



## Co-Opportunity, Inc.

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Chair Dembrow, and members of the Committee:

I am Charles Edelson, Director of Operations for Co-Opportunity, Inc., a small employment center for adults with developmental disabilities, in Albany.

I oppose SB 555.

I've been in my current position for a little over 3 years. Before that I practiced law since 1984. Co-Opportunity is a qualified rehabilitation facility (QRF) and roughly 40% of our contract revenue flows from State and local public contracts. At any one time we employ about 40 disabled workers.

SB 555 would require that we pay all of our disabled workers working on public contracts at least the State minimum wage. Co-Opportunity currently operates under a special 14c license from the federal Dept. of Labor allowing sub minimum wages which are directly proportional to worker productivity.

On its face the bill would appear to be revenue neutral to our agency because the affected public entities would pay for services calculated at rates utilizing the minimum wage.

Under the QRF procedures a public body could compensate for an increase in costs in either of two ways. First they could pare services. Our experience has shown that State agencies facing declining budgets or our increased costs have adjusted by reducing the amount of services specified under the contract. Second, they can decide to provide the same service through their own hired employees rather using outside vendors. It is only when an agency turns to outside contractors that they become subject to the QRF provisions.

Most of our agency's disabled workers operating under QRF contracts produce in the range of 40-60% of a nondisabled worker's output. Pricing their wages to the state minimum would roughly double the labor component of each of these contracts. Because the contracts also calculate for transportation, equipment and other costs the overall contract change amounts would be slightly less than double.

Each public department would have to decide for themselves how to react to such an increase in their cost structure. We would anticipate a large decline in requested services and perhaps some withdrawal from using outside vendors. Either option would diminish opportunities available to the disabled workers.