



February 21, 2019

TO: Senator Kathleen Taylor, Chair
Senate Committee on Workforce
FR: Bob Joondeph, Executive Director
RE: Support for SB 494

Disability Rights Oregon (DRO) is the Protection and Advocacy program for Oregonians with disabilities, providing legal-based advocacy services across the state since 1977.

DRO supports SB 494 as a means to eliminate the use of subminimum wage in Oregon.

In October, 2016, the National Council on Disability issued a new study: National Disability Employment Policy, From the New Deal to the Real Deal: Joining the Industries of the Future.

The study reports on trends regarding American workers with disabilities being paid below minimum wage, recent policy changes impacting this employment model, and characteristics of for-profit entity use of subminimum wage work in their supply chains.

The study found federal and state funded employment service providers across the country still grapple with providing employment services within outdated systems in a dynamically changing legal and policy environment. As providers straddle the requirements of new and old laws, providers confront significant barriers, as the intended outcomes of many employment funding sources, programs, and services, still conform to models that were conceived of more than fifty years before the ADA, when legal protections were based in a manufacturing-based economy, and at a time when people with disabilities were largely absent from the labor market altogether and, as a result, employment was conflated with charity.

Highlights of the report's recommendations to improve opportunities for competitive, integrated employment (CIE), self-employment, and entrepreneurship for people with disabilities include:

- Phasing out of 14(c) on a six-year timeline, concurrent with a "phase-up" of systems changes necessary to bring people with disabilities into CIE.
- Department of Labor issuing a two-year moratorium on any new 14(c) certificates
- Increasing oversight of the existing 14(c) system until phase-out is complete.

- Retaining the current definition of CIE used by the Department of Education’s Office of Special Education and Rehabilitative Services’ regulations and guidance to build on systems-change success.
- Amending the Javits Wagner O’Day Act, which requires all federal agencies to purchase certain supplies and services from nonprofits that employ people who are blind or have significant disabilities, to better support employment of people with disabilities in CIE.

The report also makes data-driven observations on the need to build capacity and infrastructure for supported employment services; to change pay structures to promote recruitment, retention and advancement of a skilled labor force that can provide supported employment and related services; and to make improvements to the processes of vocational rehabilitation and other employment service providers who support people with disabilities.

It is time that Oregon catch up to national standards and eliminate the use of subminimum wage. “Minimum” should mean “minimum” for every worker.

Thank you for this opportunity to testify in support of the elimination of subminimum wage.