

SUPRA/ORA & State Use



Who We Are

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History of State Use 1

1938 — Wagner-O-Day Act Passed

1971 — Senator Javits Creates JWOD (now AbilityOne)

History of State Use 2

1960-1980 — More than 40 states pass legislation based on federal program

1995 — SUPRA is formed, representing just under half of states (networking, peer support, etc.)

History of State Use 3

AbilityOne Today

Employs more than 42,000 people with disabilities

Supplies nearly \$4 billion in vital products and services to federal agencies each year

History of State Use 4

SUPRA Today

- 23,514 persons employed (15 states reporting)
- \$793 million in sales to public entities (15 states reporting)
- \$189 million in wages paid (13 states reporting)

Overview of Set Aside Programs

Not Every State/Program Is the Same

- AbilityOne = AbilityOne Commission
- SourceAmerica & NIB
- Procurement List (Mandatory for Purchase)
- Central Nonprofit Agency (CNA) Model
- Fees/Oversight/Marketing

Overview of Set Aside Programs

Not Every State/Program Is the Same

- SUPRA includes multiple models
- CNAs similar to SourceAmerica, NIB
- State Run Programs include OR, WI, OH, OK
 - Smaller fees/fewer resources
 - Compliance vs. contract management

Overview of Set Aside Programs

Economic Impact Studies

- **Oregon (1994)**
 - 35 cents of every dollar spent
- **SUPRA (2012)**
 - Each person employed returned \$2,366/year in reduced entitlements or increased taxes
- **NYSID/Rockefeller Institute (2019)**
 - \$86 in economic output for each hour worked

Overview of Set Aside Programs

One Final Point

For many employed in state use, their job is the only disability-related benefit they receive.

State Use jobs give people a unique, and often their only, path to independence and self governance.

Oregon History

- **1977** – At ORA’s request, Representative Frohnmayer introduced a Oregon's State Use bill partially patterned after JWOD (AbilityOne) and several states. PASSED UNANIMOUSLY
- Very little work was done under the law initially as few nonprofits understood it, and even fewer public agencies knew about the law or cared.
- **1984-85** ORA obtained a grant from VR to fund a half-time position to increase awareness and usage of the State Use program

Oregon History Continued

- **Oregon State Use sales grew** – Approximately \$22 Million
- **IWDs Employed Grew**
- **1998/1999** - Questions came up about the program
 - How do we know they have a disability?
e.g. "*They don't look disabled...*"
 - Direct Labor Hour ratio requirements?
 - etc
- **2000** - Oregon conducted Secretary of State 100% Audit of 4 largest State Use Vendors

Oregon History - Changes

2002-2003 - As opposed to opening up law; cleaned up questions via Admin Rules (without contradicting law)

2003 - Administrative Rules updated to address identified concerns

- Documentation of Disability Sources
- Suitability Determinations
- Compliance Procedures
- Direct Labor Hour Audits

Key Admin Rule Changes 1

Documentation of Disability Sources

- (A) A letter on United States **Veterans Administration** letterhead stating...;
- (B) A letter on **Social Security Administration** letterhead stating... ;
- (C) Documentation from the **Oregon Department of Human Services (DHS)** or a **DHS-designated Community Developmental Disability Program** that the individual has an existing disability.;
- (D) Documentation from the **Oregon Commission for the Blind** that the individual has been determined to have a disability;
- (E) Documentation from a **Qualified Mental Health Professional** that the individual is determined to have mental illness.
- (F) Documentation on the **Department’s “Documentation of Disability” form** signed by a medical professional.

Key Admin Rule Changes 2

Suitability Determinations

- (a) **OFC Status.** Must be current/compliant.
- (b) **Ownership.** An OFC must own the product or directly provide the service.
- (c) **Tied Products.** A service cannot obligate an Agency to buy a product tied to that service.
- (d) **No Excessive Prices.** The price must not be excessive.
- (e) **Purpose.** The OFC must demonstrate:
 - (A) Projected employment potential for IWDs; and
 - (B) appreciable value: measurable addition of value.
- (f) **Compensation.** (For IWD)
- (g) **Subcontractor Disclosure.**
- (h) **Quality Standards and Delivery Schedules.** Must demonstrate capability to meet specifications and time requirements.
- (i) **Additional Information.** Department may request additional information (e.g., start-up costs, market research conducted by the OFC, etc).

Key Admin Rule Changes 3

Compliance Procedures

- Annual renewal
- Out of Compliance procedures
- Protests Public input
- DAS Price Determination procedure

Key Admin Rule Changes 4

Direct Labor Hour Audits

- OFC contracts that collectively **exceed \$100k** annually: Must conduct independent audit of direct labor hours.
- Audits must be conducted **every other year**.
- Audit must be conducted by an **independent Certified Public Accountant (CPA)**
- The OFC must submit a **letter of attestation** from independent CPA.

Things to Think About

- **These are Not Low Bid Programs – It's Best Value Procurement!**
 - People with disabilities employed
 - People moving from tax receiving to tax paying
 - Wages earned, taxed, and spent locally instead of overseas
- **It's Not the Job of a Customer or End User to Ask or Question Whether Someone has a Disability.**
 - Certified & verified elsewhere
 - Not every disability is visible
- **State Use Vendors should meet quality requirements like any other vendor.**
 - Meet Specs and Timelines
 - Notice to Cure, etc.
 - Good contract management and good communication (Oregon **"Close Cooperation"**)