



Accommodation Reimbursement Fund

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Introduction

This annual report on the State's Accommodation Reimbursement Fund is mandated under Minnesota Statutes 16B.4805 Subd. 6.¹

Background

The State of Minnesota recognizes the significant contribution workers with disabilities make to keep the state competitive in a global economy. Demographic data demonstrates that Minnesota faces significant workforce shortages in coming years, in the absence of in-migration to offset expected retirements. The State must aggressively pursue new recruitment strategies to meet that challenge; 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.²

Minnesota Management and Budget (MMB), in collaboration with the Commission of Deaf, DeafBlind, and Hard of Hearing Minnesotans (MNCDDH) 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.³

In 2014, Governor Dayton issued Executive Order 14-14, which set a goal of seven percent of the state workforce being persons with disabilities. The 2015 Legislature created an accommodation reimbursement fund to be administered by the Commissioner of Administration.

¹ See Appendix A for statutory language

² (2016, November). Population Notes - Minnesotans with Disabilities: Demographic and Economic Characteristics. Saint Paul: Minnesota State Demographic Center.

³ 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>

Accommodation Fund

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

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 periodic or ongoing; and
3. For **current employees** for one-time expenses that total more than \$1,000 for a single employee in a fiscal year.

During FY2016, the Department of Administration (Admin) set up the fund and a method for distribution. From its establishment through December 31, 2016, Admin has distributed \$226,844 to reimburse 14 agencies that accommodated 113 individuals with disabilities; all funds were expended.

Implementation

The Accommodation Fund is administered by Admin's STAR (System of Technology to Achieve Results) Office. STAR provides assistive technology services to Minnesotans with a disability, regardless of age, to help them increase their independence at home, school, work, and in their communities.

Admin, in cooperation with stakeholders, uses multiple strategies to promote the Accommodation Fund to agencies. Separate communications were sent to agency commissioners and deputy commissioners. Human Resource directors and staff were involved in focus group sessions to help raise awareness. Admin also involved agency coordinators responsible for Americans with Disabilities Act (ADA) implementation. Subsequent information was disseminated to promote fund awareness; methods included targeted communications to impacted groups and periodic newsletters. Several of the communications were timed to highlight submission deadlines. Additionally, Admin created a webpage dedicated to the fund.⁴

⁴ <http://mn.gov/admin/government/disability-services/accommodation-fund/>

2016 Summary

Approved Reimbursement Requests

During FY2016, the fund approved and reimbursed 88 accommodation requests submitted by state agencies.

Number of Approved Reimbursements by Functional Need in FY2016

- Vision 7
- Learning/Cognition 2
- Hearing 70
- Physical/Mobility 7
- Speech 1
- Other 1

Number of Reimbursements Approved by Accommodation Type in FY2016

- **19:** One-time expenses for a state employee that total more than \$1000 in a fiscal year
- **66:** Periodic or ongoing services for a state employee
- **1:** Combination of Periodic services and One-time expense for a state employee
- **2:** Combination of Periodic services and One-time expense for a job applicant

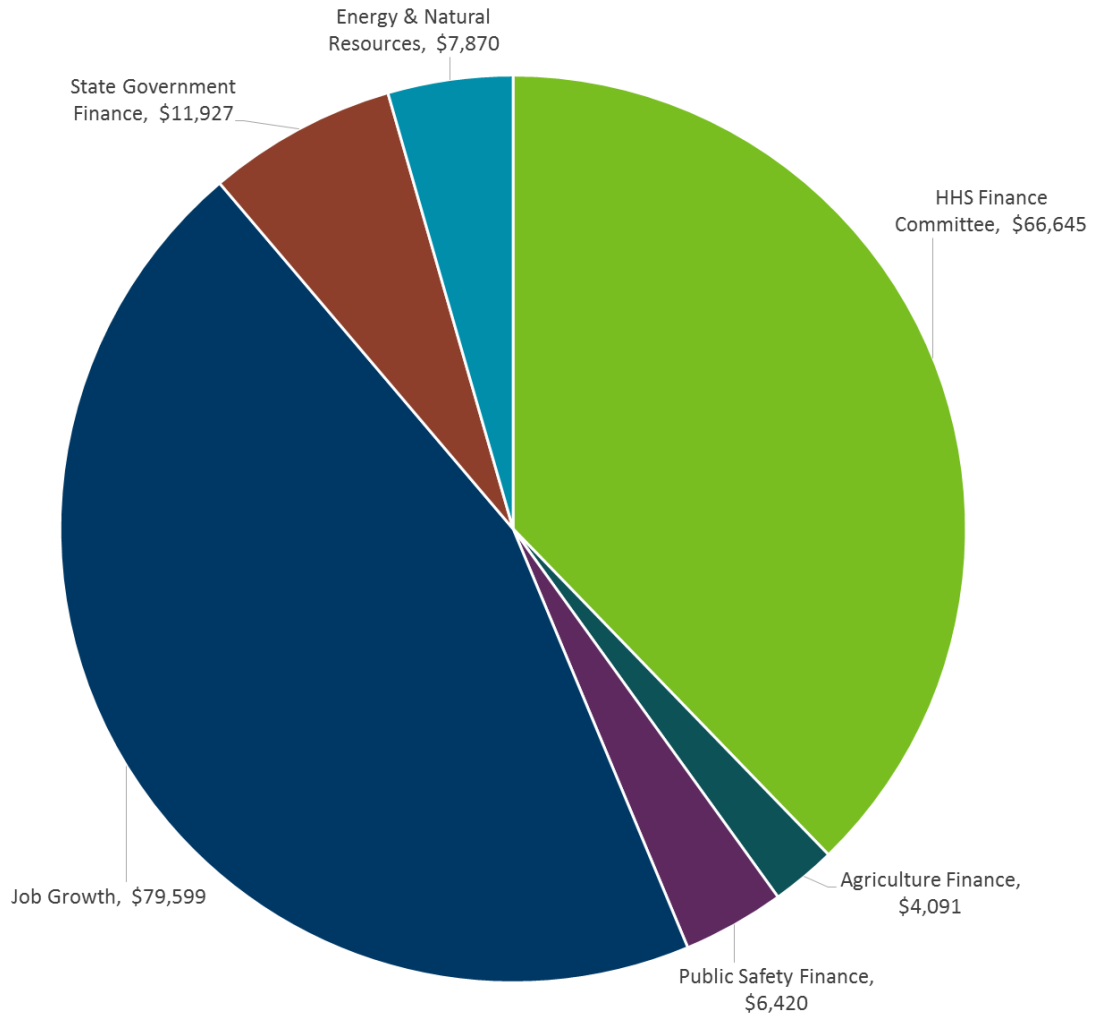
Cost of Accommodations

In FY2016, a total of \$176,553 of costs were reimbursed. Although \$160,000 was originally allocated to reimburse state agencies for accommodations, Admin contributed an additional \$16,553 to be used for reimbursements from funds originally set aside for administrative costs.

Total reimbursements for the first quarter of FY2017 were \$50,292. Requests for reimbursement for the second quarter of FY2017 received through January 31, 2017 total \$74,002 and are in the process of being reviewed.

Agency Requests

The resources appropriated for this fund come to Admin through the State Government Finance fiscal jurisdiction but benefit the entire enterprise. Below is a chart of the fourteen agencies, grouped by budget area that received reimbursement in FY2016:



- **HHS Finance Committee (\$66,645 – 41.65%)**
 - Board of Pharmacy - \$1,217
 - Department of Human Services - \$40,544
 - MnSure - \$24,884
- **Agriculture Finance (\$4,091 – 2.55%)**
 - Department of Agriculture - \$4,091
- **Public Safety Finance (\$6,420 – 4.01%)**
 - Department of Corrections - \$644
 - Department of Public Safety - \$5776
- **Job Growth (\$79,599 – 49.72%)**
 - Department of Commerce - \$9,915

- Department of Employment and Economic Development - \$9,334
- Housing Finance Agency - \$60,350
- **State Government Finance (11,927 – 7.45%)**
 - MN.IT Services - \$6,854
 - Department of Veteran Affairs - \$1,323
 - Department of Revenue - \$3,750
- **Energy & Natural Resources (\$7,870 – 4.91%)**
 - Department of Natural Resources - \$5,704
 - Pollution Control Agency - \$2,166

Recipients (Applicants/Employees)

Of the 88 requests made during FY2016:

- 86 were for state employees
- 2 were for applicants (neither were ultimately hired)

Denied Reimbursement Requests

Accommodation requests totaling \$29,116 did not meet fund requirements and were denied. Ineligible fund requests included:

- An agency providing interpreter services for another agency's employee during a training event;
- Inability to provide necessary information and invoices to justify a reimbursement;
- Mold removal;
- Ergonomic requests not related to an accommodation; and
- Covering salary of staff assigned to help new employee with a disability.

Funding Shortage

During the final quarter of FY2016, reimbursement requests exceeded the capacity of the fund. Twenty-six applications from four agencies (DEED, DHS, HFA, and MnSure) were partially funded during the last round of reimbursements. The total amount not reimbursed was \$90,756.

Program Feedback

In an effort to improve fund administration and stakeholder awareness, Admin also contracted with Management Analysis & Development (MAD) of Minnesota Management & Budget to gather feedback from users and other stakeholders on their experience using the fund during its first year. Two focus groups and eight interviews were conducted. The feedback identified potential opportunities for improved operation of the fund, as well as issues that are outside the scope of the fund but related to overall implementation of the ADA among the state workforce.

The areas raised by stakeholders include the following:

- Data Practices. Existing law prevents interagency coordination without individual consent and requires agencies to obtain informed consent from employees/applicants to share private data with Admin.
- Eligibility. Lowering the one-time expenses threshold from \$1,000 to \$500 to improve distribution of funds between disability types and functional need.
- Data gaps. Agencies need to track, report and work closely with their ADA Coordinators as well as Minnesota Management and Budget Office on accommodations that are provided by an agency at low or no cost as well as those accommodations where reimbursement from the Fund is not sought.
- Accommodations made by another agency. Expand the eligibility to the fund for agencies providing accommodations for another agency's employee. Examples of situations include training sessions or meetings that are a necessary function of an employee's job.

Conclusion

Minnesota's labor force is constantly changing. In order to recruit and retain talent, state government must be proactive and plan for the changing needs of our future as well as our current employees. State agencies can expect to receive more requests for accommodations from new hires with disabilities and current employees who may soon require the need for accommodations. While the majority of accommodations have little or no cost, agencies will need to budget for these costs. If agencies fail to budget appropriately, they will remain heavily dependent on the fund, which will be exhausted more quickly each fiscal year.

Appendix A

16B.4805 ACCOMMODATION REIMBURSEMENT

Subdivision 1. Definitions.

"Reasonable accommodation" as used in this section has the meaning given in section [363A.08](#). "State agency" as used in this section has the meaning given in section [16A.011, subdivision 12](#). "Reasonable accommodations eligible for reimbursement" means:

- (1) reasonable accommodations provided to applicants for employment;
- (2) reasonable accommodations for employees for services that will need to be provided on a periodic or ongoing basis; or
- (3) reasonable accommodations that involve onetime expenses that total more than \$1,000 for an employee in a fiscal year.

Subd. 2. Reimbursement for making reasonable accommodation.

The commissioner of administration shall reimburse state agencies for expenses incurred in making reasonable accommodations eligible for reimbursement for agency employees and applicants for employment to the extent that funds are available in the accommodation account established under subdivision 3 for this purpose.

Subd. 3. Accommodation account established.

The accommodation account is created as an account in the special revenue fund for reimbursing state agencies for expenses incurred in providing reasonable accommodation eligible for reimbursement for agency employees and applicants for agency employment.

Subd. 4. Administration costs.

The commissioner may use up to 15 percent of the biennial appropriation for administration of this section.

Subd. 5. Notification.

By August 1, 2015, or within 30 days of final enactment, whichever is later, and each year thereafter by June 30, the commissioner of administration must notify state agencies that reimbursement for expenses incurred to make reasonable accommodation eligible for reimbursement for agency employees and applicants for agency employment is available under this section.

Subd. 6. Report.

By January 31 of each year, the commissioner of administration must report to the chairs and ranking minority members of the house of representatives and the senate committees with jurisdiction over state government finance on the use of the central accommodation account during the prior calendar year. The report must include:

- (1) the number and type of accommodations requested;
- (2) the cost of accommodations requested;
- (3) the state agencies from which the requests were made;
- (4) the number of requests made for employees and the number of requests for applicants for employment;
- (5) the number and type of accommodations that were not provided;
- (6) any remaining balance left in the account;
- (7) if the account was depleted, the date on which funds were exhausted and the number, type, and cost of accommodations that were not reimbursed to state agencies; and
- (8) a description of how the account was promoted to state agencies.

History:

2015 c 77 art 2 s 8