

May 6, 2019

TO: Representative Jeff Barker, Chair
House Committee on Business and Labor
FR: Bob Joondeph, Policy Consultant
RE: Support for SB 494A

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 494A which provides a reasonable transition to the elimination subminimum wages (14(c)) 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 finds that publicly-funded employment service providers are struggling to provide services in a rapidly changing legal and policy environment. As laws and the economy have changed, so have the outcomes desired by the public.

The study recommends steps to improve opportunities for competitive, integrated employment (CIE), self-employment, and entrepreneurship for people with disabilities. These 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;
- 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 in SB 494A.