

The Testimony of Joshua Bearman

HB 3248

Introduction: Hello, my name is Joshua Bearman. I am the Division Manager for the QRF janitorial program at TVW "Sustainable Cleaning Systems." I am here today to provide my support for our organization and other small to medium sized QRF programs that exist to provide gainful employment for persons with disabilities. I am also here today to discuss two concerns I have for HB 3248.

- 1. The formation of a QRF policing task force in addition to the numerous, existing oversight organizations is unnecessary and will result in an unwarranted financial burden to local and state agencies that procure those services in support of Oregonians with disabilities.**
 - To date, there are no large-scale systemic problems identified with Oregon's QRF program. The concept of the policing task force is derived from a single program that engaged in inappropriate business practices; there is no similar track record found in other existing QRF programs.
 - My colleague from Oregon Rehabilitation Association has data to share on this issue from a recent Oregon BOLI report regarding QRFs.
 - Substantial oversight of Oregon's QRF programs exists today to prevent a wide range of inappropriate business practices through several government organizations, including: DAS, BOLI, IRS, and Workers Compensation. Enforcement of the existing oversight should be the focus rather than creating and funding an entirely new, additional policing mechanism.
 - The proposed QRF labor standards fund for enforcement services is an unnecessary financial and resource burden on the QRF program and the local and state government that procure those services. It is the state and government agencies that will ultimately pay for this additional oversight.

- 2. The establishment of a set prevailing wage for all QRF products and services will unfairly disadvantage smaller QRF programs in favor of the larger programs.**
 - In our industry, the majority of the costs in each service contract are determined by labor, benefits and overhead.
 - All other costs are primarily fixed and make up a small portion of the remaining contract price. For example, supplies, equipment and delivery.
 - Smaller organizations have higher overhead due to their size and volume, while larger organizations have smaller overhead due to greater efficiencies of scale.

- By adding a prevailing wage that is same for each QRF the larger organizations will be afforded a competitive advantage over other smaller programs.
- Through these efficiencies of scale large organizations could gain a price-based advantage.
- Although local and state governments could procure the exact same services from either QRF, they may choose the lower price contracts contrary to the spirit of the program. This factor could make the difference for the smaller organizations keeping and securing new job opportunities and contracts.