

**Vocational Rehabilitation Testimony**  
**House Bill 1405**  
**House Finance and Taxation Committee**  
**Representative Craig Headland, Chairman**

January 27, 2021

Chairman Headland and members of the House Finance and Taxation Committee. I am Cheryl Anderson, Program Administrator for the Department of Human Services Division of Vocational Rehabilitation (VR). VR supports HB 1405 as amended. I would like to highlight and clarify a few points in the bill.

The individuals who qualify for the amended tax credit would receive either supported employment or customized employment to become employed at or above minimum wage. Supported employment matches the individual's abilities to obtain open, advertised positions in the community. In other words, the person fits the job. An example of a supported employment placement: Walmart advertises for a stock clerk, and the individual is hired to perform all aspects of the position. Customized employment is a new service which was introduced in North Dakota five years ago. Customized employment identifies the individual's abilities and matches them with the unmet employment needs of the business. In other words, the job is customized to fit the individual. The job duties are negotiated with the employer and a customized job description is created based on the employer's needs. An example of customized employment placement: A restaurant has a prep cook who performs duties such as making cheese sticks, preparing all the appetizers listed on the menu and cleaning the pre-cook workstation. The owner hires an individual through customized employment to make the cheese sticks during their shift which allows the prep cook to take on additional duties.

In the last legislative session, HB 1406 was introduced and allowed for up to 100 individuals to be certified allowing the employer to qualify for the tax credits. If HB 1405 as amended is passed to include supported employment there is the potential to utilize all available certifications. In 2019, VR served 337 individuals through supported employment services

with 76 becoming employed and working up to their abilities in either full or part time, permanent positions. In 2020, VR served 325 individuals through supported employment services with 60 becoming employed. 136 individuals became employed over the past two years through the supported employment program. This number may have been reduced due to COVID 19. Historically VR averages around 75 successful closures annually through supported employment services.

While Customized Employment is relatively new to ND, it is proving to be a successful program for some individuals with the most significant disabilities. For example, Jane Smith joined a production crew in 2008. Although change can bring about fear and anxiety, this did not stop Jane from taking a chance and moving forward with gaining competitive integrated employment. In January of 2016, Jane gained employment at a local retailer. She went from earning \$2.39 an hour to \$9.00 an hour. Initially, Jane was hired to be a greeter and prepare shoes for shipment, but after consistently carrying out these two assignments successfully, she was introduced to sales. She remembers being told that she would never be able to do the things that she wanted because of her disability, but since then she has grown and has become an active part of her community! Jane now serves on the Board of Directors of an organization that she is passionate about, has been asked to be in TV commercials, and is supporting another project on Disability Awareness. Jane has made great progress and now has the mindset that anything is possible so long as she tries. In August of 2019, Jane transitioned to a new position serving as a cashier in the cafeteria of a local university. She earns \$10.00 an hour and works between 20-24 hours a week. Being able to go to college has been a long-time goal and now with this employment opportunity, that is a real possibility.

We believe HB 1405 as amended would be a win-win for both the employee and the employer. The individual will be given the opportunity to become employed in their community, earn their own income, and become a taxpayer. The employer has an incentive to give the individual a chance and in return may find a valuable and loyal employee, while helping meet their labor needs and developing a more diverse workforce.

Thank you for reviewing my testimony. I would be happy to answer any questions. My contact information is below:

Cheryl Anderson

701-328-8959

[cheanderson@nd.gov](mailto:cheanderson@nd.gov)