

**Senate Finance and Taxation  
Dwight Cook, Chairman  
Lewis and Clark Room  
SB 2331  
Tom Alexander Testimony  
Tuesday, February 1, 2011**

Chairman Cook and members of the Committee, my name is Tom Alexander. I am the Project Director for the ND Medicaid Infrastructure Grant (NDMIG) with the North Dakota Center for Persons with Disabilities at Minot State University. I am here in support of SB 2331. NDMIG is a project that works to promote the employment of people with disabilities through the removal of barriers to employment and to bring consumers, stakeholders and professionals together to build a comprehensive employment system through policy and infrastructure.

SB 2331 would allow an employer of the state of ND a tax credit for employing an individual with a disability. The amount of the credit to which a taxpayer would be entitled is fifty percent of up to five thousand dollars of wages paid in the first year, thirty percent of up to five thousand dollars of wages paid in the second year, and ten percent of up to five thousand dollars of wages paid in the third year of employment to the newly hired individual with disability.

The taxpayer may claim the credit in the first tax year beginning after the individual hired has completed the employee's first twelve consecutive months of employment by the taxpayer and applies in subsequent tax years in which further net increases occur above the level of such employment established when the credit was last taken.

A partnership, subchapter S corporation, limited partnership, or limited liability company, or any other entity treated as a pass through entity for federal income tax purposes must be considered to be the taxpayer for purposes of this section. The amount of the credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the pass through entity.

According to the 2008 American Community Survey, there are 32,000 people with disabilities in ND of working age (ages 21-64). In 2008, the employment rate for working age people *with* disabilities in ND was 60.2 percent; or approximately 19,264 individuals of working age with a disability are working in ND. In 2008, the rate of employment for those North Dakotans *without* a disability was 87.0 percent. The gap between the employment rates of North Dakotans of working-age people with and without disabilities was 26.8 percentage points.

While compared to national 2008 employment rates of 39.5 percent for those *with* a disability and 79.9 percent for those *without* a disability, North Dakota statistics sound good; but there is still work to be done, improvements to be made, and the need for continued systemic changes to build on ND's comprehensive employment system for people with disabilities.

Job Service North Dakota reported that North Dakota's December, 2010 not seasonally adjusted unemployment rate was 3.9 percent. The rate is 0.6 percentage points higher than prior month (3.3 percent), and 0.4 percentage points below December of prior year, (4.3 percent). The national unemployment rate in December was 9.1 percent.

Currently Job Service North Dakota is running about 12,000 to 13,000 job openings per month, and have approximately 9,500 to 10,000 individuals with resumes available per month. This leaves a small gap in resumes to openings per month

In the past 18 months, Job Service has seen the following:

- Applicant Registrations and updates: 98,500
- Applicant entered employment numbers: 22,250
  
- Disabled Applicant registrations and updates: 3,200
- Disabled applicant entered employment numbers: 705

There are many reasons to hire people with disabilities. Not only does it include people with disabilities to their communities as taxpaying citizens, building their economic independence, but also hiring a qualified person with a disability is a solid business decision. It brings greater benefits beyond just filling an open job. Here are three benefits of hiring people with disabilities:

#### Return on Investment(ROI)

Businesses that employ people with disabilities turn social issues into business opportunities. These opportunities translate into lower costs, higher revenues and increased profits. Capitalizing on the ROI of employing people with disabilities.

#### Marketing

Customers with disabilities and their families, friends and associates represent a trillion dollar market segment. They, like other market segments, purchase products and services from companies that best meet their needs. A large number of Americans also say they prefer to patronize businesses that hire

people with disabilities. Another of the benefits of employing people with disabilities is increasing your opportunity to gain a lasting customer base.

### Innovation

Innovation is key to a business' success. Employees with disabilities bring unique experiences and understanding that transform a workplace and enhance products and services. As part of the workforce, employees with disabilities help build business and lead a company into the future.

All though ND is ranked first in United States in employing people with disabilities negative stigma still exist preventing employment . There must be incentives for businesses to hire people from this vast underutilized talent pool. By passing SB 2331 you would be providing a key incentive to North Dakota employers. Therefore, I urge the Committee to recommend a “do pass” on SB 2331.

I am available to answer any questions that you may have.

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