

STAFF MEASURE SUMMARY

Senate Committee On Workforce

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 05/27/15

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 05/27

Vote:

Yeas: 4 - Dembrow, Gelser, Knopp, Rosenbaum

Nays: 1 - Thatcher

Prepared By: Matthew Germer, Committee Administrator

WHAT THE MEASURE DOES:

Requires public agency terminating contract with qualified nonprofit agency for individuals with disabilities (QRF) to require in new contract for same work that contractor must offer employment to employees of terminated QRF at wages and, for certain employees, with health benefits at least as favorable as under former contract. Permits public agency to procure products and services from source other than qualified nonprofit agency for individuals with disabilities under specified circumstances. Allows contracting agency to require QRFs to comply with applicable local ordinances governing labor standards and to disqualify from public contracts QRFs repeatedly violating local labor standard ordinances. Becomes operative January 1, 2016. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Applicability to contracts for services and not to contracts for goods
- Applicability of amendments to terminated contracts and not to expiring contracts
- Basis of health benefits threshold of 28 hours of work per week

EFFECT OF COMMITTEE AMENDMENT:

Removes applicability of reemployment requirement on service contracts that expire. Clarifies that reemployment by new contractor is to be at wages and, for those with disabilities who work at least 28 hours per week, with health benefits at least as favorable as under the terminated contract.

BACKGROUND:

The 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. 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.

House Bill 3248-B requires public agencies with terminating contracts with QRFs to require in a new contract for the same work that the contractor must offer employment to the employees of the terminated QRF at wages and, for certain employees, with health benefits at least as favorable than under the former contract. The employment offer must stand for 90 days.