



Testimony of Pat Jonas
President & CEO, Cerebral Palsy Research Foundation

Before the Kansas House
Commerce, Labor, and Economic Development Committee
Hearing on House Bill 2275, the Disability Employment Act

February 9, 2023

Chairman Tarwater and Members of the Kansas House Committee on Commerce, Labor, and Economic Development:

Good afternoon! My name is Pat Jonas, President & CEO of the Cerebral Palsy Research Foundation of Kansas. Thank you for allowing me to convey CPRFK's strong support for House Bill 2275.

This bill is extremely important for those with disabilities that we serve who are choosing to seek competitive and integrated employment opportunities vs. being solely dependent on the waiver system. Our organization has been hiring directly or placing persons with disabilities in the community for 50 years. Although moderate strides have been made in that time frame, the 2022 U.S. Department of Labor's statistics show that the labor participation rate for people with disabilities is 37.8% vs. 77.1% for those without disabilities. There are many people with disabilities that would prefer to work if given the chance, but employment options are limited. This is where we come in, and why your support today plays a monumental role in assisting to resolve this discrepancy.

In order to achieve this mission of providing sustainable employment, vendors are dependent on long-term contracts. Many of these contracts come from the private sector, who had received no incentive to partner with us, up until the original legislation passed in 2019. If we lose work, many of the folks we serve have no alternative but to move back onto the government support system.

The average waiver cost in Kansas is approximately \$50,000/year when including medical expenses. This does not include a Social Security cash payment that takes the cost to well over \$60,000. Moving just one individual off the waiver system results in over a \$20,000 savings to the state. This bill allows that savings to go to a private sector company, who is outsourcing work to an entity like ours, in the form of a state tax credit. This functions as an incentive to partner with us, which had not been available in the past.

At our manufacturing company, Center Industries, 75% of the direct labor hours are produced by folks with disabilities. This could not happen without partnerships with state agencies who understand our mission and with private sector companies that find it mutually beneficial to participate in the relationship. In the first 4 years of this bill, the state tax incentive has been a tremendous addition to our business development and to the cause of supporting employment opportunities for folks with disabilities.

Promoting participation to other non-profits around the state was derailed significantly by the COVID pandemic, but what I heard over and over again during discussions was that starting a new not-for-profit entity to meet the requirements of the original tax credit language was just not practical. So, it was decided to propose some changes in the bill that would allow for greater utilization.

In addition to the date changes and increased 5-year cap, we have proposed a couple of other changes in anticipation of several more vendors utilizing the program. These changes to the bill include, first, a new category of qualified vendor. This would allow existing non-profits to set up a division within their current structure, following the same criterion as stated in the original bill, and grant them the ability to participate without having to start a new company. Second, the bill allows part-time workers with disabilities. We felt that it would be extremely challenging for someone with little to no work history to move to full-time employment and perhaps start losing government benefits, only to find out that their employment position did not work out for them.

In conclusion, HB 2275 is critical to the expansion of employment opportunities for Kansans with disabilities by promoting the engagement of the private sector. For those champions who supported the current statute, I would like to thank you. I encourage all of you to support this revision, which should allow for greater participation from across the state.

Thank you again for the opportunity to present testimony at this hearing. CPRF looks forward to continuing to work with the Kansas Legislature to help people with disabilities achieve their employment and independence goals.