Small Business Series:
Local and State Disability Inclusion Incentives and Resources for Small Businesses

May 1, 2024
Our Moderator

Jennifer Pawlewicz
Business Outreach Specialist
EARN
Today’s Panelists

Ray McCoy
Program Coordinator
Employer Reasonable Accommodation Fund (ERAF)
Department of Employment and Economic Development
State of Minnesota

Kris Oldenburg
Audit and Compliance Manager
Finance Department
Tax & License Division
City of Tacoma, WA

Nikki Powis
Director of Small Business Programs
National Disability Institute (NDI)
Employer Reasonable Accommodation Fund (ERAF)

Ray McCoy | ERAF Program Coordinator
• Two-year pilot program that reimburses eligible employers for reasonable accommodation purchases made for job applicants and/or employees with disabilities
  • Reimburses purchases made from July 1, 2023, through June 30, 2025
• Promotes hiring of people with disabilities by reducing any real or perceived financial hardships of providing accommodations
• Available to Minnesota small to medium sized employers
• Appropriated $2m per year, $400,000 of which is budgeted for administrative costs
• Organizationally housed within State Services for the Blind but marketed as a Department of Employment and Economic Development (DEED) program
• Official Launch Date: September 1, 2023
Employer Eligibility

• The employer is domiciled within the legal boundaries of Minnesota and has its principal place of business as identified in its certificate of incorporation in the state of Minnesota;

• The business employs not more than 500 employees on any business day during the preceding calendar year; and

• The business generates $5,000,000 or less in gross annual revenue.
Qualifying Reasonable Accommodations (Examples)

- Assistive technology
- Captioning services
- Ergonomic workstations or seating
- Job coaching
- Lifting aids
- Lighting and alarms
- Low vision aids and devices
- Noise-cancelling devices
- Readers
- Sign language interpreters
- Signage
- Specialized software
- Subscriptions for assistive technology
- Transcription of materials into Braille or audio formats
- Wheelchair ramp
Reimbursement Limits

• The maximum total reimbursement per eligible employer in a state fiscal year (July 1-June 30) is $30,000. This amount encapsulates both onetime and ongoing reasonable accommodations expenses.

• Submissions for onetime reasonable accommodation expenses must be no less than $250 and no more than $15,000 per individual with a disability. If an employer submits a reimbursement for more than the maximum amount, ERAF will only reimburse up the $15,000 limit.

• Submissions for ongoing reasonable accommodation expenses have no minimum or maximum requirements. Ongoing expenses are those expenses for ongoing services, such as sign language interpreting or captioning services.
1. Employee completes their internal process confirming their disability and need for accommodations

2. Contact us to schedule a FREE consultation to discuss what reasonable accommodations you need

3. Purchase the reasonable accommodation(s) for a job applicant or employee with a disability

4. Complete the ERAF Application on our website
Reimbursement Process

• When completing the application, the employer MUST attach proofs of purchase.

• ERAF Program Coordinator reviews application within 5 business days of receipt.

• If application is approved, ERAF technician contacts employer to complete a substitute W-9 form; employer may be asked to register in SWIFT if they anticipate future reimbursements.
  • Our ERAF Technician will help them through the entire process.

• Reimbursement is processed in SWIFT, and the reimbursement check is sent to the employer within 30 days. If employer is set up as a supplier in SWIFT, funds can be instead direct deposited.
Reimbursement Denials

• Potential reasons for denials:
  • Not an eligible employer
  • Not a qualifying reasonable accommodation under the definition of state law
  • Not for a job applicant or employee with a disability
  • Eligible employer has met $30,000 fiscal year limit
  • Missing or insufficient documentation for proof of purchase or cost

• Employers are provided an appeal process.
Important Notes

• The reimbursement employers receive is not taxable. However, they are still advised to consult with a tax accountant.

• Employers do not need to submit proof of eligibility at time of application. The application process was intentionally made to be as easy to complete as possible.

• We will be conducting quarterly financial audits of the reimbursements.

• Employers may be required to return a portion or all of the funds they received if we find through our audits, they did not meet the requirements of the program.
Technical Assistance and Consultation

• ERAF Program Coordinator is available for technical assistance (TA) and consultation at **no cost to employers**. TA is available for the following activities:

  • Understanding the Americans with Disabilities Act as it pertains to hiring and retaining individuals with disabilities and implementing reasonable accommodations;

  • Consulting on how to locate, purchase, and implement reasonable accommodations that meet the needs of individuals with disabilities;

  • Connecting employers to disability-related trainings and resources, including DEED-specific programs and initiatives; and

  • Answering any questions about the ERAF.
Important Contact Information

• Website:
  • Short URL: www.mn.gov/deed/eraf
  • Long URL: www.mn.gov/deed/business/financing-business/eraf/index.jsp

• Email: eraf.deed@state.mn.us

• Phone: 651-539-2390 (1-833-391-8050)

• Program Coordinator: Ray.McCoy@state.mn.us

• Technician: Darcie.Koecher@state.mn.us

• Supervisor: Lindsey.Hanson@state.mn.us
Work Opportunity Tax Credit

Kris Oldenburg
Audit and Compliance Manager
City of Tacoma, Washington

Earn Webinar May 1, 2024
Overview

6A.30 – Business & Occupation Tax – Job Credits

Proposed Amendments

• Create new Jobs Tax Credit for employers adding a new position and filling the position with an individual with a disability, as identified through the vocational rehabilitation referral in the federal Work Opportunity Tax Credit (WOTC)

• Set amount of the credit at $1,000
Background

• Individuals with disabilities can face barriers to employment, leading to higher rates of unemployment
• Approximately 24,000 people in Tacoma live with a physical or mental disability
  • More than 35 percent of people who are age 65 and older have a disability
  • About 32 percent of veterans in Washington have a disability
  • Non-Hispanic Black adults have higher rates of disability
Four Job Credits currently available to offset City B&O tax:

<table>
<thead>
<tr>
<th>Job Credit</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Full-Time Family Wage</td>
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</tr>
<tr>
<td>Tacoma Resident</td>
<td>$500</td>
</tr>
<tr>
<td>Green Job</td>
<td>$250 *</td>
</tr>
<tr>
<td>Empowerment Zone</td>
<td>$250</td>
</tr>
</tbody>
</table>

* separate proposed amendment before council to increase to $1,000 effective January 1, 2024
Issues

• State Exchange on Employment and Disability identifies private sector engagement through job credits as one key pathway for enhancing the employment of people with disabilities

• Alignment with strategic goals of Tacoma Area Commission on Disabilities and the Tacoma DSHS/Division of Vocational Rehabilitation
Proposed Amendment

- Provide $1,000 job credit for employers adding a new position and filling the position with an individual with a disability, as identified by vocational rehabilitation referral in the federal Work Opportunity Tax Credit.

  - A “vocational rehabilitation referral” is a person who has a physical or mental disability and has been referred to the employer while receiving or upon completion of rehabilitative services pursuant to a state plan approved under the Rehabilitation Act of 1973; an Employment Network Plan under the Ticket to Work program; or a program carried out under the Department of Veteran Affairs.
Intended Outcomes

• Greater inclusion in the workforce for individuals with disabilities
• Improving employment outcomes for individuals with disabilities
• Reducing poverty in the disability community
• Ensuring successful transitions into the workforce for students with disabilities
• Providing support for older residents and veterans with disabilities
Fiscal Impact

• While the number of individuals with disabilities hired each year can vary, we anticipate that between 15-30 new positions will be created and filled with individuals with disabilities each year, judging from data provided by the Tacoma DSHS/Division of Vocational Rehabilitation.

• This would result in a range of $15,000 - $30,000 of tax credit available to businesses to use towards their business & occupation tax liability.
Learn More

• To learn more visit:
  • Job Credits - City of Tacoma

• Questions:
  • koldenburg@cityoftacoma.org
The Department of Labor (DOL) is running an online dialogue on disability inclusion in very small businesses (fewer than 50 employees)

- Opportunity to provide ideas and insights

DOL wants to learn about opportunities and challenges these businesses face when hiring and keeping disabled workers, following laws such as Section 503, and providing supports

DOL also wants to hear from disabled entrepreneurs

DOL wants your input!

- Participate through May 6 at this link (use QR code below or the link in the chat)
- Open to the public
Questions?

Please take a moment to share feedback on today’s event:
The Employer Assistance and Resource Network on Disability Inclusion (EARN) is a resource for employers seeking to recruit, hire, retain, and advance qualified employees with disabilities. This publication is fully funded by the U.S. Department of Labor’s Office of Disability Employment Policy (ODEP) under cooperative agreement No. 23475OD000002-01-00 with Cornell University. The total five-year cost of this agreement amounts to $10,000,000. This document does not necessarily reflect the views or policies of the U.S. Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.
Thank You!

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