WORKFORCE DEVELOPMENT FOR PEOPLE WITH DISABILITIES
ENTREPRENEURSHIP, TAX INCENTIVES & PROCUREMENT

Tuesday, Nov. 15 | 2 p.m. EST | Part Two of a four-part FREE CSG eCademy Webcast Series
WORKFORCE DEVELOPMENT FOR PEOPLE WITH DISABILITIES: ENTREPRENEURSHIP, TAX INCENTIVES, AND PROCUREMENT

Michael Morris
Executive Director
National Disability Institute
Tax Policy

• Opportunity to create incentives to change individual or system behavior
• Support employment and economic mobility
• Support employer hiring and barriers to an inclusive workforce
• Support entrepreneurship and business start-up
Tax and Employment

Current Incentives: Federal Level

• Work Opportunity Tax Credit (WOTC) – reimburse up to $2,400 of a worker’s wages

• Disabled Access Credit for Small Businesses – up to 50% tax credit on expenditures for changes to workplace, purchase or modify equipment, and for communication (up to $5,000 per year)

• Architectural and Transportation Barrier Removal Deduction – up to $15,000 deduction for purchase of equipment or modification of facilities
Tax and Advancing Self-Sufficiency

Current Incentives

• Earned Income Tax Credit (EITC) – Twenty-five states and DC have created EITC programs for low income workers

• Achieving a Better Life Experience Act (ABLE) – over 30 states have passed laws to authorize creation of ABLE accounts
Policy Areas to Focus

Employers (Public and Private)

• Create incentives for procurement of products and/or services for small businesses owned by persons with disabilities
• Create tax incentives for hiring and retaining workers with disabilities
• Create state tax credits/deductions to remove physical and/or communication barriers and customized employment
Policy Areas to Focus (cont.)

EITC

• Refundable tax credit to benefit working people with low to moderate income
• Lower the age and offer incentives for SSI recipients without family to earn and receive enhanced benefit
Policy Areas to Focus (cont.)

ABLE

• Tax-advantaged savings account for qualified disability expenses

• Offer tax deduction for contributions to an ABLE account

• Offer incentives for employer match to an ABLE account contribution

• Offer match to individual contributions
ABLE National Resource Center

- Learn more about the basics of ABLE state programs and accounts
- Offers interactive map to identify state status on ABLE implementation
- Compare up to three state ABLE programs

http://www.ablenrc.org/
Hiring Tax Deduction

• Example: Iowa
  o 65% of wages for 12 months
  o Maximum deduction of $20,000 per employee
ABLE Contribution Tax Deduction

• Example: South Carolina
  o Deduction from state income tax liability for contribution made to an ABLE account
  o Up to maximum federal limit of $14,000 annually
Procurement Preference

• Example: Alaska
  ○ Business owner with a disability gets a 10% preference applied to their price in a bid
Contact

Michael Morris

mmorris@ndi-inc.org

www.RealEconomicImpact.org
Disability Supplier Diversity

Jill Houghton
President and CEO
US Business Leadership Network
The US Business Leadership Network® (USBLN®) is a national non-profit that helps businesses drive performance by leveraging disability inclusion in the workplace, supply chain, and marketplace.

A Voice
We give businesses a voice to all levels of government on disability-related public policy.

B2B Engagement
We connect businesses for engagement on all matters surrounding disability inclusion and to share best practices.

Certification
We certify disability-owned businesses and service-disabled veteran-owned business enterprises.

Trusted Advisor
We give businesses advice and tools to effectively leverage disability inclusion in the workplace.

A Bridge
We are a bridge between businesses and people with disabilities (PWDs).

Recognition
We highlight businesses for their proven commitment and good corporate citizenship.

For more information please email Liz Taub, USBLN Director of Business Relations at liz@usbln.org.
People with disabilities are nearly twice as likely to be self-employed as people without disabilities, according to the Census Bureau.
Supplier Diversity

• Supplier inclusion efforts began in the 1960’s as a government initiative for the private sector to:
  • Address social responsibility
  • Help disenfranchised
  • Address government requirements – compliance

• Today, supplier inclusion is:
  • Business driven
  • Integrated into supply chain/marketplace strategies
  • Part of the total approach to community economic development
  • Brand enhancing
About the Disability Supplier Diversity Program

- Corporations have diversity programs to ensure inclusion of diverse segments in their marketing, employment, philanthropy and supply chains
- USBLN certification is modeled after respected (best practice) certification processes of national business organizations for minority, women, and LGBT-owned businesses
- The USBLN Disability Supplier Diversity Program is responsible for the certification process, education and linking certified suppliers to business opportunities
- DSDP launched on January 1, 2010
• The Disability Supplier Diversity Program (DSDP) is the USBLN’s flagship program offering corporations and government agencies a reliable source for identifying potential suppliers that are certified disability-owned businesses (DOBE) and service-disabled veteran-owned businesses (SDV-DOBE).

• Through DSDP membership, corporate partners have access to a growing pool of qualified, certified suppliers nationwide to meet their operational requirements. The DSDP also provides business development, information and linkage between certified suppliers and business decision-makers.
Certification is a tool for diverse businesses to grow their business. It serves as an assurance to corporations and government agencies that the firm who has received the certification meets the conditions of 51% ownership, management and control. Certification cannot, and should not be expected to take the place of normal business planning and structures such as your business or marketing plan.

A growing number of corporations look to business support organizations like the USBLN to help identify and certify diverse businesses as part of their commitment to increase inclusion in their supply chain and avail themselves of suppliers who offer innovation and quality products.
**USBLN Certifications**

**DOBE: Disability Owned Business Enterprise**
A business which is 51 percent owned, controlled, operated, and managed by a person(s) with a disability.

**V-DOBE: Veteran- Disability Owned Business Enterprise**
A business which is 51 percent owned, controlled, operated, and managed by a veteran, but disability was no incurred during their time of service.

**SDV-DOBE: Service Disability Veteran- Disability Owned Business Enterprise**
A business which is 51 percent owned, controlled, operated, and managed by a veteran, who sustained their disability during their time of service.
Significant growth and development since inception
- 15 Founding Partners and 100+ corporate members
- Strong National Certification Committee and Procurement Council
- Fully realized supply chain track with workshops, plenary and matchmakers (BXMM) at USBLN Annual Conference

2016 Initiatives
- A web-based on-line Certification and Sourcing HUB
- Webinar series launched April 22, 2016 with a 2nd webinar on June 29, 2016. Additional sessions in the planning stages
- Disability Supplier Mentoring Program
- Promote policies and acceptance of disability supplier inclusion at all government levels
- Seek out and increase number of certified service disabled veteran owned firms
- Build stronger relationships/programming with select BLN affiliates
- Increase DOBE utilization by corporations
USBLN Certification Criteria

- Must be at least 51% owned, operated, managed, and controlled by individuals with a disability and/or service-disabled veterans who are either U.S. citizens or lawful permanent residents
- Must exercise independence from any other business enterprise
- Must have its principal place of business (headquarters) in the United States
- Must be formed as a legal entity in the United States
- Must be for-profit enterprise
- Process takes approximately 90 days from date of receipt of a complete certification application
- Certification will be valid for 1 year, with annual renewal required to maintain status
Disability Definition

- Based on the first prong of the Americans with Disabilities Act of 1990 and Revision of 1997

- Disability includes, physical, mental impairment that substantially limits one or more major life activities of such individual, and includes individuals who have a learning disability.

- A Service-Disabled Veteran is a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable, and whose disability was incurred or aggravated in line of duty in the active military, naval, or air service and is documented by a disability ratings letter issued by the Veterans Administration. Reservists or members of the National Guard who are disabled from a disease or injury incurred or aggravated in the line of duty or while in training status also qualify.
Disability Supplier Diversity Program Founding Partners

Anthem
EY
Fannie Mae
Freddie Mac
KPMG
Marriott International
IBM
MERCK
Microsoft
Qualcomm
sodexo
Southwest
SunTrust
Walmart
Sam's Club
Wells Fargo
Why Disability Supplier Inclusion?

- Improving the corporate image in the marketplace
- Supporting corporate culture around diversity and inclusion
- Social responsibility
Public Policy Supporting Supplier Diversity
Contact Us

Visit: http://usbln.org/what-we-do/supplier-diversity/

Jill Houghton
President and CEO
USBLN
Jill@usbln.org
Entrepreneurship, Tax Incentives & Procurement Subcommittee

• Sen. Health Mello, Nebraska, Chair
• J. Edward (Ted) Townsend III, Tennessee Department of Economic and Community Development, Chair
The National Task Force

• The Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL) convened a National Task Force on Workforce Development for People with Disabilities.

• Subcommittees:
  o Career Readiness and Employability;
  o Hiring, Retention and Reentry;
  o Entrepreneurship, Tax Incentives and Procurement; and
  o Technology, Transportation and Other Employment Supports.

• Taskforce Membership
  o National Co-Chairs: Delaware Gov. Jack Markell (CSG President) and Nebraska state Sen. Beau McCoy (CSG Chair).
  o Two co-chairs from each subcommittee
Development of the Policy Framework

Guiding Principles

• Disability is a natural part of the human experience that in no way diminishes one’s right to fully participate in all aspects of community life.
• Disability can develop at any point during an individual’s lifetime and have varying impacts.
• Successful disability policy embraces the “nothing about us without us” principle.
• People with disabilities are underutilized in our workforce and frequently experience social and economic disadvantage.
• People with disabilities have valuable and unique contributions to make.
Approaching Disability Employment Policy as a State Official

- Everyone benefits when individuals with disabilities are in the workforce.
- Individuals with disabilities gain independence.
- The labor force gains workers with valuable skills.
- States Experience Increased Economic Success
- Next Policy Steps
Entrepreneurship, Tax Incentives & Procurement

• Focused on:
  – how state government policies, programs, funding and initiatives can increase the number and diversity of self-employed individuals with disabilities and disability-owned businesses by examining
    • entrepreneurship training strategies for individuals with disabilities,
    • financial supports for established business owners with disabilities, and
    • state procurement policies targeted to disability-owned businesses.
Laying the Groundwork

Build capacity for Disability Inclusion Efforts.

• Technical Assistance for Businesses
• Develop Databases
• Expand Diversity and Inclusion Policies
• Convening a Task Force
• Coordinated Support Strategies
• Tax Incentive Policies.
• Tax Credits for Employment Supports
Tax Incentives

• Explore opportunities to supplement existing financial incentives to target disability employment supports.

• Suggested Strategies:
  – Adopt a state earned income tax credit to increase income supports for low-income workers with disabilities.
  – Adapt state earned income tax credits to reduce the age from 25 to 18 and enhance the credit for single filers who are Social Security beneficiaries with disabilities.
  – Allow tax deductions for a percentage of contributions to state Achieving a Better Life Experience accounts.
State Policy Example

Maryland’s Achieving a Better Life Experience program:

• Enacted through [House Bill 431 (2016)], allows for a deduction on state tax liability for contributions to ABLE accounts.

• The bill provides for an individual return annual limit of $2,500 in subtractions to adjusted gross income, with a provision allowing the remaining balance on contributions in excess of $2,500 to be carried over to the next 10 consecutive taxable years until the balance is exhausted.
Supporting Self-Employment and Entrepreneurship

Policy Options:

• States should ensure that state workforce development systems support entrepreneurship and self-employment as viable employment options for people with disabilities.

• States should include disability-owned businesses in targeted state procurement, certification and financial incentive policies.
State Policy Examples

• Alaska, Florida and New York participated in DOL/ODEP’s START-UP demonstration project.
  – Explored opportunities to coordinate state workforce agencies and community organizations.
  – Targeting self-employment for people with disabilities.
State Policy Examples

• The Connecticut **Supplier Diversity Program** requires state agencies:
  – To set aside at least 25 percent of their budgets each fiscal year for small contractors.
  – Of this set-aside, 25 percent must be reserved for awards to minority business enterprises, including disability-owned businesses. (Statutory Authority: **Conn. Gen. Stat. §4a-60g**
Next Steps

• Questions or Comments
• Please check out the other CSG eCademy webcasts:
  – Workforce Development for People with Disabilities: Transportation, Technology & Other Employment Supports on Tuesday, Nov. 22, 2 p.m. EST
  – Workforce Development for People with Disabilities: Hiring, Retention & Reentry on Tuesday, Nov. 29, 2 p.m. EST
• Dec. 8th Disability Employment Policy Academy
Questions?