

New York State Senate Hearing on Disabilities and Employment May 6, 2026 10:00 am

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NYSID is the facilitator of the Preferred Source Program for individuals with disabilities and qualified veterans. Our mission is to provide meaningful employment opportunities for individuals with disabilities, by connecting our Member Agencies and Corporate Partners with State and local government contracting opportunities.

Two very important instruments became law in 1975 – The Willowbrook Consent Decree and Article 11, Section 162 of the State Finance Law. Both advanced special social and economic goals related to the employment of New Yorkers with disabilities. It was a novel concept to leverage the enormous purchasing power of government to create employment opportunities for a marginalized population. In June 1975, NYSID was designated by the State Education Department to facilitate the Preferred Source Program for individuals with disabilities and in 1977 had 5 Member Agencies performing on 20 contracts.

Today, NYSID has 102 Member Agencies and 42 Corporate Partners and manages over 3,300 contracts annually. Even with this substantial growth, NYSID accounts for only 1% of the state's \$130 billion-dollar total procurement spend, and while individuals with disabilities are nearly 10% of New York's population. Disabled New Yorkers are 2.6 times more likely to live in poverty, 2.5 times more likely to be involved in the criminal justice system and 4 times more likely to be homeless than non-disabled New Yorkers. 64% of disabled New Yorkers are unemployed.

Prioritizing employment for individuals with disabilities creates savings in safety net programs and creates new income tax revenue. In 2025 NYSID created 6,489 jobs across New York. 4,833 were employment opportunities for individuals with disabilities and qualified veterans with an average hourly wage of \$23.66. The total taxable disabled wages earned were \$87.9 million dollars, creating a nearly \$500m statewide economic impact. Employees on NYSID contracts take pride in their work and are often first-time tax payers eventually becoming successful, independent members of their communities.

NYSID adheres to all Employment First principles, creating competitive integrated employment opportunities. NYSID does not utilize 14C, meaning the individuals for whom we help to secure employment all earn the minimum wage, prevailing wage or higher. NYSID is grateful to the legislature for advancing the Preferred Source Modernization act in 2022 – removing outdated language and updating labor ratios so that Employment First was prioritized.

In February 2026, NYSID and the Alliance commissioned The Rockefeller Institute of Government to release our third Economic Impact Analysis. The Report stated, "A persistent

barrier to increasing employment for people with disabilities through NYSID contracts is the administrative burden of participating in the Preferred Source Program.”

I will share just three examples of the burden:

Currently, Section 162 of the Finance Law, requires all contracts through Preferred Source, including local government and public authority contracts, that are valued at \$100,000 or above must first receive approval from the Office of General Services (OGS). While NYSID appreciates the necessity of oversight, the process is bulky, lengthy and adds time to contract signoff. It deters local governments, public authorities and some state agencies from utilizing Preferred Source. In all three studies, Rockefeller has suggested that the review threshold be increased to at least \$250,000. Comparatively, MWBE contracts are not subject to OGS approval and only those contracts that are valued at \$1.5M or greater must be approved by OSC.

The goods and services that NYSID is allowed to offer are regulated by the Procurement Council which is chaired by OGS. Again, while NYSID appreciates our ongoing collaboration with OGS, the underlying system is driven by procurement process rather than social and economic goals. For example, currently NYSID is seeking additional temp service titles in which to place individuals with disabilities. The application and formation of a work group to review the application has been underway since March 2025. There are no individuals with disabilities or vocational and rehabilitative training professionals on the work group or the Council. The Chief Disability Officer, the Employment First Office or Access-VR are not represented on the work group or the Council. There is a saying in the disability space, “Nothing about us without us.”

NYSID voluntarily ended the use of 14C, but the finance law continues to require NYSID to price goods and services within 15% of market price. There are clearly some individuals in the IDD space that have been left behind with the phase out of 14C. There is no mechanism in the legislation to pilot or demonstrate any new programming where NYSID and our employment network could price goods and services at higher than 15% when a significant number of OPWDD first-time employees are working on a contract.

The legislation that allows NYSID to facilitate the Program sunsets again in 2028. The Rockefeller report has suggested that the Disabilities Committee should empanel a round table that puts forth suggestions on how to grow, strengthen and make more-nimble the Program so that those suggestions could be included in a comprehensive permanent piece of legislation.

Thank you for your attention and I am always happy to answer any questions you might have.