



## **Engrossed House Bill 1012 – Vocational Rehab**

Senate Appropriations Committee | HR Division

Senator Dick Dever, Chairman

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March 24, 2025 | Jim Fleming, Interim Director | Vocational Rehabilitation Section



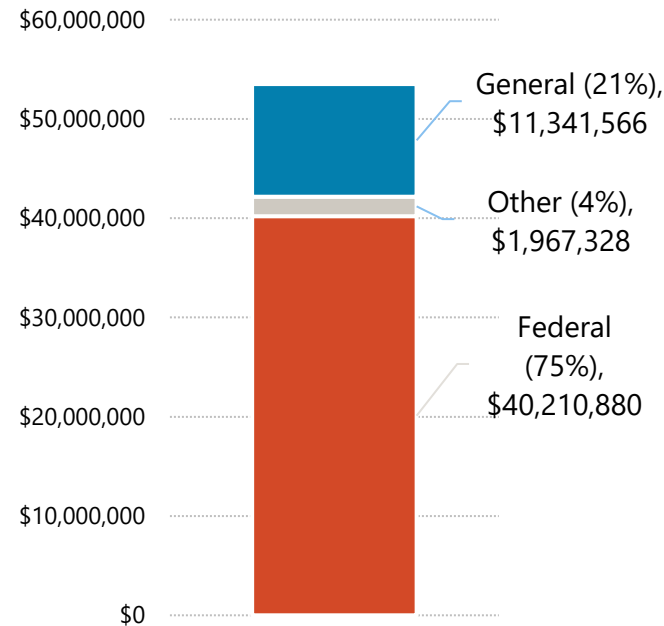
Health & Human Services

# Budget Overview

## Vocational Rehabilitation: \$53.5 million total budget

- Primary funding source is a federal grant through the Rehabilitation Services Administration (RSA) in the Department of Education
- Capped award amount per state, 80/20 federal/state share
- Majority of expenditure is to provide direct service to North Dakotans:
  - VR Job Counselors, Vision specialists, and business coaches
  - Contracts with Centers for Independent Living, ND Assistive and 70+ schools

25-27 EBR – Voc Rehab



**0.9%**  
total HHS Budget

- In 2024 North Dakotans submitted **2,412 new VR apps**, completed **1,760 employment plans** and secured **249 supported & customized jobs**
- **30%** of new VR applications are made by **teens and young adults** age 14-24
- **1,796 ND businesses** received consultation, recruitment and retention support
- **311** people with visual impairments applied to OIB

The Vocational Rehab section helps both high school students and adults with disabilities improve both their immediate job opportunities and long-term career planning, and partners with businesses to find creative ways to hire or retain employees with disabilities.

# 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



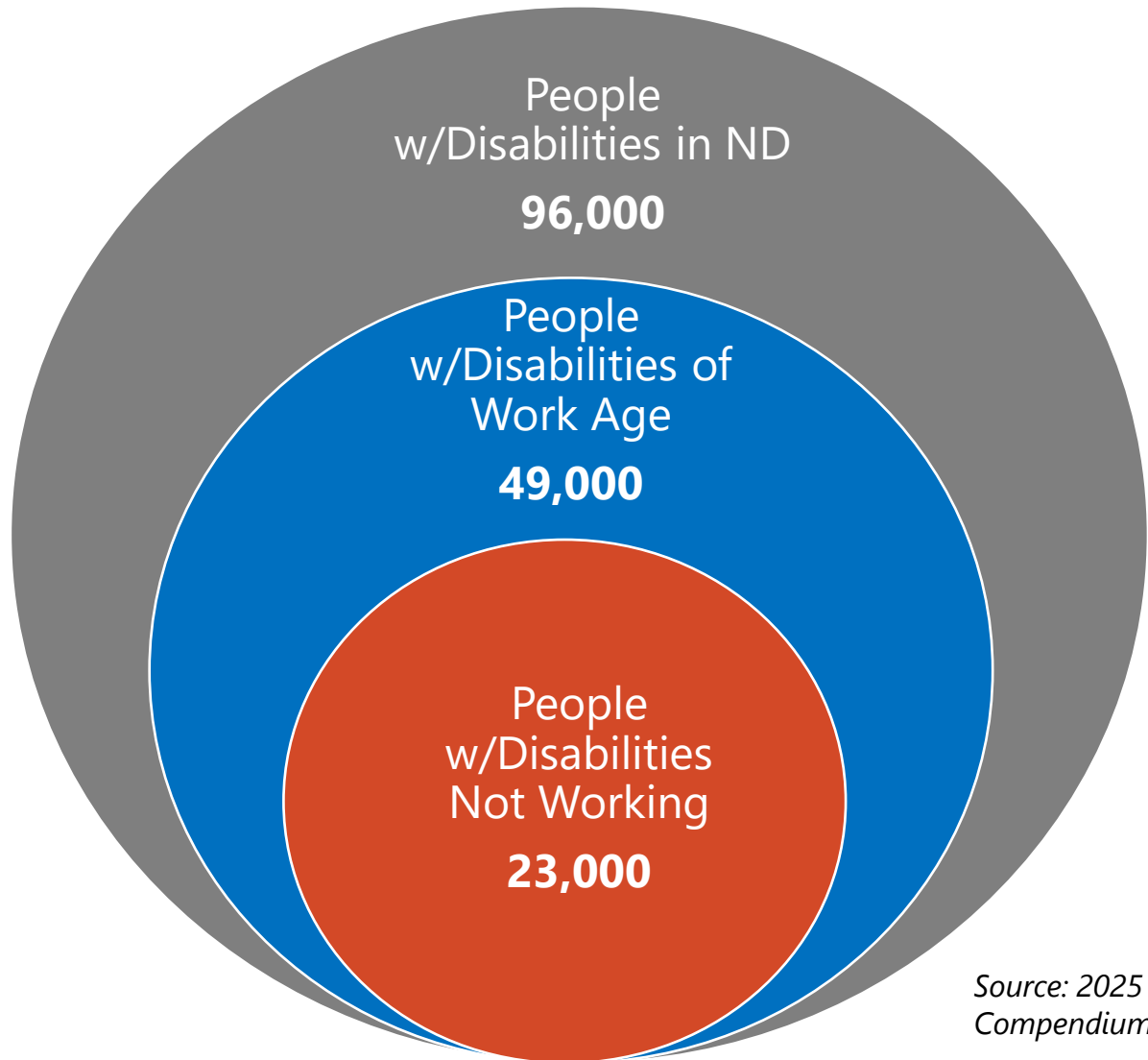
# Who might choose to seek services from Voc Rehab?



- 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: 2025 Disability Statistics Compendium (2023 data)

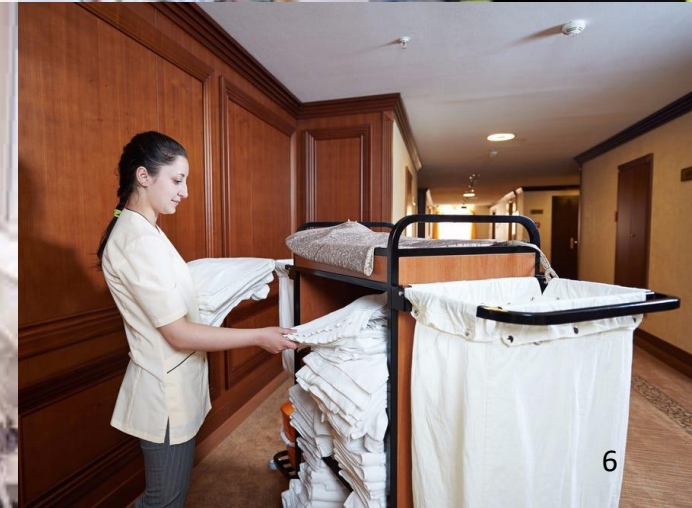
VR clients hired in a range of occupations

- 29% - Service
- 19% - Admin Support
- 12% - Operator
- 11% - Professional
- 8% - Laborer
- 8% - Craft Worker
- 7% - Sales
- 3% - Technician
- 3% - Managerial

# 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

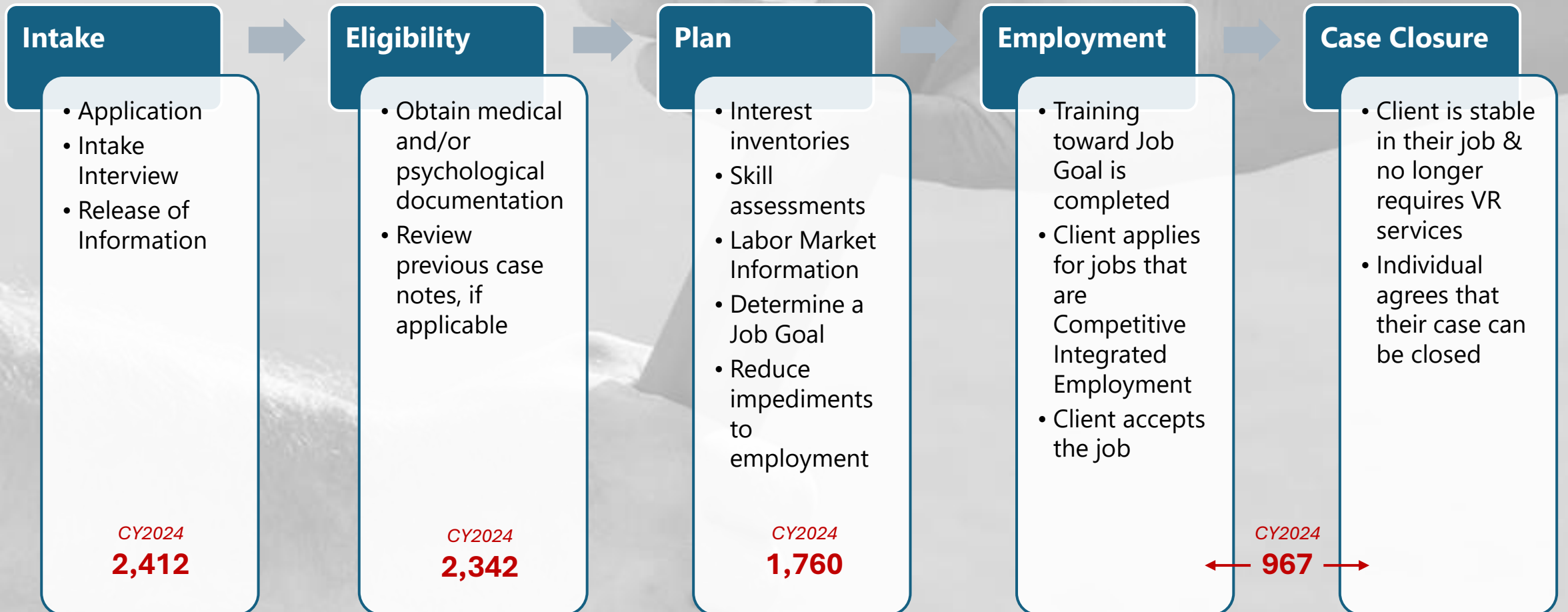
## Vision Services (OIB-Older Individuals who are Blind)

- 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 and concessions at rest areas

# The Vocational Rehabilitation Process





# VR works collaboratively with organizations and programs serving people with disabilities

## 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 – Administration for Community Living (US HHS)

North Dakota Assistive services via Assistive Technology Act

Implementation of the Randolph-Sheppard Act in ND

## 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, and youth transition to independent living
- Peer mentoring
- Advocacy

# About Vocational Rehabilitation 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](#)

Hearing Assistance: [Lori Davidson](#)

## Business Success Story - Northwest Auto Body

## Client Success Story - Lori Davidson

Fargo business meets workforce needs with inclusive team

Overcoming hearing loss to remain in the workforce



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



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.

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."

"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

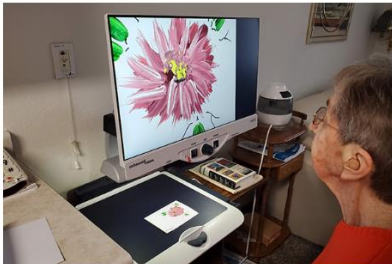
# VR Expands Workforce and Improves Lives

AGWEEK

Vision Assistance: [Marcy Peterson](#)

## Client Success Story - 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

LIVESTOCK CATTLE

## How Vocational Rehabilitation helped a rancher after he lost an arm

Doug Bichler lost his right arm in 2017. He made immediate changes to Bichler Simmentals to stay in ranching, and later North Dakota Vocational Rehabilitation helped him better adapt for the future.



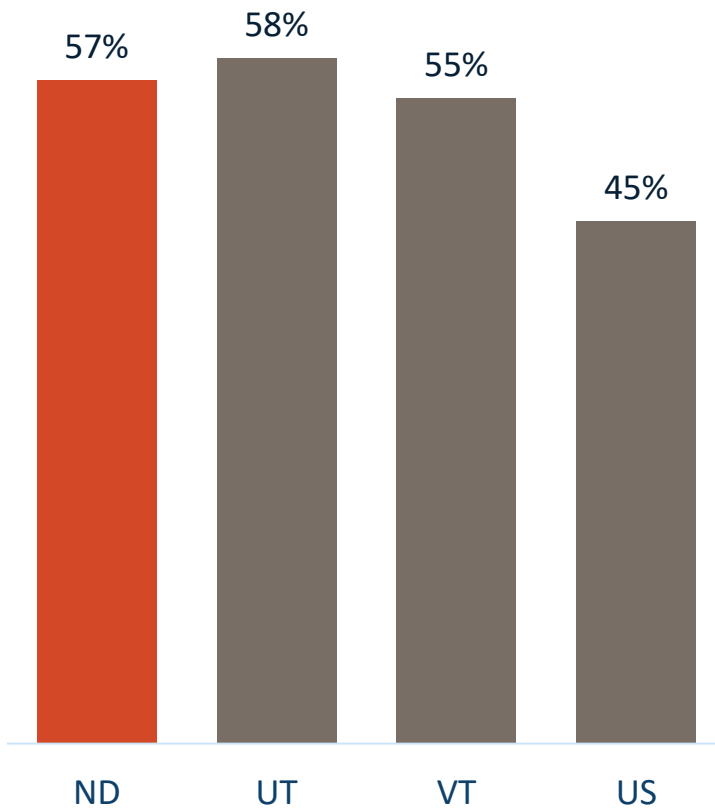
Doug Bichler demonstrates the ease of opening and closing a gate in his sorting pens. The gates used to have chain latches, which got more difficult for Bichler to use after he lost his right arm in 2017. North Dakota Vocational Rehabilitation helped install the latches to make Bichler's daily life easier. Photo taken Jan. 7, 2025, near Linton, North Dakota. Jenny Schlecht / Agweek

# 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

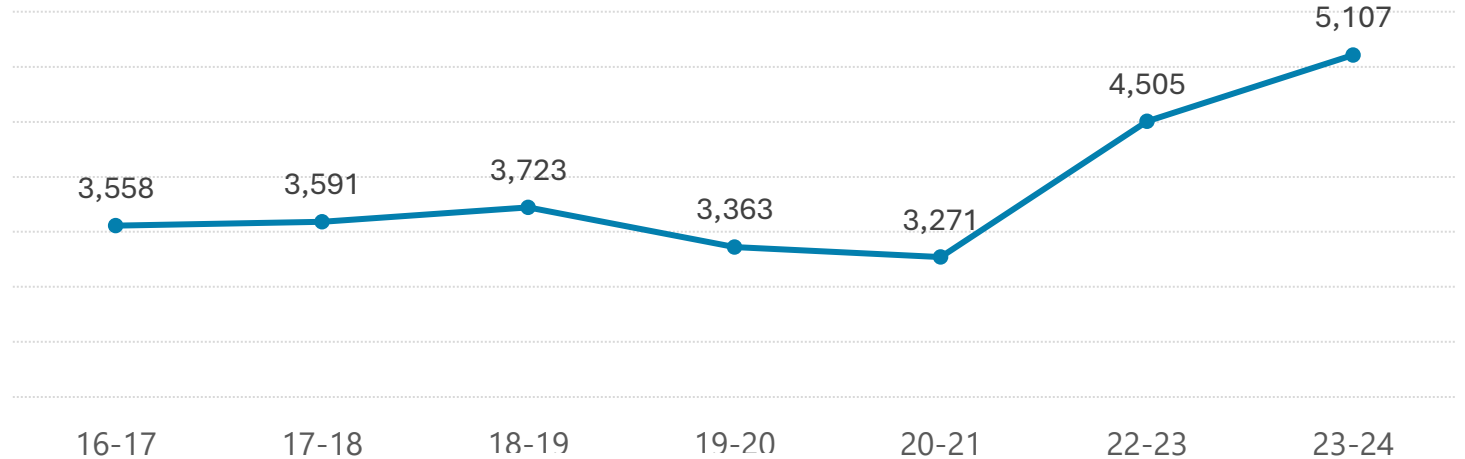
## Growing Caseload | Return on Investment

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

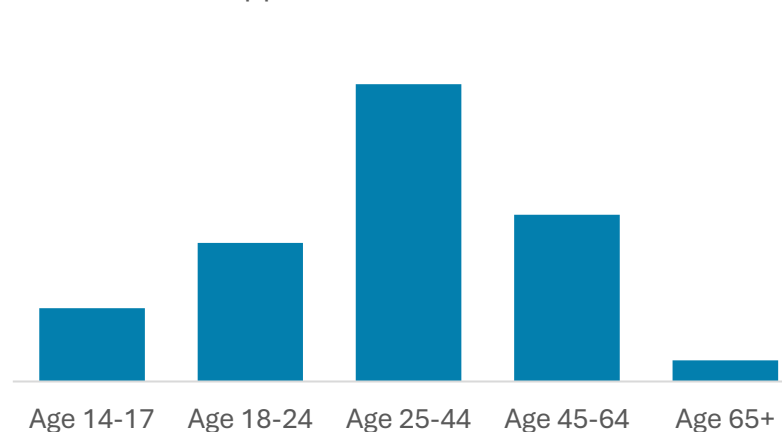
For every **one dollar spent** on Vocational Rehab services clients **pay \$2.16 in taxes**

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

# of people served during the fiscal year

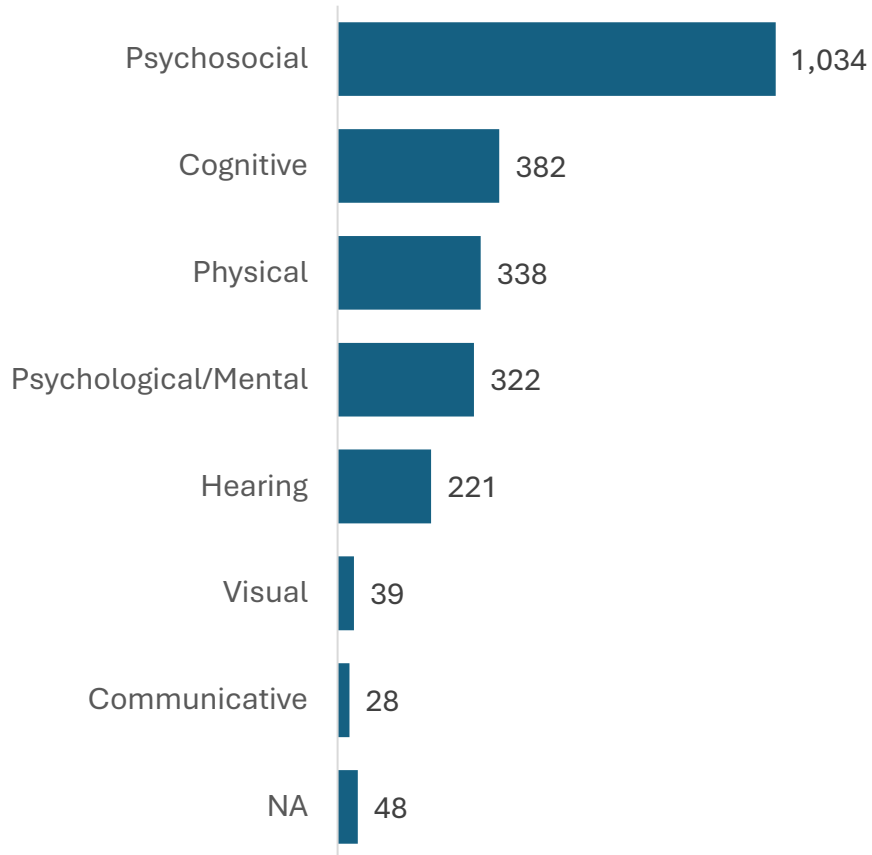


New Apps for VR svc – Jan-Dec 2024

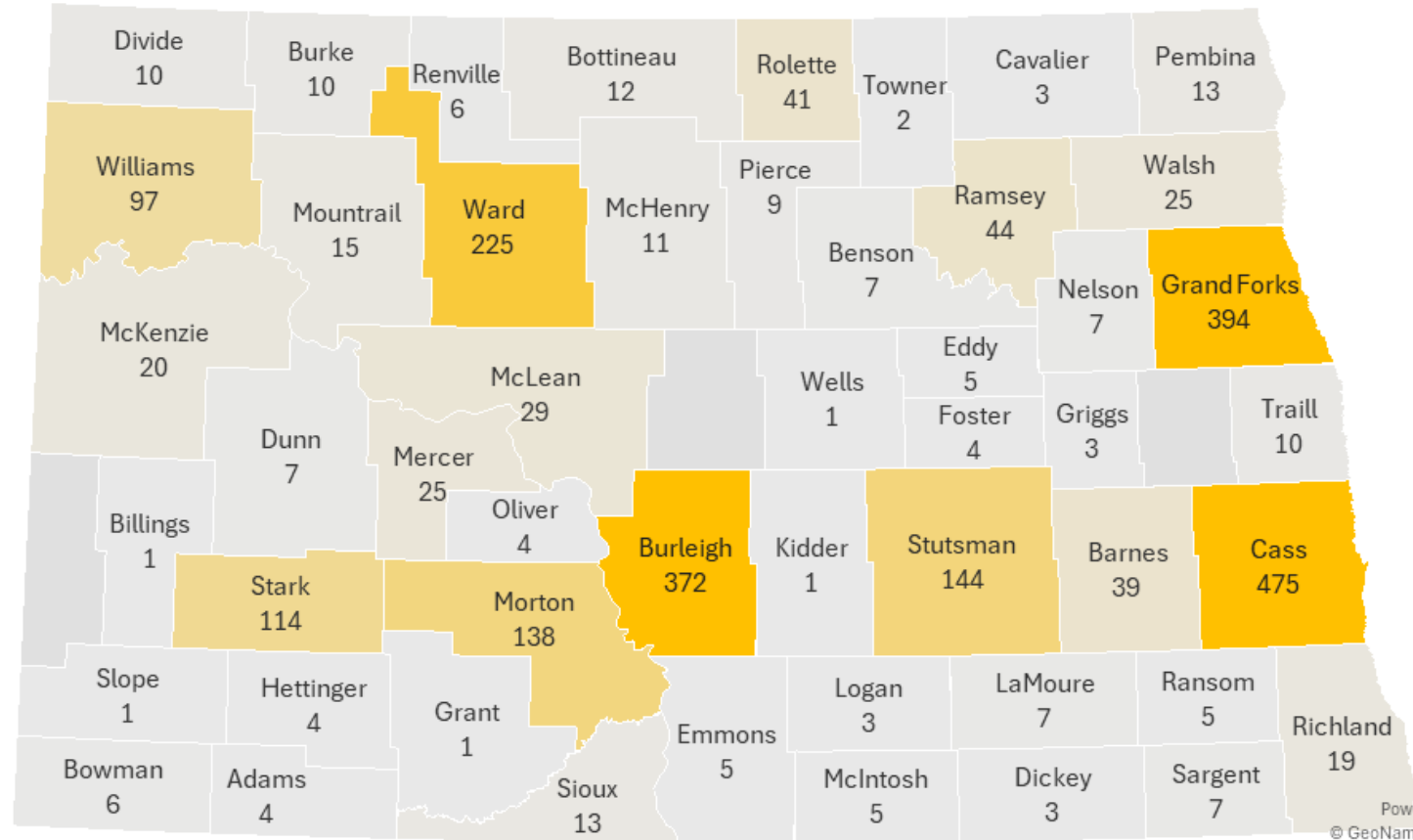


# Connecting people with disabilities to employment affects hundreds of ND communities

CY2024 new apps by primary disability at application



New applications for VR services Jan-Dec 2024



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# Team Structure and Function

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

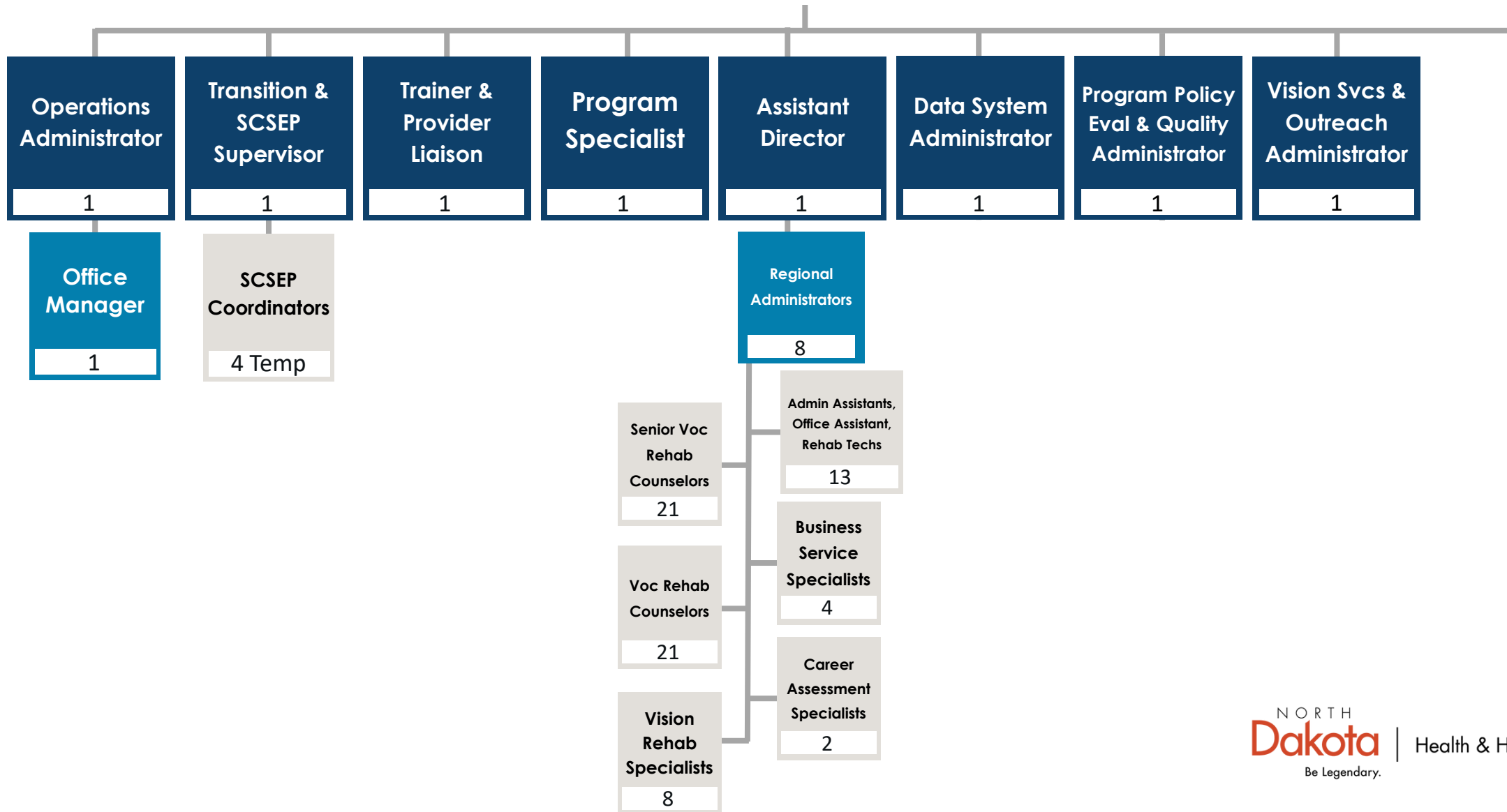
\*Numbers as of 12/1/2024

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.
- Streamline data entry and reporting. Support improved services to business. Electronic billing and payment processes.

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

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



# Comparison of budget expenditures and projections

## By Program

PROGRAMS	2023-25 LEGISLATIVE BASE	ONE-TIME / CARRYOVER	2023-25 EXPENSES THROUGH DECEMBER	2023-25 PROJECTED EXPENDITURES	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012	GENERAL	FEDERAL	OTHER
VR ADMINISTRATION	\$ 4,785,869	\$ -	\$ 943,615	\$ 4,223,713	\$ 7,133,204	\$ 708,266	\$ 7,841,470	\$ 2,134,594	\$ 5,706,876	\$ -
STATE REHAB COUNCIL	175,518	-	50,063	93,942	117,698	-	117,698	11,770	-	105,928
PRE-EMPLOYMENT TRANSITION SERVICES	4,000,000	-	3,619,410	4,000,000	4,000,000	-	4,000,000	852,000	3,148,000	-
IT SERVICES	-	-	-	-	8,458,707	-	8,458,707	97,705	6,657,002	1,704,000
REHABILITATION SERVICES	348,048	-	242,437	348,048	358,490	-	358,490	76,358	282,132	-
VR REGIONAL STAFF	13,996,381	-	10,590,294	14,284,517	15,395,490	(267,000)	15,128,490	3,027,635	12,100,855	-
BASIC SUPPORT-CASE SERVICES	6,383,332	-	5,946,723	7,542,556	10,479,834	-	10,479,834	1,047,983	9,431,851	-
ASSISTIVE TECH FOR INDIVIDUALS	1,526,541	-	1,074,883	1,456,519	1,500,470	-	1,500,470	659,907	840,563	-
CLIENT ASSISTANCE PROGRAMS	263,834	-	196,822	262,822	304,412	-	304,412	-	304,412	-
SERVICES FOR VISUALLY IMPAIRED	1,768,882	-	1,268,689	1,708,997	2,052,887	(93,000)	1,959,887	1,251,426	708,461	-
RANDOLPH SHEPPARD BEP	175,900	-	33,355	77,330	157,400	-	157,400	-	-	157,400
SR COMMUNITY SVC EMPLOYMENT (SCSEP)	1,101,291	-	248,899	339,370	1,110,242	(18,000)	1,092,242	176,707	915,536	-
CONTRACTS FOR REHAB PROVIDERS	200,000	-	111,577	161,577	-	200,000	200,000	200,000	-	-
CONTRACTS FOR CENTERS FOR IND LIVING	2,553,336	-	1,588,281	2,226,615	2,450,941	-	2,450,941	1,754,874	696,067	-
<b>TOTAL</b>	<b>\$ 37,278,931</b>	<b>\$ -</b>	<b>\$ 25,915,048</b>	<b>\$ 36,726,006</b>	<b>\$ 53,519,774</b>	<b>\$ 530,266</b>	<b>\$ 54,050,040</b>	<b>\$ 11,290,958</b>	<b>\$ 40,791,755</b>	<b>\$ 1,967,328</b>

# Changes to Base Budget

By Ongoing, One-Time and Funding Source

BASE BUDGET CHANGES	DESCRIPTION	RECOMMENDATION		ENGROSSED HB 1012	
		GENERAL	OTHER	GENERAL	OTHER
IT-New	Implement Comprehensive Vocational Rehab Technology System - One Time		\$6,296,000 Federal \$1,704,000 SIIF		\$6,296,000 Federal \$1,704,000 SIIF
Engrossed HB 1012 Adjustment	Provides funding for a Winter Park Adaptive Recreation Program Grant - One Time			\$200,000	
FTE Block Grant Adjustment	FTE Block Grant Adjustment			\$445,266	
Operating Underfund	Operating Underfund			-\$115,000	

# Comparison of budgets and funding

By Major Expense

DESCRIPTION	2023-25 LEGISLATIVE BASE	INCREASE / (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012
Salaries & Benefits	\$ 18,185,556	\$ 2,940,272	\$ 21,125,828	\$ 445,266	\$ 21,571,094
Operating	8,285,692	669,302	8,954,994	(115,000)	8,839,994
IT Services	8,000	8,450,707	8,458,707	-	8,458,707
Grants	10,799,683	4,180,562	14,980,245	200,000	15,180,245
<b>Total</b>	<b>\$ 37,278,931</b>	<b>\$ 16,240,843</b>	<b>\$ 53,519,774</b>	<b>\$ 530,266</b>	<b>\$ 54,050,040</b>
<b>General Fund</b>	<b>\$ 9,630,168</b>	<b>\$ 1,711,398</b>	<b>\$ 11,341,566</b>	<b>\$ (50,608)</b>	<b>\$ 11,290,958</b>
<b>Federal Funds</b>	<b>27,312,864</b>	<b>12,898,016</b>	<b>40,210,880</b>	<b>580,875</b>	<b>40,791,755</b>
Other Funds	335,899	1,631,429	1,967,328	-	1,967,328
<b>Total Funds</b>	<b>\$ 37,278,931</b>	<b>\$ 16,240,843</b>	<b>\$ 53,519,774</b>	<b>\$ 530,267</b>	<b>\$ 54,050,041</b>

## Vocational Rehabilitation Budget as % of HHS Budget

- 0.9%

## Budget by Funding Source

- 21% General
- 75% Federal
- 4% Other

## Budget by Pass Through

- 12.2% Paid to private providers
- 28.1% Direct Service
- 44.1% Admin
- 15.6% IT

# Policy Bills with Budget 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
- Current biennium: 49 slots, 20-25 participants, 12 counties





# 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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