

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

House Committee on Consumer Protection and Government Effectiveness

**REVENUE: No revenue impact****FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Wendy Simons, Administrator**Meeting Dates:**

**WHAT THE MEASURE DOES:** Prohibits qualified nonprofit agency for individuals with disabilities from paying less than Oregon minimum wage for services performed by employees at facility or site not owned or leased by nonprofit agency. Requires public agency contracting with qualified nonprofit agency to require compliance with minimum wage provision. Declares emergency, effective upon passage. Becomes operative 91 days after effective date.

**ISSUES DISCUSSED:****EFFECT OF COMMITTEE AMENDMENT:** No amendments.

**BACKGROUND:** The qualified rehabilitation facilities (QRF) program, established by the Legislative Assembly in 1977, is intended to encourage and assist individuals with disabilities to achieve maximum personal independence through useful and productive gainful employment by assuring an expanded and constant market for sheltered workshop and activity center products and services, thereby enhancing their dignity and capacity for self-support and minimizing their dependence on welfare and need for costly institutionalization. Public agencies must procure products and services goods from a QRF, at the prices established by the Department of Administrative Services, provided that the products and services are of the appropriate specifications and are available within the time period needed. In 2014, there were 35 QRFs employing 4,332 persons with disabilities. State and local governments procured goods and services totaling approximately \$45 million. Janitorial services, temporary staffing and unarmed security account for the vast majority of contracts.

In 2012 Disability Rights Oregon and the Center for Public Representation filed suit against the State of Oregon and Governor Kitzhaber, claiming that Oregon segregates people with disabilities in sheltered workshops. The U.S. Department of Justice joined the class action suit in April 2013. That same month, Governor Kitzhaber issued Executive Order No. 13-04, in which he set forth a plan to move some people out of sheltered workshops into mainstream worksites and established the Statewide Employment First Coordinator position. The Department of Human Services has since worked with a variety of stakeholders to develop an integrated employment plan for people with disabilities. In February 2015, Governor Kitzhaber issued Executive Order No. 15-01, which supercedes his earlier Executive Order and gives further guidance to state agencies tasked with increasing the percentage of individuals with intellectual and developmental disabilities working in competitive integrated employment.

House Bill 2925 prohibits QRFs from paying less than Oregon minimum wage for services performed by employees at a facility or site not owned or leased by the QRF.

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***This summary has not been adopted or officially endorsed by action of the committee.***