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DEPARTMENT OF ADMINISTRATION

Accommodation Reimbursement Fund

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Introduction

This annual report on the State's Accommodation Reimbursement Fund is mandated under <u>Minnesota Statutes</u> <u>16B.4805 Subd. 6.</u>

Background

The State of Minnesota recognizes the significant contribution workers with disabilities make to keep the state competitive in a global economy. To remain competitive, the State must aggressively pursue new and inclusive recruitment strategies to both prepare for the rapidly approaching workforce shortage, and ensure a state government that reflects the people it serves. However, workers with disabilities remain an underutilized resource. In 2015, there were 296,300 Minnesotans with disabilities of typical working ages (18-64) of which 44% were unemployed. ¹

Minnesota Management and Budget (MMB), in collaboration with the Commission of Deaf, DeafBlind, and Hard of Hearing Minnesotans (MNCDHH) submitted a report to the Legislature in 2015, noting that:

Several studies have cited a centralized reasonable accommodation fund as a best practice for hiring individuals with disabilities. Specifically, it can reduce the unconscious or conscious bias a hiring manager may experience when considering an applicant with a disability and the associated costs of workplace accommodations. This bias has been shown to potentially deter a manager from hiring an individual with a disability.²

Subsequent to this report, legislation was enacted to establish a fund to reimburse state agencies for qualifying reasonable accommodation expenses to better support the hiring and retention of workers with disabilities.

Accommodation Fund

During the 2015 Legislative Session, \$200,000 was appropriated to the Department of Administration to establish an accommodation fund for the purpose of reimbursing state agencies (as defined in Minnesota Statute 16A.011 Subd. 12) up to 100 percent of the cost of reasonable accommodation expenses in accordance with Minnesota Statutes 16B.4805 Subd. 6.

In 2017, the statute³ was amended to allow the Commissioner of Administration to reimburse state agencies up to 50 percent of the cost of expenses incurred in making reasonable accommodations.

² 2015, February 26). Centralized Reasonable Accommodation Fund Study - Minnesota.... Retrieved January 12, 2017, from https://www.leg.state.mn.us/docs/2015/mandated/150351.pdf

¹ (2016, November). Population Notes - Minnesotans with Disabilities: Demographic and Economic Characteristics. Saint Paul: Minnesota State Demographic Center.

³ 2017 Minnesota Statute 16B.4805 <u>https://www.revisor.mn.gov/statutes/?id=16B.4805</u>

The goal of the accommodation fund is twofold:

- 1. To provide an equal footing for job applicants with disabilities during the hiring process, in support of Executive Order 14-14; and,
- 2. To provide for a more inclusive workplace environment for current state employees with disabilities.

The three types of accommodation expenses eligible for reimbursement are:

- 1. For applicants for employment in any amount;
- 2. For current employees for services that are needed on a periodic or ongoing basis; and
- 3. For **current employees** for one-time expenses that total more than \$1,000 for a single employee in a fiscal year

During Fiscal Year 2016, the Department of Administration (Admin) set up the fund and a method for distribution. Since its establishment, Admin has distributed \$490,233.13 in reimbursement to agencies for accommodations.

Implementation

The Accommodation Fund is administered by the Department of Administration's STAR (System of Technology to Achieve Result) program. STAR is federally-funded and provides assistive technology services to help Minnesotans with disabilities of all ages increase their independence at home, school, work, and in their communities.

Eligibility

Eighty-one Executive Branch Agencies, Boards, Councils and Commissions are eligible to submit requests for reimbursement of reasonable accommodations subject to established eligibility requirements.

Reimbursement requests may only be submitted for state employees and job applicants. Reasonable accommodations provided on behalf of board members, unpaid student workers, interns, and volunteers do not qualify for reimbursement.

2018 Summary

Reimbursement Requests

Agency Requests - FY18

During FY18, 13 agencies *requested* reasonable accommodation expense reimbursements totaling \$287,381:

HHS Finance Committee (\$142,092 – 49.44%)

- Department of Human Services \$ 107,813
- MNsure \$34,279

Agriculture Finance (\$948-.33%)

• Department of Agriculture - \$948

Public Safety Finance (\$10,778 - 3.75%)

- Department of Corrections \$0
- Department of Public Safety \$9,488
- Department of Health- \$1,290

Job Growth (\$75,581 - 26.30%)

- Department of Employment and Economic Development \$18,922
- Housing Finance Agency \$56,659

State Government Finance (\$44,685 - 15.55%)

• MN.IT Services - \$44,685

Energy & Natural Resources (\$7,051 - 2.45%)

- Department of Natural Resources \$1,244
- Polution Control Agency- \$574
- Board of Soil & Water- \$5,233

Education (\$6,246-2.17%)

- Department of Education- \$1,456
- MNState-\$4,790

Approved Requests – FY18

The Accommodation Fund approved and reimbursed 113 requests submitted by state agencies.

Number of Approved Reimbursement by Functional Need in FY18

- 2 Vision
- 0 Learning/Cognition
- 106 Hearing
- 5 Physical/Mobility
- 0 Speech
- 0 Other

Number of Reimbursements Approved by Accommodation Type in FY18

- 7 One-time expenses for a state employee that total more than \$1000 in a fiscal year
- 105 Periodic or ongoing services for a state employee
- 0 Combination periodic services/one-time expense in fiscal year for a state employee
- 1 Combination periodic services/one-time expense in fiscal year and any expense for a job applicant

Recipients (Applicants/Employees)

Of the 113 requests made during FY18:

- 112 were for state employees
- 1 was for an applicant who was hired

Agency Reimbursements Received - FY18

The thirteen agencies listed below *received* a total of \$143,690 during FY18:

HHS Finance Committee (\$71,045-49.44%)

- Department of Human Services \$53,906
- MNsure \$17,139

Agriculture Finance (\$474 - .33%)

• Department of Agriculture - \$474

Public Safety Finance (\$5,389 – 3.75%)

- Department of Corrections \$0
- Department of Public Safety \$4,744
- Department of Health- \$645

Job Growth (\$37,791- 26.30%)

- Department of Employment and Economic Development \$9,461
- Housing Finance Agency \$28,330

State Government Finance (\$22,342 - 15.55%)

• MN.IT Services - \$22,342

Energy & Natural Resources (\$3,526 - 2.45%)

- Department of Natural Resources \$622
- Pollution Control Agency \$287
- Board of Soil & Water \$2,617

Education (\$3,123-2.17%)

- Mn Department of Education \$728
- MNState \$2,395

Denied Reimbursement Requests – FY18

No Accommodation Fund application requests were denied in Fiscal Year 18.

Conclusion

State agencies continue to utilize the accommodation fund. During FY16, the first year of implementation, the Fund approved 88 applications, during FY 17, 109 applications were approved, while 113 applications were approved in FY18, showing a 28.4% increase in use.

When an accommodation calls for assistive technology (AT), matching the right device or software with an employee or applicant's need is essential. The state's federally-funded Section Four Assistive Technology program (STAR) provides free demonstrations and short-term loans so that Minnesotans with disabilities can learn about their AT options and try devices to see if they meet their needs. During FY18, STAR provided 623 Minnesotans with short-term device loans while 297 Minnesotans received device demonstrations. STAR also helped 184 Minnesotans get access to free AT through its open-ended loan program, which saved consumers \$275,069.

STAR encourages agencies to use its free services help state employees identify AT that will satisfy their needs and reduce the potential of an agency spending funds on the wrong AT resulting in wasted money and loss of worker productivity.

Minnesota state government is committed to building a diverse and inclusive workplace, which includes hiring people with disabilities and retaining workers who develop functional limitations during their employment. Therefore, we anticipate that use of the fund will continue to grow as state agencies respond to requests for accommodations from new hires with disabilities and as well as current employees who may develop a need for and benefit from a reasonable accommodation.

The Accommodation Fund is a valuable resource that helps agencies, boards and commissions ensure their staff receives the help needed to stay on the job and be productive as well as allow a diverse pool of applicants to apply for state employment.