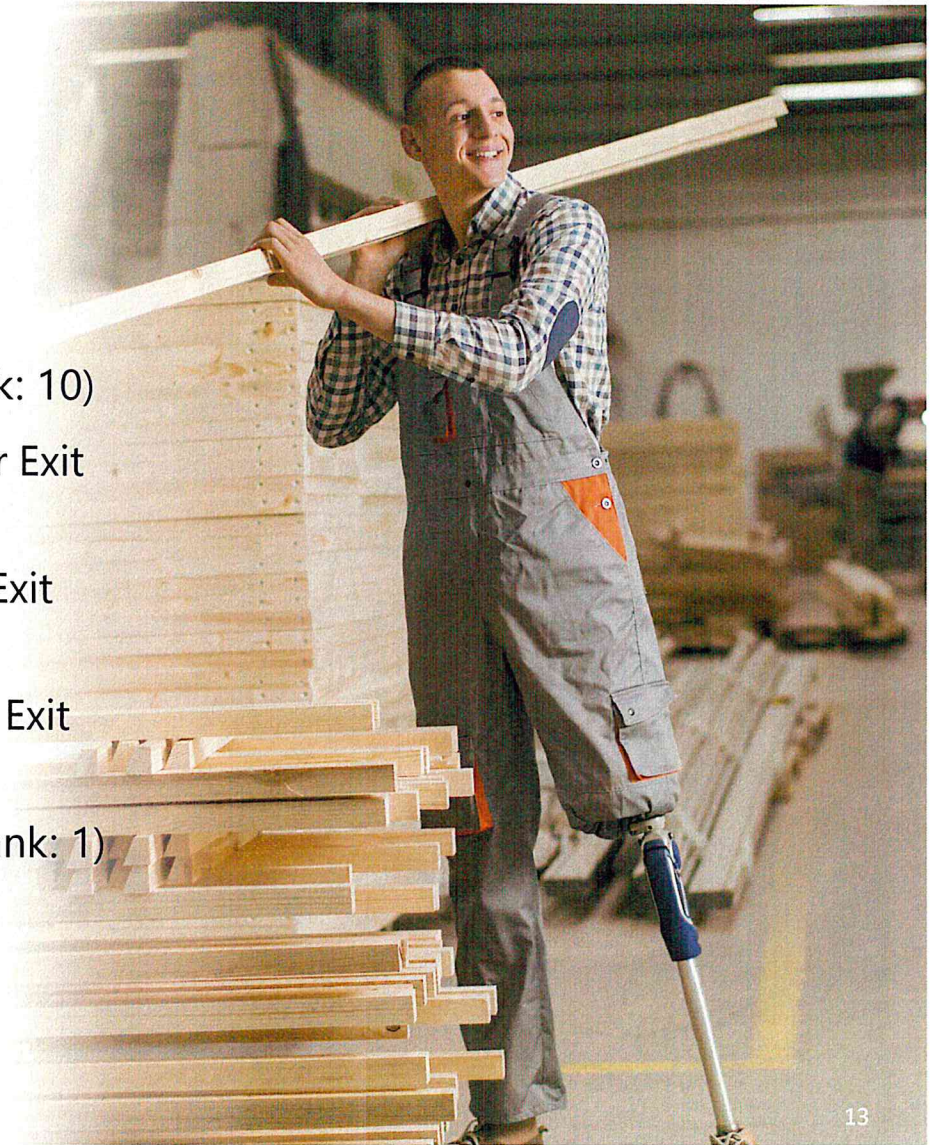


In 2011, Marcy and her husband moved to Fargo and two years later he went into nursing home. Afraid to live alone, she connected with the Older Individuals Who are



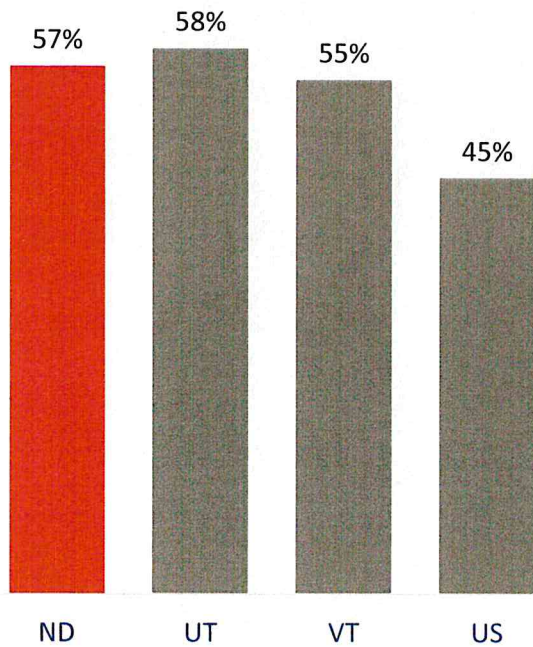
## North Dakota VR is the Top Performing Program in the Country

- **66.3%** - Measurable Skill Gain Rate (National rank: 10)
- **67.49%** - Employment Rate Second Quarter After Exit (National rank: 3)
- **\$6,253** - Median Earnings Second Quarter After Exit (National rank: 14)
- **69.07%** - Employment Rate Fourth Quarter After Exit (National rank: 1)
- **71.46%** - Credential Attainment Rate (National rank: 1)





# ND is 2nd in the U.S. by % of People with disabilities who are employed



Source: Annual Disability Statistics Compendium, 2023



## Rethink What's Possible

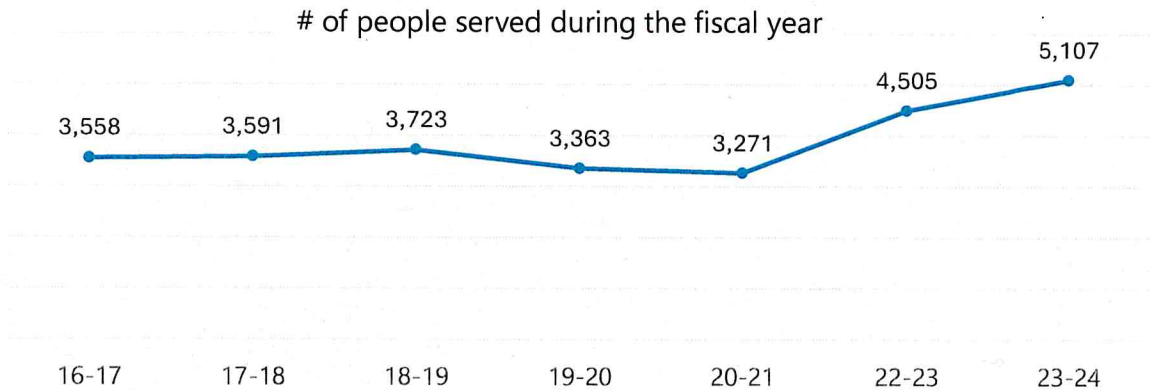
In ND we aspire to see the labor force participation rate for people with disabilities be equal to the state's overall rate.





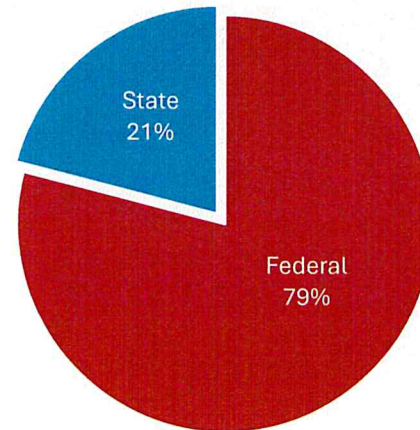
# Vocational Rehabilitation Section Growing Caseload | Return on Investment

**39%**  
Increase in  
VR cases  
2021 to 2024



For every **one dollar spent** on  
Vocational Rehab services  
Clients **earnings increase** by  
**\$10.82/hour**

For every **one dollar spent** on  
Vocational Rehab services  
Clients **pay \$2.16 in taxes**





# Team Structure and Function

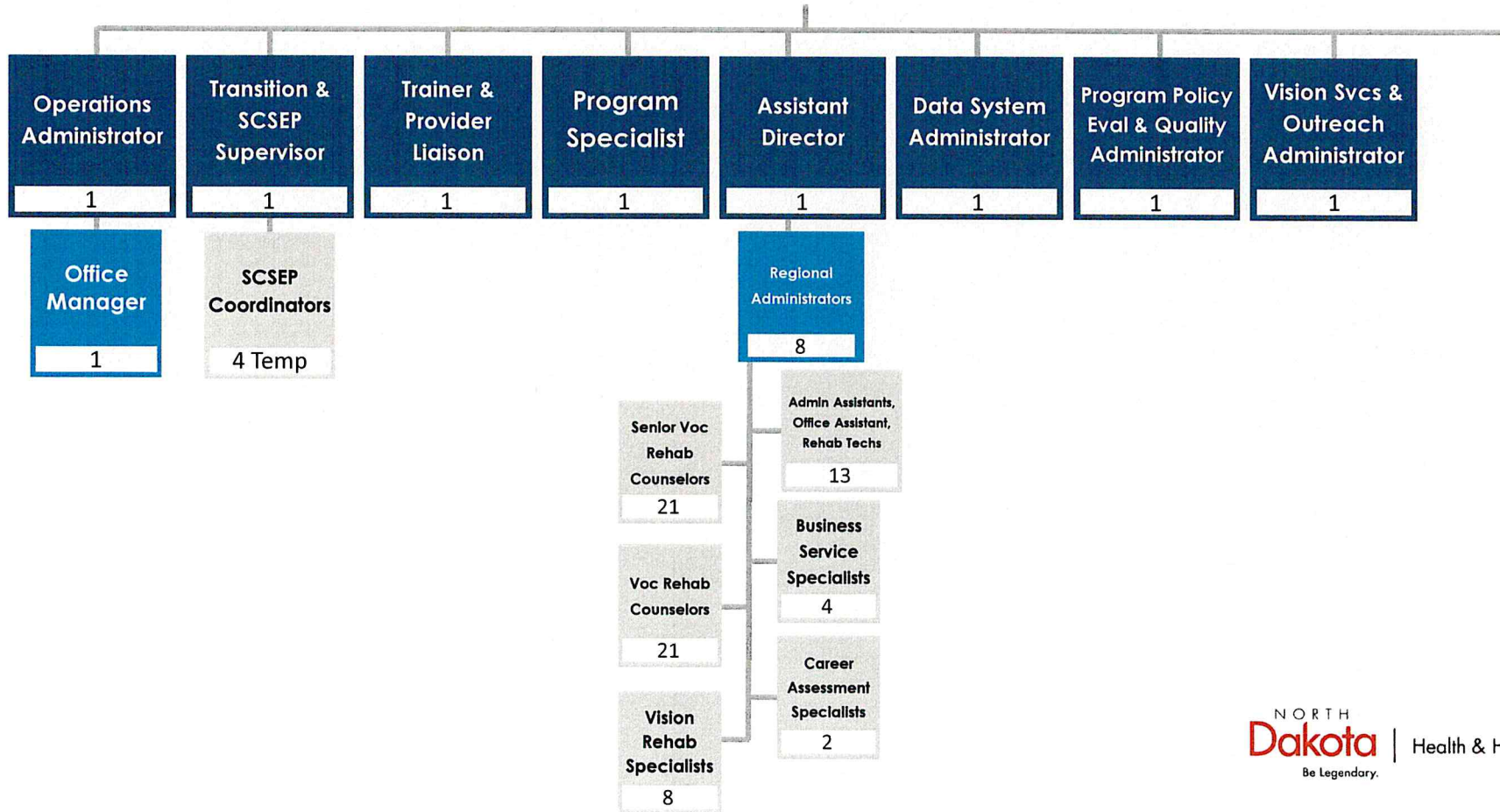
Position Numbers Assigned/ Funding Exists	Positions Filled	# of Vacancies	# of Temporary Staff
87	78	9*	3*

\*Numbers as of 12/1/2024

Average Age	47
Avg Years of Service	7.3
Retirement Risk	8%
Turnover 2021	9%
Turnover 2022	15%
Turnover 2023	10%
Turnover 2024	12%



## Vocational Rehabilitation Director (interim) James Fleming



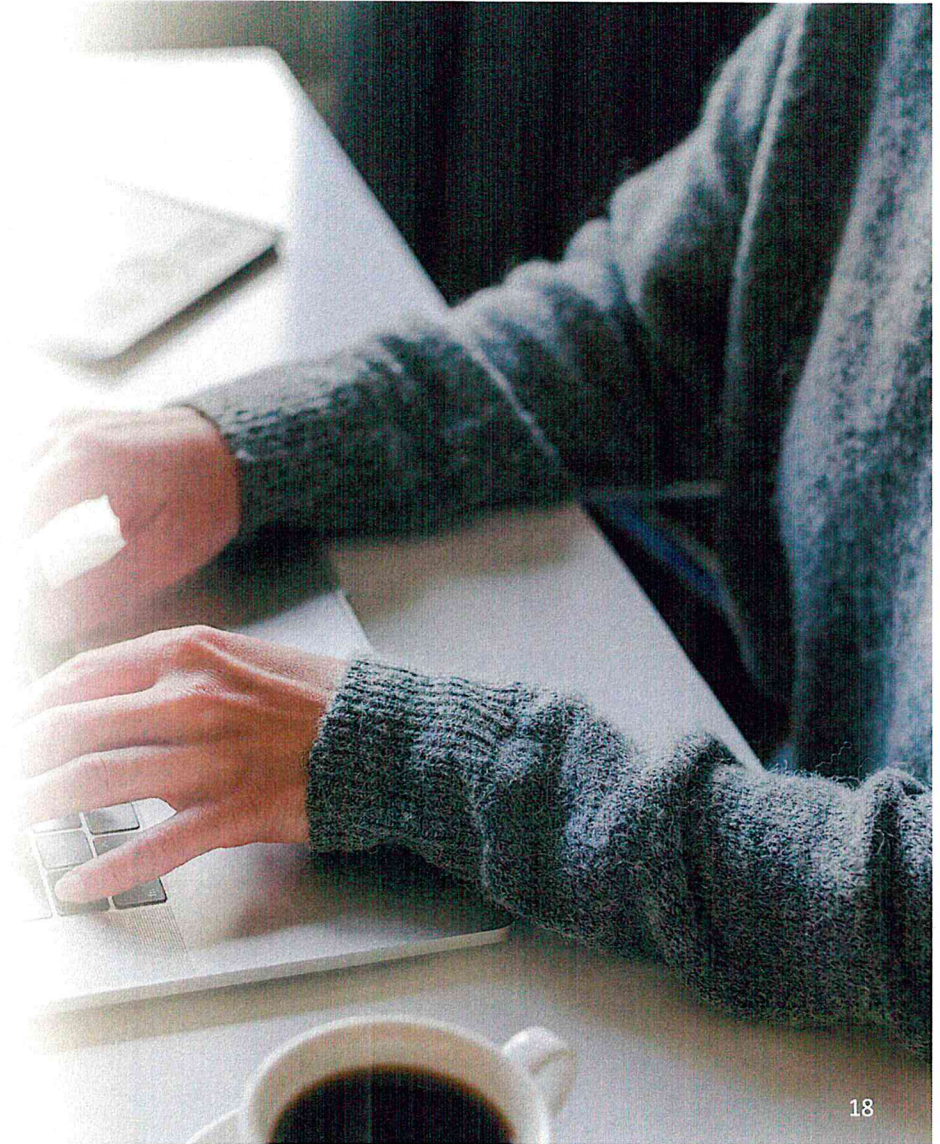


Included in Executive Budget Request  
**Implement Comprehensive Vocational Rehab Technology System**

- Implement a comprehensive Vocational Rehab technology system that can support the work of connecting people with disabilities to employment.
- Develop customer portals to facilitate more efficient access points that align with expectations of modern systems.

Total	General	Federal	Other
\$8,000,000	\$0	\$6,296,000	\$1,704,000

This is a one-time funding request. (Fed/SIIF)





# Comparison of Budgets and Funding

## By Budget Account Code

DESCRIPTION	2023-25 LEGISLATIVE BASE	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)
511x Salaries - Regular	\$ 11,817,973	\$ 13,750,195	\$ 1,932,223
513x Salaries Temp	861,777	942,890	81,113
516x Salaries Benefits	5,505,806	6,432,742	926,936
<b>Total Salaries &amp; Benefits</b>	<b>\$ 18,185,556</b>	<b>\$ 21,125,828</b>	<b>\$ 2,940,272</b>
52x Travel	472,624	546,852	74,228
53x Supply	95,142	82,250	(12,892)
54x Postage & Printing	47,000	58,100	11,100
56x Utilities	5,400	4,659	(741)
58x Rent/Leases - Bldg/Equip	1,117,780	1,199,449	81,669
59x Repairs	28,042	40,531	12,489
61x Professional Development	416,965	465,437	48,472
62x Fees - Operating & Professional	6,102,739	6,557,715	454,976
53x Supplies-IT	8,000	-	(8,000)
60x IT Expenses	-	8,458,707	8,458,707
71x Grants, Benefits, & Claims	10,799,683	14,980,245	4,180,562
<b>Total Operating</b>	<b>\$ 19,093,375</b>	<b>\$ 32,393,946</b>	<b>\$ 13,300,571</b>
<b>Total</b>	<b>\$ 37,278,931</b>	<b>\$ 53,519,774</b>	<b>\$ 16,240,843</b>
<b>Total General</b>	<b>\$ 9,630,168</b>	<b>\$ 11,341,566</b>	<b>\$ 1,711,398</b>
<b>Total Federal</b>	<b>\$ 27,312,864</b>	<b>\$ 40,210,880</b>	<b>\$ 12,898,016</b>
<b>Total Other</b>	<b>\$ 335,899</b>	<b>\$ 1,967,328</b>	<b>\$ 1,631,429</b>

### Budget as % of HHS Budget

0.9%

### Budget Funding Source

General	24.4%
Federal	73.8%
Other	0.6%

### Budget Bypass-Through

Paid to Private Providers	12.3%
HHS Direct Service	28.0%
HHS Admin	44.0%
HHS Technology	15.8%



# Operating Schedule

DESCRIPTION	2023-25 BIENNIUM AMOUNT	INCREASE/ (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION			
			TOTAL	GENERAL FUND	FEDERAL FUND	OTHER FUND
Training Contracts, Software, Service Contracts	\$ 2,071,651	\$ 136,468	\$ 2,208,119	\$ 470,329	\$ 1,737,790	\$ -
PreETS Contracts	3,500,000	500,000	4,000,000	\$ 852,000	\$ 3,148,000	\$ -
Client Assistance Contracts, Outreach	511,360	(206,948)	304,412	\$ 64,840	\$ 239,572	\$ -
Interpreters & Document Translation	13,728	25,456	39,184	\$ 8,346	\$ 30,838	\$ -
Randolph Sheppard Tech Assistance	6,000	-	6,000	\$ -	\$ -	6,000
<b>GENERAL FUND</b>	<b>\$ 1,298,605</b>	<b>\$ 96,910</b>	<b>\$ 1,395,515</b>	<b>\$ 1,395,515</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FEDERAL FUND</b>	<b>4,798,134</b>	<b>358,066</b>	<b>5,156,200</b>	<b>-</b>	<b>5,156,200</b>	<b>-</b>
<b>OTHER FUND</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>6,000</b>
<b>GRAND TOTAL</b>	<b>\$ 6,102,739</b>	<b>\$ 454,976</b>	<b>\$ 6,557,715</b>	<b>\$ 1,395,515</b>	<b>\$ 5,156,200</b>	<b>\$ 6,000</b>



# Grants Schedule

DESCRIPTION	2023-25 BIENNIUM AMOUNT	INCREASE/ (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION			
			TOTAL	GENERAL FUND	FEDERAL FUND	OTHER FUND
Client AT Devices for Vision Services (45% General)	\$ 100,000	\$ 225,000	\$ 325,000	\$ 146,250	\$ 178,750	\$ -
Supportive Employment Adult & Youth (10% General)	6,383,332	4,096,502	10,479,834	1,047,983	9,431,851	-
Bottineau Winter Park (100% General)-Savings Plan	200,000	(200,000)	-	-	-	-
CIE Contracts funded by Parking Fees/Fines (100% Other)	160,000	(60,000)	100,000	-	-	100,000
IL Center Contracts (\$1,754,821.00 General)**	2,553,336	(102,395)	2,450,941	1,754,821	696,120	-
Commission to Blind Vendors (100% Other)	124,000	-	124,000	-	-	124,000
Assistive Technology Contract (\$660,000 General)**	1,279,015	221,455	1,500,470	660,000	840,470	-
**General Funds set by Legislature, not Match/MOE						

<b>GENERAL FUND</b>	\$ 3,298,154	\$ 310,900	\$ 3,609,054	\$ 3,609,054	\$ -	\$ -
<b>FEDERAL FUND</b>	7,217,529	3,929,662	11,147,191	-	11,147,191	-
<b>OTHER FUND</b>	284,000	(60,000)	224,000	-	-	224,000
<b>GRAND TOTAL</b>	\$ 10,799,683	\$ 4,180,562	\$ 14,980,245	\$ 3,609,054	\$ 11,147,191	\$ 224,000



# Comparison of Budget Expenditures and Projections

## By Budget Account Code

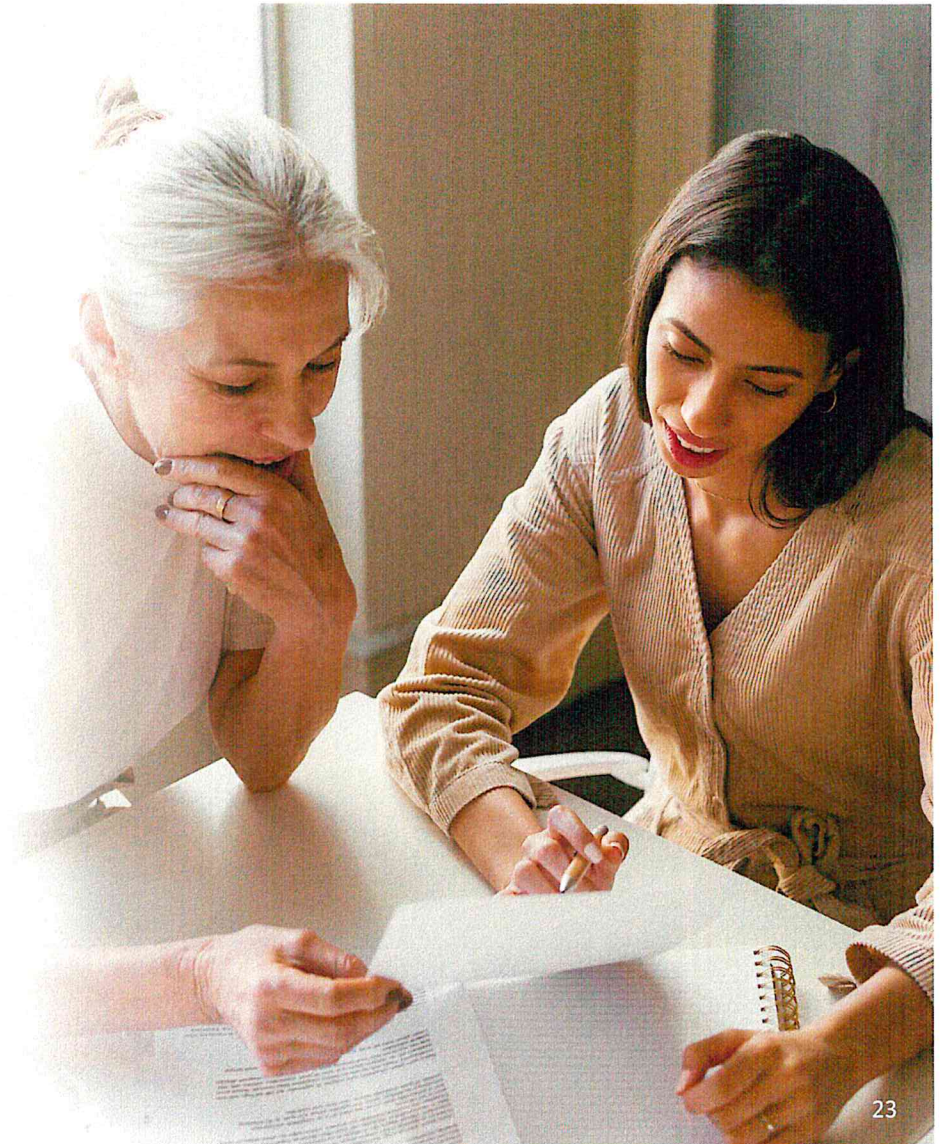
DESCRIPTION	2023-25 LEGISLATIVE BASE	EXPENDED AS OF 12/31/2024	PROJECTION THROUGH 6/30/2025	UNDER / (OVER) BUDGET
511x Salaries - Regular	\$ 11,817,973	\$ 8,480,609	\$ 11,454,966	\$ 363,006
513x Salaries Temp	861,777	185,995	224,823	636,954
514x Salaries Overtime	-	9,959	9,959	(9,959)
516x Salaries Benefits	5,505,806	3,979,049	5,398,438	107,368
<b>Total Salaries &amp; Benefits</b>	<b>\$ 18,185,556</b>	<b>\$ 12,655,612</b>	<b>\$ 17,088,187</b>	<b>\$ 1,097,369</b>
52x Travel	472,624	208,387	448,704	23,920
53x Supply	95,142	137,000	158,826	(63,684)
54x Postage & Printing	47,000	36,165	48,065	(1,065)
56x Utilities	5,400	3,746	5,276	124
58x Rent/Leases - Bldg/Equip	1,117,780	826,262	1,105,247	12,533
59x Repairs	28,042	23,781	30,791	(2,749)
61x Professional Development	416,965	236,817	341,058	75,907
62x Fees - Operating & Professional	6,102,739	3,395,436	6,359,206	(256,467)
53x Supplies-IT	8,000	1,911	3,911	4,089
60x IT Expenses	-	142,052	142,052	(142,052)
71x Grants, Benefits, & Claims	10,799,683	8,247,879	10,994,682	(194,999)
<b>Total Operating</b>	<b>\$ 19,093,375</b>	<b>\$ 13,259,436</b>	<b>\$ 19,637,819</b>	<b>\$ (544,444)</b>
<b>Total</b>	<b>\$ 37,278,931</b>	<b>25,915,048</b>	<b>\$ 36,726,006</b>	<b>\$ 552,925</b>
<b>Total General</b>	<b>\$ 9,630,168</b>	<b>\$ 7,607,115</b>	<b>\$ 9,623,713</b>	<b>\$ 6,454</b>
<b>Total Federal</b>	<b>\$ 27,312,864</b>	<b>\$ 18,211,949</b>	<b>\$ 26,922,842</b>	<b>\$ 390,022</b>
<b>Total Other</b>	<b>\$ 335,899</b>	<b>\$ 95,984</b>	<b>\$ 179,451</b>	<b>\$ 156,449</b>



# Policy Bills with Bud Impact

		Federal	General	Other
HB 1066	Senior Employment Program – establishment of minimum rate of compensation			\$213,038

- Total Federal Grant
- Cap on administrative costs
- Applicable rate of compensation
- Initial rate of \$12 per hour with later adjustments by Administrative Rule





## On The Horizon

- Increase Service Capacity to Manage Growing Caseloads
  - Technology Support
  - Centralization/Specialization
  - Internal cost savings
- Improve Support for Business Community
- Develop grants and additional Social Security reimbursements to offset costs



# Summary and key takeaways

- **Federal Funding** continues to be a concern
- **Demand for Vision Services** will continue to exceed federal funding
- **Program performance** is strong but needs continued effort given growing caseload
- **Internal Efficiencies** are anticipated from a modern case management system





# Contact Info

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