

Written Testimony Local Government General Government Joint Legislative Budget Hearing February 11, 2026

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NYSID is the facilitator of the Preferred Source Program for individuals with disabilities and qualified veterans.

Two very important instruments became law in 1975 – The Willowbrook Consent Decree and Article 11, Section 162 of the State Finance Law. Both were the first steps to advance 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 3,500 contracts annually. Even with this substantial growth, NYSID only accounts for less than 1% of the state's \$130 billion-dollar total procurement spend even though 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. Disabled New Yorkers are unemployed at 64%.

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 \$400m statewide economic impact. NYSID adheres to all Employment First principles and creates integrated employment opportunities at competitive wages. Those employed through NYSID contracts are all paid minimum wage or above.

The Executive Budget proposal calls for increasing the OSC contracting approval thresholds (State Finance Law 112) and discretionary buying thresholds (State Finance Law 163(6)) to \$300,000. This will make it more efficient and timelier for state agencies to procure goods and services. While Preferred Source contracts will be covered by this increased threshold for OSC review, unfortunately, changes were not proposed to expedite other aspects of Preferred Source contract review. Under Section 162 of the State Finance Law, all contracts through the Preferred Source Program that are at \$100,000 or above must first receive approval from the

Office of General Services (OGS). This threshold for OGS approval remains unchanged in the Executive Budget. It adds significant time to approve Preferred Source contracts. NYSID respectfully requests that the OGS approval threshold for Preferred Source contracts be increased in parity with the increase in OSC review thresholds. Without the corresponding change to allow OGS review of Preferred Source contracts to be similarly streamlined, state agencies increasingly will bypass the Preferred Source Program, opting instead for the timelier contracting process made possible by the changes proposed in the Executive Budget. This will mean fewer employment opportunities for individuals with disabilities.

It is important to note that the State does not have an enforcement program for the Preferred Source Program. Although mandated by law to use designated vendors who employ the disabled to provide certain goods and services, agencies regularly bypass the requirement without having to provide justification. Making the general contracting process easier is a laudable goal but ultimately will hurt individuals with disabilities if the process for contracting with the Preferred Source Program is not also streamlined.

The Rockefeller Institute of Government studied the economic impact of NYSID in 2018 and 2021 and stated, *“Ease Contract Approval Guidelines Under current OGS guidelines, if a procuring agency is purchasing a commodity or service from NYSID valued at \$50,000 or more, the agency and NYSID must obtain price approval from OGS. This regulation affects 53 percent of all NYSID contracts. OGS review requires additional staff and lengthens the timeframe for approval. Raising the price approval threshold for review would lower the administrative overhead required for contract execution for both OGS and NYSID and allow NYSID to more effectively respond to customer needs and pursue additional contracts.”*

Thank you for your consideration. I am always available to answer any questions. You can reach me at mobrien@nysid.org