

NYSID's Economic Impact on New York

Estimation of the Social and Fiscal Return on Investment of New York State Industries for the Disabled on New York State and Its Taxpayers

Prepared for:



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NYSID's Economic Impact on New York

1. Executive Summary

The New York State Industries for the Disabled, Inc. (NYSID) is a facilitating agency for New York State's Preferred Source Program. The Preferred Source Program was created to advance social and economic goals related to the employment of New Yorkers with disabilities through the offering of designated commodities and services. NYSID was established in 1975 as a not-for-profit membership organization with the mission of "advancing employment and other opportunities for individuals with disabilities."¹

The Rockefeller Institute of Government (the Institute) was commissioned by NYSID to measure the fiscal and social value NYSID creates for New York State and its taxpayers through the facilitation of the Preferred Source Program.

In 2018, NYSID managed a portfolio of \$254 million in contracts that employed 6,565 disabled individuals. Collectively, these contracts:

- Generated \$368.9 million in economic output in New York State.
- Employed 6,565 disabled individuals (2,299 full-time equivalent, or FTE) and an additional 806 full-time equivalent nondisabled workers.
- Created the equivalent of an additional 919 full-time jobs through purchases made by Member Agencies, Corporate Partners, and employees.
- Contributed \$8.8 million in federal and state tax revenue. Many of these payroll taxes were paid by first-time taxpayers.

- Reduced federal and state commitments to public assistance programs by \$14.5 and \$2.0 million, respectively.
- Did not increase cost through participation in the Preferred Source Program when compared to private sector suppliers.

NYSID's impacts were realized across all regions of New York State. In 2018, NYSID Member Agencies and Corporate Partners employed workers in 37 of New York State's 62 counties. The region with the largest portion of NYSID-related economic activity was New York City, which accounted for 42 percent of NYSID's employment impact and 47 percent of the economic output impact. The Capital Region and Long Island are the next largest in impact, representing 15 and 13 percent of NYSID's economic impact, respectively.

This report is organized as follows: Section 2 provides an overview of NYSID's mission and operations. Section 3 puts New York State's disabled workforce in context through comparisons over time and across states. Section 4 provides highlights of New York State's disability employment policy. Section 5 provides a comprehensive economic impact analysis of NYSID's operations using multiplier analysis. It also estimates the fiscal impacts of individuals with disabilities working on NYSID contracts through increased tax revenues and reductions in public assistance. Section 6 presents summaries of NYSID's activities in 10 regions across New York State, including the economic impact on the area and a profile of a member agency leading the effort for disability employment in the region. Section 7 concludes by exploring opportunities and challenges facing NYSID in the coming decade and how they can expand their impact.

2. Overview of NYSID

In 1975, as part of the state's response to the Willowbrook Consent Decree,² New York State dramatically changed how individuals with disabilities were treated. This case ended the warehousing of the mentally ill and developmentally disabled, shifting to community placement. This transition recognized that many individuals with disabilities could be integrated into communities, and may have the opportunity to gain employment. One response was the creation of the Preferred Source Program to encourage the vocational training and employment of individuals with disabilities.

The current Preferred Source Program was established by Article 11, Section 162 of the New York State Finance Law to advance special social and economic goals related to the employment of New Yorkers with disabilities. Under this law, when certain commodity or service offerings meet the purchasing needs of state or local government agencies, public benefit corporations, school districts, and public authorities, those purchases must be made through the Preferred Source Program. NYSID is designated by the New York State Education Department (NYSED) as a facilitating agency of the Program.³

NYSID BY THE NUMBERS 2018



\$368.9 million
ECONOMIC IMPACT
GENERATED



6,565
JOBS CREATED



\$68.7 million
IN WAGES FOR
DISABLED WORKERS



2,705
CONTRACTS



1,500
CUSTOMERS



\$254.2 million
TOTAL CONTRACT VALUE



122
MEMBER AGENCIES



42
CORPORATE PARTNERS

SOURCE: NYSID.

NYSID is a nonprofit corporation established to facilitate the distribution of orders for commodities and services among approved, charitable, nonprofit, preferred sources, and Corporate Partners. NYSID is responsible for (1) promoting the Preferred Source Program and its offerings; (2) serving as a one-stop contact point for customers by processing inquiries and orders; and (3) facilitating orders and the distribution of commodities and services. NYSID enters into contracts with state and local government agencies for commodities and services, and receives an administrative fee from each Preferred Source contract.

NYSID works with Member Agencies and Corporate Partners to provide commodities and services. Member Agencies are not-for-profit organizations serving and employing people with severe disabilities, often in affirmative businesses. These are social enterprises with a primary focus of creating employment opportunities for the disabled workforce. They are the entities granted Preferred Source status under the law. At least 75 percent of the labor force must be disabled on contracts with over 10 FTEs and at least half on contracts under 10 FTEs, on a contract-by-contract basis, to maintain proper labor ratios. Corporate Partners are private vendors that work with the Member Agencies to complete contracts for services or commodities. Over 50 percent of a Corporate Partner’s workforce must be disabled to achieve required ratios. NYSED approves Member Agencies and Corporate Partners and NYSID monitors for compliance.

TABLE 1. List of NYSID Products and Services

Service Categories	Commodity Categories
Data entry	Apparel
Data imaging	Janitorial supplies
Electronics recycling	Food service products
Messenger services	Healthcare solutions
Furniture repair, reupholstery, & refinishing	Maintenance repair operations
Groundskeeping & lawn maintenance	Office supplies
Industrial laundry	Safety
Janitorial	
Mailing services	
Meal preparation & delivery services	
Photocopying & reproduction	
Secure document destruction	
Temporary personnel — office & warehouse	

SOURCE: “Products & Services,” NYSID, accessed August 9, 2019, <https://www.nysid.org/products-services/>.

3. Disability in New York State by the Numbers

NYSID's goal is to create employment opportunities and economic security for New York's disabled population. In this section, we review the most recent data available from the Census Bureau's American Community Survey, the Annual Disability Statistics Compendium, and the Bureau of Labor Statistics to provide context when discussing the disabled workforce in New York.

In 2017, 1,099,574 New Yorkers between the ages of 18 and 64 were living with a disability.⁴ New York State ranked fourth in the nation for the population of individuals with a disability. Disabled individuals face challenges in society and the workforce that leaves the population vulnerable to economic insecurity. In this section, we quantify the challenges faced by New York State's disabled population. When feasible, we compare New York with national averages and show how the situation has changed for New York State's disabled population over the past five years.

Economic Insecurity

Poverty

The poverty rate is the share of individuals with income below the Federal Poverty Level. In 2017, 26 percent of all disabled Americans lived in poverty. Disabled New Yorkers fared worse than the national average, with 29.6 percent of the state's disabled 18 to 64 year olds living below the poverty threshold.⁵ New York's disabled residents were 2.6 times more likely to live in poverty than residents with no disability. New York State ranked 46th nationwide when comparing poverty rates among the disabled population. The poverty gap is the difference between the poverty rates of the disabled and nondisabled population. New York State's poverty gap was 18.4 percentage points. Only two other states, Kentucky and Maine, currently have a larger disparity between the two populations.

The 2017 rankings show that poverty rates of New York State's disabled population have worsened over the past five years when compared to other states. In 2012, New York State's disabled population had the 33rd highest rate of poverty and ranked 36th in poverty gap.⁶

Crime

People with disabilities are 2.5 times more likely to be victims of violent crimes than nondisabled individuals. In 2015, 29.5 of every 1,000 disabled individuals over the age of 12 was a victim of a violent crime compared to 11.8 per 1,000 individuals without disabilities.⁷

8.9%
OF
18-64
YEAR OLDS
in
NEW YORK STATE
LIVE
WITH A
DISABILITY

NEW YORK STATE
RANKS

4TH
NATIONWIDE
FOR SHARE OF
POPULATION

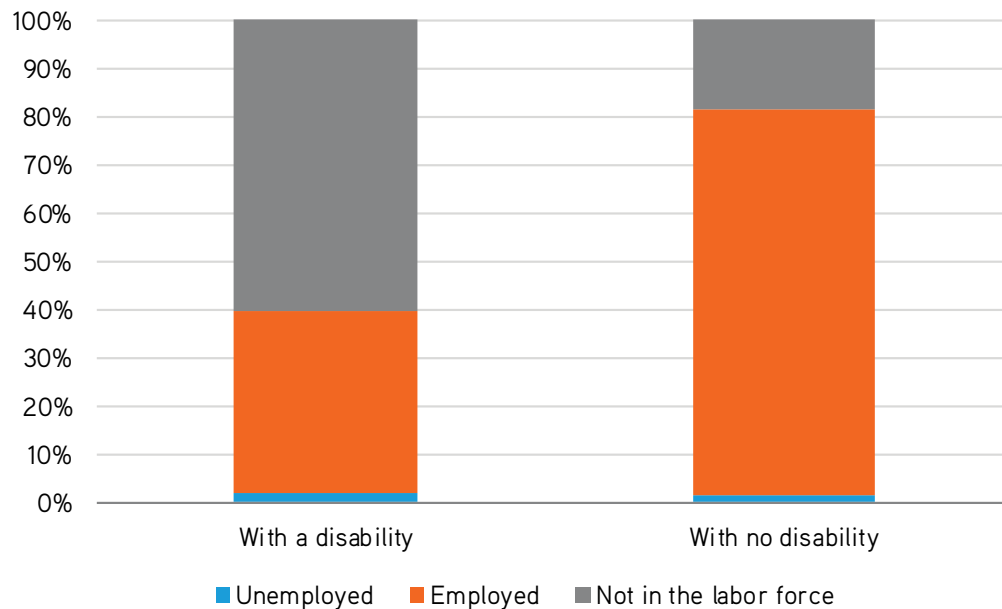
Employment

One of the primary drivers of economic security is employment. Those without employment opportunities are more likely to live in poverty. This is why policies and programs designed to improve the quality of life for individuals with a disability focus on creating employment opportunities. In this section, we examine how New Yorkers with disabilities participate in the state's labor force through analysis of common labor force measures. [Figure 1](#) provides a breakdown of the employment status of New Yorkers 18-64 with and without disability.

Labor Force Participation

The labor force participation rate is the share of the population either currently working or seeking employment. In 2017, 39.6 percent of the disabled population ages 20 to 64 were participating in the New York State Labor Force.⁸ Thus, 60.4 percent of disabled individuals at prime working age are not pursuing employment. By comparison, the nondisabled labor force participation in New York State was 80.9 percent.⁹ The national disabled labor force participation rate is 41.5 percent, placing New York State slightly below the national average. Labor force participation has not changed significantly since 2012, when the disabled labor force participation rate in New York State was 39.5.¹⁰

FIGURE 1. Labor Force Status by Disability Status, New York State, 2017



SOURCE: "American Community Survey: 2013-2017 ACS 5-year Estimates," Table S2301, generated by Rockefeller Institute, using American FactFinder.

Unemployment Rate

Among New York's disabled individuals participating in the labor force, 14.4 percent were currently unemployed.¹¹ In other words, 14.4 percent of disabled individuals seeking employment opportunities are unable to find them. By comparison, the unemployment rate for New York State's nondisabled workers was 6.0 percent in 2017 (see [Figure 1](#)). On the national level, the disabled unemployment rate was 13.7 percent. Both the disabled and nondisabled unemployment rates have fallen by nearly 2 percentage points over the last five years as New York State's economy recovered from the recession.

Percentage of Population Employed

In 2017, 37.0 percent of the American disabled population 18 to 64 was employed. In New York State, 34.5 percent, or 378,951, of New York's disabled population was employed. New York State ranked 38th in disabled employment among the states. Two states, North and South Dakota, had employment rates above 50 percent.

The employment gap measures the difference between employment rates in nondisabled and disabled individuals. In New York State, 76.2 percent of 18 to 64 year olds with no disability were employed compared to 34.5 percent of disabled New Yorkers, resulting in a gap of 41.7 percentage points. The national employment gap was 40.2 percentage points in 2017 and the state with the highest level of equality, North Dakota, had a gap of 28.0 percentage points. New York State ranked 38th in the employment gap, indicating that employment disparities between the two populations in New York State is among one of the worst.

Over the past five years, the disabled employment rate has increased nationally, but it has not matched the rate of employment growth among employees with no disabilities. In 2012, the US disabled employment rate was 32.7 and New York State's was 30.9. As a whole, the US disability employment rate has grown by 4.3 percentage points, while New York State's has improved by only 3.6 points. As a result, New York's relative performance has worsened. In 2012, New York State had the 31st highest employment gap and its rank had fallen to 37th in 2017. Over the past five years, New York has benefited from a strong economy and employment growth. In the midst of this growth, the disabled worker is trailing behind.

Earnings

In 2017, the average disabled worker in New York State earned \$24,915, compared with \$38,510 for employees with no disability. New York State fared well in total earnings, ranking 14th out of 50 in average earnings for workers with a disability, but this ranking is driven by the higher level of earnings in New York State across all workers. Disabled workers earned \$14,315 less than workers with no disability. The earnings gap is the 42nd largest in the United States. In New York State, workers with a disability earned only \$0.63 for every dollar earned by an employee with a disability.¹²

The earnings disparity has worsened over the past five years. New York State's ranking in total earnings fell from 11th to 14th. Disabled workers in New York State earn \$0.03 less per dollar when compared to workers with no disability than they did five years ago. New York State's disabled earnings per dollar rank fell from 36th to 40th in the past five years.

A review of common indicators shows that disabled workers in New York State lag behind their counterparts in other states. New York State is among the bottom half of states when evaluating disabled poverty rates, employment rates, and earnings relative to workers without disabilities. In all of these indicators, New York State has lost ground in the past five years.¹³

4. Economic Impact on New York

NYSID's impact on New York State's economy was \$369 million in FY 2018, which represents \$85.58 for every hour a disabled individual worked. Employment through NYSID contracts generated \$25.3 million in fiscal benefits by generating tax revenues paid by disabled workers and reducing the state's social assistance obligations. The Institute used economic multiplier analysis to quantify the impact that NYSID's 2018 contracts had on New York State's economic output and employment. NYSID employment data were also used to assess the fiscal impacts of the Preferred Source Program realized through tax revenues generated by disabled employees, and cost savings realized through decreased reliance on social assistance programs.

Overall, NYSID's \$254 million in contracts:

- Generated \$368.9 million in economic output in New York State.
- Employed 6,565 disabled individuals (2,299 full-time equivalent) and an additional 806 full-time equivalent nondisabled workers.
- Created the equivalent of an additional 919 full-time jobs through purchases made by Member Agencies, Corporate Partners, and employees.
- Contributed \$8.8 million in federal and state tax revenue. Many of these payroll taxes were paid by first time taxpayers.
- Reduced federal and state commitments to social assistance programs by \$14.5 and \$2.0 million, respectively.

Economic Impact

Multiplier analysis was used to estimate the effects of NYSID's contracts on the New York State economy. Three types of effects are estimated and distinguished: direct, indirect, and induced effects.¹⁴

NYSID Member Agencies and Corporate Partners spend money on the goods and services and payroll required to produce their chief outputs and fulfill their contracts. The **direct effects** of NYSID Member Agencies and Corporate Partners include the jobs they create, the value of the services they supply, and the commodities they produce.

NYSID Member Agencies and Corporate Partners also generate secondary effects for their suppliers and vendors. NYSID’s **indirect effects** are those jobs and outputs generated for its suppliers and their supply chains.

NYSID’s primary goal is to create employment opportunities for the disabled population in New York. The **induced effects** are the economic activities generated through employees. Workers distribute their earnings in the community when they spend their paychecks on housing, food, entertainment, goods, and services.

In 2018, the total employment effect of NYSID contracts was the 6,565 jobs created for disabled individuals and the additional 1,725 FTE jobs created through indirect and induced spending. The total economic impact was \$368.9 million in economic output. [Table 2](#) presents the comprehensive results.

Below are the key findings from the multiplier analysis.

- **NYSID contracts directly supported 6,565 jobs for disabled employees (a FTE of 2,299) and full-time nondisabled workers with an additional 806 FTEs.** Two-thirds of the labor hours were provided by disabled workers. The remaining third of labor is provided by NYSID Member Agency and Corporate Partner employees who work with disabled employees and manage the contracts.¹⁵
- **NYSID contracts generated \$133,787,721 in labor income, including employee salaries and wages, the value of employee benefits, and proprietor income.** According to NYSID data, the disabled workforce earned \$68,734,567 in wages for these contracts, accounting for 51 percent of the total labor income. The remainder of the income would be allocated to the nondisabled workers and fringe benefits such as healthcare, retirement benefits, and tax payments.
- To fulfill the contracts, Member Agencies and Corporate Partners must purchase supplies and other inputs that generate additional economic activity in the supply chain. **These indirect effects on the supply chain support 330 additional jobs and \$54,535,322 in economic output.**
- Employment generates spending power for workers who pay rent, buy food, and patronize local businesses. Individuals with disabilities generally spend their money at local businesses, meaning that the money they earn is more likely to contribute to their local economy. **Employee spending in the economy supports an additional 588 jobs and generates \$90,237,692 in economic output.**

TABLE 2. NYSID’s Economic Impact on New York State, 2018

Impact Type	Employment (FTE)	Labor Income	Value Added	Output
Direct Effect	3,105	\$133,787,721	\$151,305,516	\$224,082,204
Indirect Effect	330	\$21,453,915	\$34,390,699	\$54,535,322
Induced Effect	588	\$31,969,095	\$57,871,914	\$90,237,692
Total Effect	4,024	\$187,210,728	\$243,568,128	\$368,855,215

SOURCE: Rockefeller Institute of Government analysis of NYSID data.

NYSID Impact: 2013 vs. 2018

NYSID has undergone considerable changes in recent years (see [Table 3](#)). One of the most notable changes is the expansion of the services offered in the janitorial sector. In 2018, NYSID managed \$114.2 million in janitorial service contracts compared to \$79.9 million in 2013. Janitorial services accounted for 45 percent of NYSID’s sales in 2018. The \$34.3 million expansion accounts for the bulk of NYSID contract growth over the past five years. Other areas of significant growth are landscaping, document imaging, and office support.

The changes in NYSID’s portfolio have resulted in a different workforce. As indicated by [Table 4](#), the number of disabled labor hours have remained relatively steady over the past five years, and the number of employees has fallen by 5 percent. While the quantity of employees has fallen, the quality of jobs associated with NYSID contracts has improved. Employees are working more hours and earning higher salaries. The average number of hours worked has increased by 8 percent and the mean hourly wage has also grown from \$13.03 in 2013 to \$15.95 in 2018. The total earnings of individuals with disabilities working on NYSID contracts grew by 25 percent over the past five years. As a point of comparison, the national mean hourly wage grew from \$22.33 to \$24.98 over the same period. NYSID’s hourly wage growth was 22 percent over the past five years, outpacing the national growth rate of 12 percent.¹⁶

\$86
VALUE OF
OUTPUT
GENERATED
FOR EVERY
HOUR OF
NYSID
EMPLOYMENT

22% vs. 12%
NYSID’s
AVERAGE WAGE
GROWTH
for the past
FIVE YEARS
HAS OUTPACED
THE NATIONAL
AVERAGE

TABLE 3. NYSID Performance, 2013 vs. 2018

	2013	2018	Growth
Value of Products and Services/Revenues	\$210,198,701	\$254,209,197	21%
Earnings	\$54,924,603	\$68,734,567	25%
Average Hourly Wage	\$13.03	\$15.95	22%
Disabled FTEs	2,026	2,072	2%
Average Hours Worked	607	657	8%
Disabled Labor Hours	4,213,771	4,310,446	2%
Number of Total Disabled Employees	6,941	6,565	-5%

SOURCE: Rockefeller Institute of Government analysis of NYSID data.

The significant changes in the service portfolio altered NYSID’s economic impact on New York State. The number of jobs directly supported by NYSID has grown by 24 percent (see [Table 5](#)). NYSID has shifted its portfolio to more labor-intensive industries. NYSID’s total annual employment impact has grown by 638 jobs, or 19 percent. NYSID’s annual output impact has grown by \$31 million. The impact of each hour worked has also increased from \$80.20 to \$85.58.

TABLE 4. Changes in NYSID Economic Impact, 2013 vs. 2018

	2013	2018	Growth
Direct Employment Impact	2,508	3,105	24%
Total Employment Impact	3,386	4,024	19%
Total Output Impact	\$337,974,338	\$368,855,215	9%
Output/per Hour Worked	\$80.20	\$85.58	7%

SOURCE: Rockefeller Institute of Government analysis of NYSID data.

Tax Revenue from NYSID Employment

To calculate tax revenues, we examined the tax revenue associated with the average individual with a disability working on a NYSID contract earning \$10,470 annually in wages. The average employee works 12.6 hours a week on NYSID contracts and earns \$15.95 an hour. The wage estimate is based on the total payroll and number of disabled employees. In total, individuals working on NYSID contracts contribute \$5.3 million in federal taxes and \$3.5 million in state taxes. Many of the NYSID-supported jobs are an important first step in the vocational employment of disabled persons and are the first opportunity workers have to contribute fiscally through taxes.

Personal Income Tax (Federal and State)

Both New York State and the federal government have relatively progressive tax structures and offer select credits that are intended to benefit low-income wage earners. The federal standard deduction is \$12,000, effectively eliminating most tax obligations for individuals working, part-time, on NYSID contracts. Those individuals may be eligible for the Earned Income Tax Credit. For purposes of calculating the New York State tax burden, the deduction is \$8,000, resulting in a taxable income of \$2,470. The individual tax bill would be \$99. The NYSID contract workforce will generate \$649,935 annually.

\$8.8
million
TAX REVENUE
generated by
NYSID’s
DISABLED
WORKFORCE
in 2018

Unemployment Insurance

Employers pay state Unemployment Insurance, which can be used for the payment of benefits to eligible unemployed workers. Not-for-profits generally are not subject to the federal tax, but are required to pay the state tax, which was calculated based on a taxable wage base of \$10,470, with a tax rate of 2.52 percent. NYSID’s workforce generated \$1,732,136 in revenues.

Sales Tax

Sales tax applies to the sale of most goods and some services, with a number of exemptions based on type of product or use. We assume that a portion of income is spent on taxable purchases and the rest of income is spent on housing, food, healthcare, and other nontaxable items. The income that is spent on consumer products is subject to an 8 percent sales tax. The total sales tax revenue generated by the spending of individuals working on NYSID contracts is \$1.1 million.

Medicare and Social Security Withholding

Income earned by individuals employed under the NYSID program are taxed under Federal Medicare and Social Security Withholding. The current rate for Social Security is 6.2 percent, whereas Medicare is 1.45 percent. The tax will generate \$5.3 million in revenue.

TABLE 5. Tax Revenues Generated by NYSID Employment

	Federal	New York State
Personal Income Tax	\$0	\$649,935
Unemployment Insurance	—	\$1,732,136
Sales Tax	—	\$1,113,516
Social Security/Medicare	\$5,258,194	—
Total Revenue Generated	\$5,258,194	\$3,495,587

SOURCE: Rockefeller Institute of Government analysis.

Reductions in Public Assistance

Based on discussions with Member Agency and Corporate Partner managers, we learned that the vast majority of employees on NYSID contracts receive public assistance. These employees receive monthly benefits from the Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) programs. Some of these workers will receive lower benefits as a result of their employment, which means that NYSID contracts can reduce the demand for public assistance.

Supplemental Security Income Benefits

SSI payments are phased out as the recipient receives earned income. For example, earning the NYSID average level of pay, \$872.50, would reduce a monthly SSI check by \$393.75 monthly. The employee would still have a total higher monthly income due to earnings, creating an incentive for disabled individuals to participate in the workforce.

Data from the Social Security Administration reported 532,394, or 46.7 percent, of New York State's disabled individuals ages 16 to 64 received SSI benefits in 2017. Assuming that 46.7 percent of NYSID's workforce (3,066 of 6,565 workers) receives SSI benefits, the annual savings to the federal SSI program would be \$14,496,300, representing a 0.4 percent reduction in total federal SSI payments to disabled individuals in New York State.

New York State offers a State Supplement Program to SSI. The benefits are dependent upon the individual's living situation ranging from \$23 to \$694 a month.¹⁷ In 2018, the total state supplemental SSI expenditures were \$600,450,084. Based on the share of the federal distribution allocated to the disabled, 85 percent or \$510,382,571 of the state supplemental expenditures are allocated to the disabled population. Again, assuming NYSID reduced state SSI expenses by 0.4 percent as it did with the federal, the savings realized by New York State would be \$2,041,530.

Social Security Disability Insurance

SSDI benefits are provided to individuals who have paid into Social Security over their career but were eventually determined to be disabled. The average monthly SSDI payment in New York in 2017 was \$1,229.54. Individuals lose benefits if they are engaging in Substantial Gainful Activity, defined by the Social Security Administration as earnings greater than \$1,220 a month. Once the threshold is reached, all SSDI payments stop. This is different from the SSI program above, which allowed for a gradual decline in benefits as earnings increased. The consequence of the SSDI program design is a disincentive to work for the disabled workforce. The average NYSID contract worker works 12.6 hours a week and earns \$872.50 a month. These employees could not work significantly more hours even if they wanted to because it would jeopardize their SSDI benefits. Therefore, we assume NYSID activities have no impact on the SSDI payments to New Yorkers.

Net Impact of Preferred Source on Agencies

Preferred Source providers such as NYSID offer benefits to agencies through the simplification of the procurement process. State agencies, political subdivisions, and public authorities are required to procure commodities and services through Preferred Source providers, if available. In exchange for preference in procurement, Preferred Source providers are required to keep prices of their offerings within 15 percent of the prevailing market rate.

1.3%
NYSID'S SHARE
OF
TOTAL
STATE
CONTRACT
SPENDING

Commodities

NYSID offers a range of commodities in categories such as janitorial and housekeeping, apparel, and office and school supplies. In 2018, NYSID sold \$38.7 million worth of commodities. The Institute performed a direct comparison of the prices of NYSID's Office and School offerings. On average, NYSID suppliers charged 18 to 21 percent less than competing suppliers. In 2018, NYSID handled \$3,140,998 in sales of office and school supplies. If the agencies had acquired these goods from non-Preferred Source providers, they would likely have paid an additional 18 percent, or \$565,380.

Services

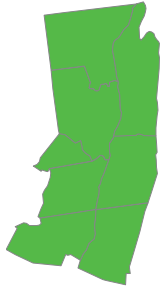
Direct comparisons of service contracts is more challenging because pricing is dependent on a number of factors including size of the job, geographic location, and length of the contract. A direct quantitative analysis is not possible. However, there is indirect evidence that private sector service providers consider NYSID's costs competitive. First, all NYSID contracts over \$50,000 must be reviewed and approved by the Office of General Services to ensure the pricing is competitive with the prevailing market rate. Second, interviews with managers at NYSID Member Agencies and Corporate Partners revealed that NYSID contracts represented only a fraction of their total revenues. All of these organizations had contracts with private sector firms that were awarded because the bid was cost competitive. The fact that NYSID's Corporate Partners can also win contracts in a competitive setting indicates that they have the ability to perform in the open market.

Procurement Process

Interviews with procurement specialists indicate that doing business with NYSID may lower the administrative burdens associated with procurement. Because pricing is negotiated with the procuring entity and not put through a formal bid, the negotiation timeframe for individual agencies is shortened. Preferred Source also saves agencies the costs associated with procurement. When pursuing a contract outside of the Preferred Source Program, agencies must prepare and review competitive bid specifications. This process is labor intensive and often completed by outside consultants. The procurement specialists noted that NYSID representatives often prepared much of the paperwork and justifications required, thereby lessening the workload of the individual agencies.

We conclude that agencies pay no cost premiums when using NYSID as a Preferred Source provider and the streamlined procurement process lowers the administrative costs associated with procurement for agencies.

5. Economic Impact by Region



Capital District

	Disability	No Disability
Population (18-64)	70,627	607,372
Employment Rate	36.0%	78.5%
Poverty Rate	25.2%	9.3%

NYSID Activity

Hours worked: 605,954

Disabled employees: 967 (3.8% of disabled workforce)

Average weekly hours: 12.1

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	521.3	\$15,884,203	\$17,668,269	\$30,897,843
Indirect Effect	62.8	\$3,413,371	\$5,412,128	\$9,358,912
Induced Effect	106.1	\$4,944,076	\$9,149,476	\$15,168,282
Total Effect	690.2	\$24,241,650	\$32,229,873	\$55,425,037

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

Addictions Care Center of Albany
 Albany Autism Society
 The Altamont Program
 The Arc of Rensselaer County
 Capital District Center for Independence
 Catholic Charities of the Diocese of Albany
 Center for Disability Services
 Coarc
 Consumer Directed Choices
 Community Work and Independence
 Equinox
 Living Resources Corporation
 Northeast Career Planning
 Northeastern Association of the Blind at Albany
 Rehabilitation Support Services
 Saratoga Bridges
 Schenectady ARC
 Second Chance Opportunities
 Unlimited Possibilities
 Warren, Washington & Albany ARC
 Wildwood Programs

Corporate Partners

Action Window Cleaning (MWBE)
 E-BizDocs
 Imaga Data
 Janitronics
 KJCKD
 Plaza Linen Service
 Rayben Enterprises
 SecureScan
 Shred-It USA

Center for Disability Services

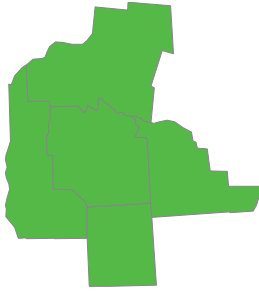
The Center for Disability Services (CFDS) in Albany, NY, serves 15,000 individuals with disabilities in the Capital Region. They employ 67 individuals in their mail fulfillment division, of which 47 are disabled. Workers earn at least minimum wage and are competitively compensated, based on job title and experience. Worker duties include inserting forms and pages, labelling, packaging, mail metering, shredding, presorting mail, preparing mail for delivery to USPS, and printing as part of mail fulfillment. Workers are involved with all aspects of operations.

The CFDS mail fulfillment center has been in business for over 30 years. They recently invested in state-of-the-art equipment to meet client needs and continually invest in employee training to foster growth in its workforce. The Center supports and promotes an integrated work environment. The facility processes 200,000 to 250,000 pieces of mail daily.

CFDS has several contracts through NYSID with state agencies, including the Office of Temporary and Disability Assistance, NYS Insurance Fund, NYS Unified Court System, NYS Office of Higher Education, NYS Education Department, NYS Department of Health, NYS Department of Environmental Conservation, and the NYS Lottery. CFDS also fulfills contracts for private companies such as Key Bank, Davis Vision, Golub Corp, Trustco Bank, and Empire Blue Cross.



SOURCE: NYSID.



Central New York

	Disability	No Disability
Population (18-64)	53,460	435,660
Employment Rate	32.8%	75.6%
Poverty Rate	29.8%	11.2%

NYSID Activity
 Hours worked: 115,187
 Employees: 212 (1.2% of disabled workforce)
 Average weekly hours: 10.4

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	94.3	\$2,763,473	\$3,352,080	\$5,575,629
Indirect Effect	10.4	\$530,169	\$860,108	\$1,488,089
Induced Effect	18.9	\$842,264	\$1,551,544	\$2,591,647
Total Effect	123.6	\$4,135,906	\$5,763,732	\$9,655,364

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- The Arc of Madison Cortland
- The Arc of Onondaga
- Arc of Oswego County
- Helio Health
- J.M. Murray Center
- Liberty Resources

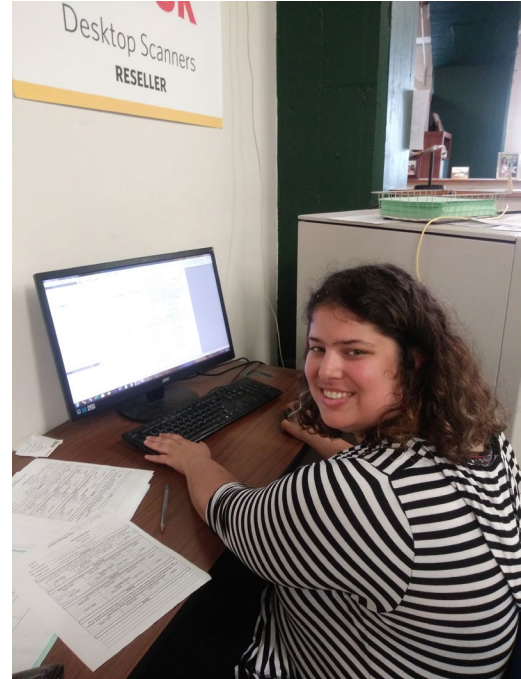
Corporate Partners

- Ames Linen Services (MWBE)
- Continuum Professional Services
- Image Integrator
- Immediate Mailing Service
- Katapult Solutions (MWBE)
- Paper Alternative Solutions
- Syracuse Business Center

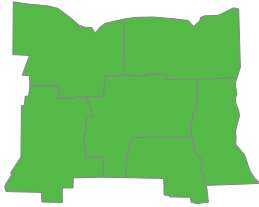
Image Integrator

Image Integrator has been a NYSID Corporate Partner for six years. The company offers comprehensive, enterprise-level, document-imaging solutions. Image Integrator works with clients to archive existing records and build document-management systems to empower clients to digitize their day-to-day activities moving forward. Image Integrator currently works with several schools in Central New York as a preferred source provider for records digitization. One multiyear project has digitized over 20,000,000 documents. The company has contracts with both NYSID and corporate clients.

Approximately half of Image Integrator's workforce is disabled. The Corporate Partner works with ARC of Onondaga to find dedicated employees. Many of the 12 employees have been working with the firm since it became a Corporate Partner. Employees convert paper documents into digital images. They prepare the documents by removing staples and sticky notes, unfolding papers, and taping tears, all while maintaining the original organization of the file. They are responsible for operating the scanner and reviewing the images to ensure the quality of the documents. They also index the digitized images based on names and dates, verify the quality of the work, and upload it into the system. The entire process requires attention to detail and commitment to quality.



SOURCE: NYSID.



Finger Lakes

	Disability	No Disability
Population (18-64)	84,913	661,795
Employment Rate	34.6%	78.2%
Poverty Rate	32.3%	10.9%

NYSID Activity
 Hours worked: 95,748
 Employees: 243 (0.8% of disabled workforce)
 Average weekly hours: 7.6

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	87.6	\$5,685,443	\$6,166,586	\$14,818,375
Indirect Effect	49.7	\$2,631,724	\$4,025,593	\$6,851,560
Induced Effect	49.4	\$2,161,006	\$4,005,997	\$6,663,756
Total Effect	186.8	\$10,478,172	\$14,198,176	\$28,333,691

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- ABVI - Goodwill
- The Arc of Genesee Orleans
- The Arc of Livingston-Wyoming
- Arc of Seneca Cayuga
- The Arc Wayne
- Arc of Yates
- CDS Monarch
- Easter Seals New York
- Lifetime Assistance
- Ontario ARC
- Rochester Rehabilitation Center

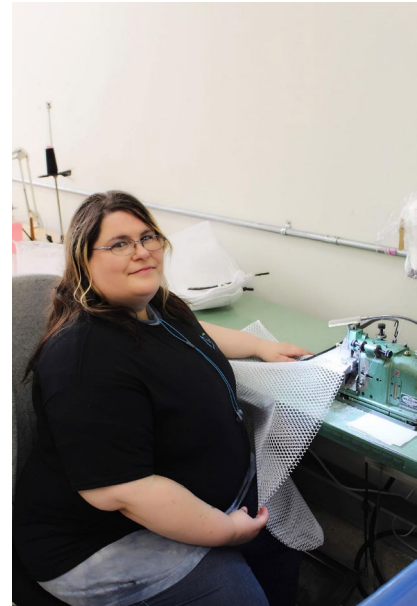
Corporate Partners

- ALSCO
- Angelica
- Sheen & Shine

Finger Lakes Textiles, Arc of Seneca Cayuga

In 2016, Finger Lakes Textiles, the manufacturing division of the Arc of Seneca Cayuga, launched a business expansion plan that invested in state-of-the-art equipment and new staff to manage new business lines. In February 2018, it launched Arctic Gear, a private line of high-quality headwear sold worldwide. The brand offers hats in a range of styles, fabrics, and colors that will be available in retail stores. The integrated textile facility has manufactured products since 1994, with 75 percent of its direct labor hours are performed by people with disabilities. The bulk of its annual sales came from the manufacturing of winter headwear for the Armed Forces. The facility also manufactures nylon laundry bags for the New York State Department of Correctional Services, as well as hats and hoods for other commercial outlets. Finger Lakes Textiles' 100 employees produced over one million pieces of headwear in 2018.

The organization's impacts flow through the community. All of the profits from the Arctic Gear sales support the services offered by the Arc of Seneca Cayuga. These services include healthcare, day habilitation and residential services, family support, and transportation offered to over 1,300 people in the Finger Lakes. All of the raw materials for Armed Forces products are sourced in the United States, while much of the equipment is also American made — some in upstate New York. The final products are packaged and shipped by another site also managed by the Arc of Seneca Cayuga that employs individuals with disabilities.



SOURCE: NYSID.



Long Island

	Disability	No Disability
Population (18-64)	111,903	1,648,885
Employment Rate	37.3%	77.4%
Poverty Rate	15.6%	5.5%

NYSID Activity
 Hours worked: 500,742
 Employees: 698 (1.7% of disabled workforce)
 Average weekly hours: 13.8

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	445.4	\$15,292,462	\$17,417,637	\$26,287,412
Indirect Effect	42.2	\$2,590,926	\$4,188,346	\$6,639,011
Induced Effect	90.5	\$4,863,380	\$8,565,683	\$13,412,403
Total Effect	578.1	\$22,746,767	\$30,171,665	\$46,338,825

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- Abilities
- Adults and Children with Learning and Developmental Disabilities
- AHRC Nassau
- The Corporate Source
- Concern for Independent Living
- Halo Network
- Maryhaven Center of Hope
- Nicholas Center
- The Rehabilitation Institute
- Skills Unlimited
- Spectrum Designs Foundation
- UCP of Long Island

Corporate Partners

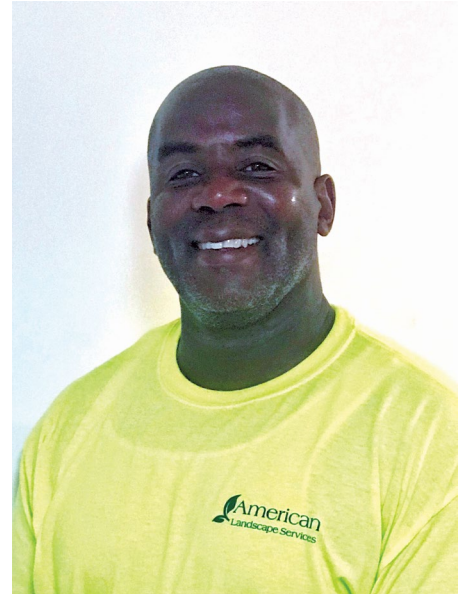
- Alternative Earthcare Lawn and Tree Service
- American Maintenance
- American Security Shredding
- Carlstrom & Ritter
- FDR Services Corporation
- Imaging and Microfilm Access
- LandTek Group
- Mayco Building Services
- Parsons Commercial
- Seery Systems Group
- Stang Landscaping Corporation

American Maintenance

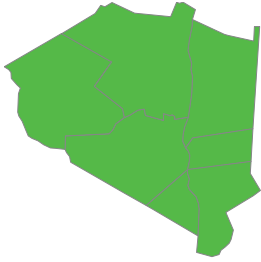
American Maintenance is a janitorial services company and has been a NYSID Corporate Partner since 2006. The length of time that they have participated as a Corporate Partner is indicative of their support for the program. Through NYSID Preferred Source contracts, American Maintenance provides janitorial services to SUNY academic buildings and dorms, research and medical facilities, and several municipal properties. The company currently has more than 200 clients and cleans 50 million square feet of space daily.

In 2018, American Maintenance's NYSID workforce included 142 employees on Long Island. The majority of those employed worked full-time. American partners with Long Island-based NYSID member agencies The Corporate Source, The Rehabilitation Institute, WellLife Network, and Skills Unlimited to build its workforce.

Christopher Alex, President of American Maintenance, reflected on the positive impact their long-term relationship has had with NYSID. He stressed that providing opportunities for this work force offers benefits to the individuals, the companies that they serve, and the community as a whole. Their success to date is reflected by the fifteen year commitment the company has made, and they look forward to more opportunities in the future.



SOURCE: NYSID.



Mid-Hudson

	Disability	No Disability
Population (18-64)	115,418	1,288,979
Employment Rate	38.8%	46.6%
Poverty Rate	21.6%	8.8%

NYSID Activity

Hours worked: 331,129
 Employees: 395 (0.9% of disabled workforce)
 Average weekly hours: 16.1

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	143.1	\$5,171,022	\$6,211,480	\$9,646,504
Indirect Effect	16.3	\$955,665	\$1,578,296	\$2,592,784
Induced Effect	27.5	\$1,386,065	\$2,518,523	\$4,007,675
Total Effect	186.8	\$7,512,752	\$10,308,300	\$16,246,962

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- Abilities First
- Access: Support for Living
- The Arc Mid-Hudson
- The Arc of Dutchess
- The Arc of Putnam County
- The Arc Sullivan-Orange Counties
- The ARC Westchester
- Camp Venture
- Crystal Run Village
- Gateway Community Industries
- The Institutes of Applied Human Dynamics
- Jawonio
- The Keon Center
- New Hope Community

Corporate Partners

- A&P Coat, Apron, and Linen Supply
- Conduent State & Local Solutions
- Digiscribe International
- Front Line

Jawonio

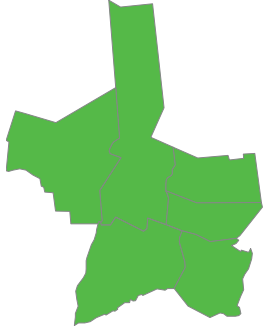
Jawonio is a Native American word that means “independence” and represents the organization’s goal for serving people with special needs in the Mid-Hudson region of New York. To enable independence, the Jawonio Training Center offers workforce development training programs for individuals with disabilities and special needs, veterans, and other individuals who suffer chronic underemployment or unemployment. Curriculums cover the hard and soft skills required for jobs. Upon completion of a program, Jawonio helps with jobs placement at other agencies and community employment partners.

One example of the programming at Jawonio is the Green Cleaning Janitorial Training. The training course is geared toward individuals who have disabilities or special needs and are looking to enter the workforce in the cleaning/ janitorial field. Training takes place in four-hour, half-day sessions for six to eight weeks, and provides practical, hands-on instruction on the use of specialty cleaning equipment and techniques, as well as soft-skills job-readiness training.

Graduates of this program will be referred for job-placement services with the Jawonio Cleaning Company as well as other outside employers. The Jawonio Cleaning Company holds contracts to clean more than one million square feet. NYSID contracts include Westchester and Rockland Counties.



SOURCE: NYSID.



Mohawk Valley

	Disability	No Disability
Population (18-64)	37,986	256,470
Employment Rate	30.7%	75.2%
Poverty Rate	33.4%	13.3%

NYSID Activity
 Hours worked: 180,970
 Employees: 524 (4.5% of disabled workforce)
 Average weekly hours: 6.6

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	297.9	\$6,575,089	\$8,121,599	\$15,009,901
Indirect Effect	24.4	\$982,181	\$1,647,221	\$3,169,416
Induced Effect	37.4	\$1,483,985	\$2,819,037	\$4,915,307
Total Effect	359.7	\$9,041,255	\$12,587,857	\$23,094,624

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- Arc Herkimer
- The Arc Lexington
- The Arc Otsego
- The Arc, Oneida-Lewis Chapter
- Human Technologies Corporation
- Liberty Arc
- Schoharie Arc
- Upstate Cerebral Palsy



SOURCE: NYSID.

Arc Herkimer

Arc Herkimer offers a variety of services to disabled residents in Herkimer County, including medical services, transportation, dayhab, and residential facilities. Much of the programming is supported through Arc's vocational division, Herkimer Industries (HI). Herkimer industries employs over 150 individuals, 59 on NYSID contracts.

HI is a product-focused shop that has seen impressive growth in recent years. In 2006, HI offered 30 products through NYSID contracts. The portfolio has expanded to over 300 products and now includes several high-tech and high-value products. HI partnered with Z-Medica, a medical device developer and manufacturer, to assemble bleeding-control kits. HI works with a local LED manufacturer, Fiberdyne Labs, to provide LED billboards for NYSID customers such as the NYS Thruway, Department of Transportation, and the New York Fairgrounds. HI employees work on Fiberdyne's manufacturing line to build and assemble final products. Since the expansion, the value of HI's NYSID contract portfolio has grown to \$3 million annually.

Only 30 percent of HI's revenues come from NYSID product sales. The rest are generated through subcontracts with private companies. HI offers contract packaging; industrial sewing solutions; package and product design services, including prototyping, submanufacturing, and assembly solutions; ISO compliant quality assurance; and worldwide distribution. Many of these contracts are locally based. For example, HI assembles and packages displays for 700 Walmarts on the east coast distributed through the Sharon Springs, NY-based warehouse. In addition to providing employment opportunities for the disabled workforce, the expansion has generated revenues to support the ARC's mission and HI has become an important component of the local manufacturing supply chain.



New York City

	Disability	No Disability
Population (18-64)	440,055	5,129,518
Employment Rate	31.7%	72.7%
Poverty Rate	34.4%	15.7%

NYSID Activity

Hours worked: 2,119,993
 Employees: 2,579 (1.9% of disabled workforce)
 Average weekly hours: 15.8

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1,339.2	\$77,820,980	\$86,770,412	\$112,112,417
Indirect Effect	107.7	\$9,575,041	\$15,409,290	\$22,139,767
Induced Effect	229.9	\$15,111,040	\$27,029,019	\$39,684,765
Total Effect	1,676.7	\$102,507,060	\$129,208,721	\$173,936,948

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- AHRC New York City
- Brooklyn Bureau of Community Services
- Cerebral Palsy Associations of NYS
- The Doe Fund
- Fedcap Rehabilitation Services
- Goodwill Industries of Greater New York and Northern New Jersey
- Lifespire
- The Osborne Association
- Project Renewal
- Services for the Underserved
- WellLife Network
- Wildcat Services Corporation
- Young Adult Institute

Corporate Partners

- CASO
- LionCage NYC
- Skyway Window Cleaning
- TForce Final Mile

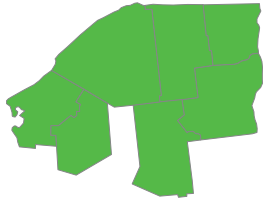


SOURCE: NYSID.

AHRC New York City

For AHRC New York City, the 25-year partnership with NYSID has enabled the Member Agency to support more than 1,000 people with disabilities in ways that have changed their lives for the better. The people supported through NYSID contracts have had job opportunities in the areas of landscaping, secure document handling, janitorial and courier services, among others. Today, more than 500 people with disabilities are gainfully employed, throughout New York City, through the 50-plus NYSID contracts currently held by AHRC New York City.

According to Marco Damiani, chief executive officer of AHRC New York City, “the employment opportunities afforded through our partnership with NYSID have allowed and continue to allow people with disabilities to realize their potential. These jobs offer life-changing opportunities by providing competitive wages, great benefits, and rewarding careers to people who, at one time, were disenfranchised and often considered unemployable. We are proud of our partnership with both NYSID and the people we support, and look forward to continuing our very productive relationships to ensure they continue to grow and thrive.”



North Country

	Disability	No Disability
Population (18-64)	31,774	216,686
Employment Rate	29.9%	71.8%
Poverty Rate	33.8%	13.4%

NYSID Activity
 Hours worked: 45,106
 Employees: 194 (2.0% of disabled workforce)
 Average weekly hours: 4.5

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	23.2	\$404,895	\$504,455	\$1,035,001
Indirect Effect	1.6	\$55,988	\$95,526	\$187,996
Induced Effect	2.1	\$77,967	\$151,996	\$261,950
Total Effect	26.9	\$538,850	\$751,976	\$1,484,947

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- Advocacy and Resource Center
- The Arc Jefferson-St. Lawrence New York
- Citizen Advocates
- Essex Industries



SOURCE: NYSID.

Mountain Lake Services and Essex Industries

Mountain Lake Services and Essex Industries have a 45-year history of using work as a tool for personal satisfaction and achievement. Essex Industries is an integrated workplace where people with developmental disabilities work alongside craftsmen to learn new skills in a production setting. The facility includes an extensively equipped woodworking shop, including saws that are retrofitted to ensure safety and accuracy. Essex Industries is one of the largest manufacturers of fine ash canoe seats and accessories in the United States and abroad. It also is the NYSID supplier of picnic tables and has provided tables to NYS Parks and Recreation, the Thruway Authority, and the Department of Environmental Conservation (DEC) for over 40 years. If you have sat at a picnic table in a DEC campground, you most likely have enjoyed a product created with passion by the workers of Essex Industries.

Essex Industries provides employment opportunities for 35 disabled individuals. For most employees, this is their first job and they have no experience with woodworking or machinery. The Essex Industries staff provides extensive training as their employees master skills that can be taken with them to occupations in the private sector. It is also an important driver in the local economy, purchasing much of the raw materials for production from local suppliers. This ensures that the bulk of the revenue generated stays in the North Country economy.



Southern Tier

	Disability	No Disability
Population (18-64)	47,930	353,177
Employment Rate	31.2%	72.7%
Poverty Rate	32.7%	15.0%

NYSID Activity

Hours worked: 215,184
 Employees: 285 (1.9% of disabled workforce)
 Average weekly hours: 14.5

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	92.4	\$2,364,633	\$2,890,147	\$5,081,433
Indirect Effect	8.5	\$372,095	\$608,277	\$1,134,795
Induced Effect	13.8	\$552,811	\$1,062,762	\$1,824,098
Total Effect	114.8	\$3,289,539	\$4,561,186	\$8,040,327

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- ACHIEVE
- The Arc of Chemung
- The Arc of Delaware County
- The Arc of Schuyler
- The Arc of Steuben
- A.V.R.E.
- Capabilities
- Challenge Industries
- Pathways, Inc.

Corporate Partners

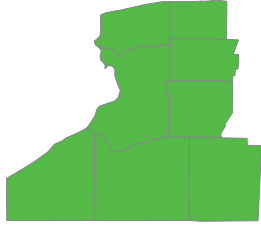
- Bates Troy
- Paper Alternative Solutions (MWBE)
- SOURCECORP BPS

Paper Alternative Solutions, Inc., Certified MWBE

Paper Alternative Solutions, Inc., has been a NYSID Corporate Partner since it was founded in 2011. The business process firm works with clients to achieve efficiencies through paperless recordkeeping. The firm digitizes archives and sets up paperless document management systems. The woman-owned business has two individuals with disabilities on staff and works with local NYSID Member Agency ACHIEVE to staff up when it is awarded a Preferred Source contract. Paper Alternatives has worked with Southern Tier governments such as Steuben County and Cazenovia to go paperless.

The individuals with disabilities working on NYSID contracts play an important role in the entire workflow of a project, providing at least half of the labor hours. These individuals prepare papers for archiving by opening envelopes and folders, repairing tears, and removing staples and paper clips. They are also responsible for scanning documents, loading them into the management system, and capturing the critical data from the images. The final critical step in the process is quality control. Employees must inspect all images to make sure they have been captured correctly. The work is methodical and requires attention to detail. The employees enjoy the work and are dedicated to the project.

Paper Alternative President Molly McGowan emphasizes that this partnership is a win-win-win. The faster procurement through Preferred Source gets the work going quickly and offers big advantages for the company and clients. She also notes that creating opportunities for individuals with disabilities, who may not have many alternative opportunities, is important to them and the community.



Western New York

	Disability	No Disability
Population (18-64)	97,225	758,863
Employment Rate	32.5%	77.0%
Poverty Rate	31.7%	12.2%

NYSID Activity

Hours worked: 129,305
 Employees: 277 (0.7% of disabled workforce)
 Average weekly hours: 11.0

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	61.0	\$1,825,521	\$2,202,851	\$3,617,689
Indirect Effect	6.8	\$346,755	\$565,914	\$972,992
Induced Effect	12.4	\$546,501	\$1,017,877	\$1,707,809
Total Effect	80.2	\$2,718,777	\$3,786,642	\$6,298,490

SOURCE: Rockefeller Institute analysis of NYSID data.

NOTE: Employment figures represent Full Time Equivalent employment.

Member Agencies

- Allegany ARC
- The Arc Erie County New York
- Community Services for Every1
- Goodwill Industries of Western New York
- People Inc.
- The Rehabilitation Center
- The Resource Center
- Southeast Works
- Suburban Adult Services
- United Cerebral Palsy Association of Niagara County

Corporate Partners

- 1 Accord Services, Inc. (MWBE)
- Biel's Information Technology Services
- Instream, LLC

The Arc Erie County New York

The Arc Erie County New York creates a wide range of employment opportunities through NYSID Corporate Partnerships and the management of its Business Solutions Division. Corporate Partner Instream employed 11 NYSID-qualified individuals in 2018 for its document-management business.

The Business Solutions Division, also known as Allentown Industries, employed an additional 95 disabled individuals on NYSID contracts in 2018. The affirmative enterprise provides a wide range of services to state and local agencies, the federal government, and private businesses. The Arc Erie County New York's janitorial services group has contracts to clean millions of square feet of commercial office space, including in the Buffalo area. Clients include: NYS Government Offices (DOT, DOL, DEC, etc.); Erie County Facilities (DMV, Health Mall); city of Buffalo (Court, Broadway Market); University of Buffalo (Research Institute); Niagara Frontier Transportation Authority; Medical Facilities; County/City Offices; and Schools. Arc Erie County New York employees are responsible for the landscaping of many of Western New York's buildings. Allentown Industries works with customers in determining the type of services they need and provide a schedule for the creation and maintenance of beds, lawns, landscaping, and snow removal. Customers include the University at Buffalo, Erie County Water Authority, NYS Department of Military and Naval Affairs, Buffalo Urban Renewal Agency, NYS Veterans Home, and the United States Naval Operations Service Center.

Arc Erie County New York partners with local manufacturing and distribution companies to develop Preferred Source contracts for a range of commodities. Currently Arc Erie County New York is the Preferred Source for uniform emblems and patches.



SOURCE: NYSID.



6. Future of NYSID and Disabled Employment in New York State

In 2018, NYSID's portfolio of \$254 million in contracts employed 6,565 disabled workers across New York State, which as a whole benefited. The contracts generated \$368.9 million in economic output and directly employed an additional 806 full-time, nondisabled workers, and created the equivalent of an additional 919 full-time jobs through supply chain purchases made by Member Agencies, Corporate Partners, and employee spending. Disabled workers employed on NYSID contracts contributed \$8.8 million in federal and state tax revenue, and reduced federal and state commitments to public assistance programs by \$14.5 and \$2.0 million, respectively.

While New York State was an early leader in the development of policies and programs to create employment opportunities for its disabled citizens through preferential procurement policies, a review of economic indicators shows that access to employment for disabled workers in New York State lags behind other states. New York State is among the bottom half of states when evaluating disabled poverty rates, employment rates, and earnings. New York State has lost ground in all of these areas over the past five years.

In this section, we explore a series of policy and technological changes that will impact NYSID and its Member Agencies, Corporate Partners, and individuals with disabilities in the near future. The first is Governor Cuomo's Employment First Initiative — a commitment by New York State to increase employment and lower poverty rates for the state's disabled residents. New York State has also introduced new requirements for the workplaces in which individuals with disabilities are employed. This section outlines these changes and discusses how NYSID and the NYS Office of General Services (OGS) can adapt to meet these new requirements. Finally, we explore how automation will disrupt the jobs performed by the NYSID workforce. Some new

technologies will automate the work currently being completed on NYSID contracts, but others could enable assistive technologies that will allow for an expansion of the NYSID portfolio of products and services.

New York State's Employment First Initiative

Governor Andrew Cuomo issued an executive order to establish the Employment First Commission in 2014 to identify opportunities for equality and inclusiveness for people with disabilities.¹⁸ The governor established a goal of improving the disabled employment rate by 5 percent and decreasing the poverty rate by 5 percent. The Employment First Commission issued its report in 2015, identifying 11 recommendations to encourage private-sector employment of individuals with disabilities and lower barriers to their participation in the workforce. The recommendations included expanded access to transportation, assistive technologies, benefits guidance, and healthcare. The report also called on New York State agencies to work with community-based organizations to better integrate individuals with disabilities into the state workforce.¹⁹

Impact of an Expanded NYSID

As an existing organization dedicated to creating employment opportunities for disabled workers in New York State, NYSID can play an important role in assisting New York State to meet its goals. NYSID has the infrastructure required to execute programming that will create employment opportunities in a short time frame. Increasing the scale of NYSID would make significant progress towards Governor Cuomo's goals of increasing employment and lowering poverty.

We identified three scenarios for NYSID expansion and estimated the impact they would have on disability employment and poverty rates. Fundamentally, to increase employment NYSID has to increase sales and contract opportunities. We have estimated the impact of this expansion based on sales and how those sales impact job creation. If NYSID was able to expand by 50 percent it would increase the employment rate by 0.3 percentage points and lower poverty by the same amount. Doubling NYSID's contracts and corresponding employment would create job opportunities for 6,565 disabled individuals. The result would be a 0.6 percentage point increase in employment levels and a 0.6 percentage point decrease in the poverty level. Doubling NYSID's operations would get New York 12 percent closer to its goal of job creation and poverty relief.

Expansion of NYSID would create new employment opportunities for disabled individuals in New York State and improve the economic conditions of the population. This expansion could be achieved through changes to NYSID regulations.

TABLE 6. Impact of Potential NYSID Expansion

Scenarios	Current (2018)	50% Increase	Doubling
Employment	6,565	9,848	13,130
Employment Rate	33.8%	34.1%	34.4%
Unemployment rate	14.6%	13.8%	13.0%
Poverty Rate	28.6%	28.3%	28.0%

SOURCE: Rockefeller Institute analysis of American Community Survey data.

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 to \$250,000 would bring the number of affected contracts to 35 percent. Such a policy change 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.

TABLE 7. NYSID Active Service Contracts, 2019

Total Contract Amount	Number of Contracts	Sum of Contract Amount	Share of Total
Under \$50,000	371	\$7,989,332.89	1.0%
\$50,000-\$84,999	33	\$2,166,578.31	0.3%
\$85,000-\$199,999	82	\$11,037,322.66	1.4%
\$200,000-249,999	29	\$6,457,258.00	0.8%
Over \$250,000	275	\$777,571,705.41	96.6%

SOURCE: Rockefeller Institute analysis of NYSID data gathered on March 14, 2019.

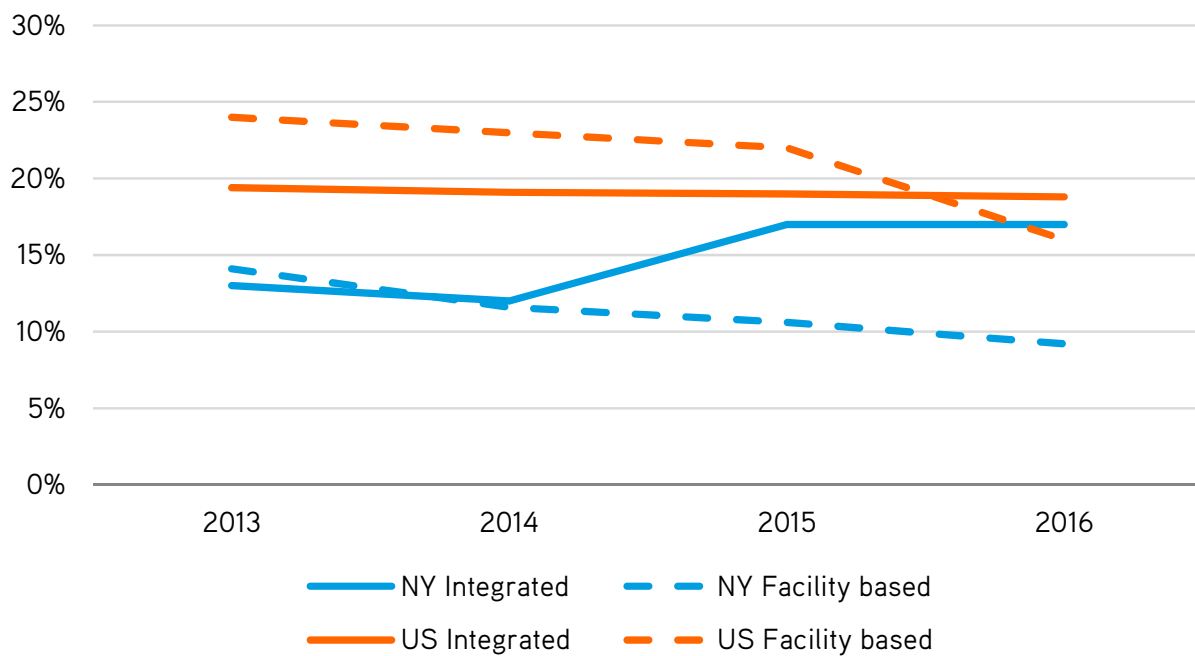
Transition from Sheltered Workshops to Integrated Businesses

Many disabled individuals had found employment in sheltered workshops — workplaces managed by nonprofits with the mission of serving the disabled population. Sheltered workshops were designed for employees to receive vocational training while working in a supported environment before transitioning into an integrated workplace. Sheltered workshops also offered employment opportunities for individuals for whom integration was not considered feasible. Workshops have traditionally paid workers based on their abilities and, as a result, are exempt from minimum wage requirements.

New York State’s Office of People With Developmental Disabilities (OPWDD) is currently managing the process of transitioning workers from sheltered workshops into integrated or affirmative businesses. The OPWDD guidelines state that integrated businesses are required to offer work schedules, breaks, time off, and benefits to all employees regardless of disability status. In addition, integrated businesses require employees with disabilities to interact with the public. This can be accomplished by limiting the number of FTEs with disabilities to 40 percent. OPWDD can offer a waiver to allow 40-75 percent disabled FTE employment when these individuals receive Home & Community Based Services (HCBS). All employees, regardless of disability status, must have the same job titles, duties, and promotional opportunities.²⁰

New York State has seen a shift from employment in facility-based, sheltered workshops to integrated employment in recent years. In 2015, the number of individuals working in an integrated environment jumped from 7,457 to 10,507. New York State has almost reached the national average of share of disabled individuals participating in integrated employment (see [Figure 2](#)). The data suggest that New York State’s agencies and nonprofits are having success in transitioning workplaces.

FIGURE 2. Disabled Worker Employment Settings in New York State, 2013-16



SOURCE: National Survey of State Intellectual and Developmental Disabilities Agencies’ Employment and Day Services.²¹

The new requirements may pose challenges for NYSID Member Agencies as they pursue Preferred Source contracts. The current NYS Procurement Bulletin defines the disability employment requirements for Preferred Source commodities and services contracts:

75% of the direct labor under a preferred source agreement must be provided by people with disabilities. For commodity or service agreements requiring a workforce (working supervisors and laborers) of 10 people or less, a majority of the direct labor must be provided by people who are blind or by people with disabilities.²²

The ratio of disabled employment required for Preferred Source contracts is higher than the ratio legally allowed by integrated businesses as defined as OPWDD. Many of NYSID's existing contracts are executed by Member Agencies and Corporate Partners that meet the OPWDD guidelines for Integrated Businesses. For example, Individuals working on Janitorial Services and Grounds Keeping contracts (50 percent of NYSID's disabled labor hours) are integrated into the community as required by the OPWDD guidelines.

The conflicting ratios provide challenges for the NYSID Member Agencies that fulfill commodities contracts. NYSID Member Agencies have traditionally fulfilled contracts through work performed in business divisions managed by Member Agencies. These work environments were dominated by disabled employees and meeting the 75 percent threshold for work on a contract that was feasible. OPWDD regulations will cap disabled employment in integrated businesses at 40 percent, or 75 percent in the event of a waiver. These new regulations will make it challenging for integrated businesses to meet the threshold of disabled employment required of preferred source contracts.

NYSID in conjunction with NYSED should consider revisiting the direct labor requirement as it relates to the new integrated business guidelines. Lowering the requirement from 75 to 40 percent will allow these businesses to continue to serve as Preferred Source providers. Lowering the requirement may also encourage other businesses to integrate disabled employees into their workforce. By requiring only 40 percent disabled employment, existing companies may find it feasible to become Corporate Partners and work with Member Agencies to create additional employment opportunities.



Automation and the Disabled Workforce

Workforce automation is quickly bringing change to the workplace. Artificial intelligence (AI), robotics, and advanced computing are rendering some jobs obsolete. A recent study by the Rockefeller Institute found that 53 percent of New York's jobs could be significantly changed or eliminated due to automation in the near future.²³ The report was based on an analysis of the tasks associated with 700 jobs and the likelihood they could be automated with currently available technologies.²⁴ Conventional wisdom holds that low-skills jobs will likely be automated first, and are at the greatest risk of elimination.

The jobs created though NYSID contracts are at high risk for automation. Half of the NYSID contract workhours are dedicated to janitorial and landscaping services. Contracts for digitization, mail fulfillment, and shredding are classified as office and administrative support. Packaging and commodities have been classified as production. [Table 8](#) shows the breakdown of the NYSID workforce into occupational classes and the corresponding likelihood of automation associated with each class. In total, 75 percent of the NYSID workforce faces elimination due to automation in two decades.

NYSID has faced this challenge as the mail fulfillment Preferred Source provider. Until 2019, the Office of General Services definition of mail fulfillment services did not include printing of mailed material. In the past, agencies provided the fulfillment center with paper copies of the mailings that were prepared by the center and then mailed. Agencies now provide digital copies of mailings and databases of addresses for mail merges to generate the materials. Printing and mailing are more efficient when they are done together. Without the updated definition, business would have been lost. As the pace of technological change accelerates, NYSID must continue to work with the New York State Procurement Council to regularly review definitions and modernize them. In addition, NYSID will need to work to identify new services it can offer to replace those that become obsolete due to technology.

TABLE 8. NYSID Occupational Distribution and Likelihood of Automation

	Share of Labor Hours	Likelihood of Automation
Building and grounds cleaning and maintenance occupations	50.0%	72.0%
Office and administrative support occupations	42.1%	79.2%
Production occupations	3.9%	71.6%
Personal care and service occupations	2.1%	49.7%
Transportation and material moving occupations	1.8%	73.5%
Food preparation and serving related occupations	0.1%	87.0%

SOURCE: Rockefeller Institute analysis of NYSID data.

While AI and automation can be seen as a threat to disabled employment, the new technologies under development will also create opportunities through better accessibility and creation of new occupations. Advances in predictive text, speech-to-text transcription, and voice-and-visual recognition can assist employees with disabilities and create new ways for them to contribute to the workforce. Microsoft recently launched an AI for Accessibility program that provides grants for people who build tools for disabled communities. With new tools under development, disabled individuals will have the ability to perform tasks once beyond their abilities.

NYSID is committed to the development of such tools through the Cultivating Resources for Employment with Assistive TEchnology (CREATE) program. Student engineers work with Member Agencies and individuals with disabilities to invent solutions for the workplace. In 2019, the seventh year of the program, over 20 teams of student engineers developed prototypes of apps and tools that would empower disabled employees to become more efficient. The technologies incorporated advancements in virtual reality and robotics. NYSID's investment in developing assistive technologies will help expand the employment capabilities of individuals with disabilities in New York.



ENDNOTES

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- 8 "American Community Survey: 2013-2017 ACS 5-year Estimates," Table S2301, 2017 data, U.S. Census Bureau, revised November 28, 2018; generated by Rockefeller Institute using American FactFinder, factfinder.census.gov, May 30, 2019.
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- 12 Lauer and Houtenville, *2018 Annual Report on People with Disabilities in America*.
- 13 Houtenville, *2013 Annual Disability Statistics Compendium*.
- 14 The analysis was completed using the IMPLAN economic modeling tool and data. Data on revenues, earnings, and employment were provided by NYSID.
- 15 According to the Preferred Source Guidelines, "75% of the direct labor under a preferred source agreement must be provided by people who are blind or by people with disabilities. For commodity or service agreements requiring a workforce (working supervisors and laborers) of 10 people or less, a majority of the direct labor must be provided by people who are blind or by people with disabilities." See "NYS Procurement Bulletin: Preferred Source Guidelines," NYS Office of General Services, accessed August 6, 2019, <https://ogs.ny.gov/procurement/nys-procurement-bulletin-preferred-source-guidelines>.
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