

## House Government and Veterans Affairs

Senate Bill HB 1122 – January 9, 2025

### Testimony of Denise Harvey, P&A Director of Program Services

Chairman Schauer and members of the Government and Veterans Affairs Committee. I am Denise Harvey, Director of Program Services for Protection & Advocacy (P&A). P&A protects the human, civil and legal rights of people with disabilities. The agency's programs and services seek to make positive changes for people with disabilities where we live, learn, work and play.

Protection & Advocacy supports the employment of incarcerated individuals, many of which have disabilities, P&A further recognizes the many positive benefits that come from working. While the focus of this bill is on purchases for prison industries, the bill also opens up century code that addresses state purchasing practices and allows for government offices and state employees to purchase goods from work activity centers. Of interest to P&A is NDCC 54-44.4-05(4) which details the role of the office of management and budget in regard to circumstances under which competition may be waived or limited, when negotiation may be used, and specifying the required justifications and procedures for using those methods of purchasing. Specifically, P&A is concerned about NDCC 54-44.4-05(4)(e), p. 7

- e. Acceptable commodities or services ~~are produced or provided by correctional institutions or~~ prison industries under section 12-48-03.1, other government agencies or a work activity center as defined in section 25-16.2-01.

Work activity centers pay below minimum wage to persons with disabilities with 49% of individuals earning \$3.50 per hour or less in segregated work settings. Employment opportunities and rights for persons with disabilities have dramatically expanded since 1938 when employers were initially authorized to have 14(c) certificates that allowed for subminimum wage. The number of employees paid subminimum wages has fallen by about 90% since 2002, according to Government Accountability Office data. 90% of these workers have intellectual and developmental disabilities.

The US Department of Labor announced on 12/02/24, a proposed rule that would phase out the issuance of certificates allowing employers to pay some workers with disabilities less than the federal wage, currently \$7.25 per hour for the work they perform and establish a three-year phase out period for employee.

To keep in line with the intentions of the US Department of Labor and to support integrated employment opportunities for all individuals with disabilities, "work activity centers" must be stricken from this bill.

I am glad to answer any questions.

Denise Harvey, Director of Program Services

Protection & Advocacy