



# S.2367 (Scarcella-Spanton) / A.783 (Burdick)

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<b>BILL</b> S.2367 (Scarcella-Spanton) / A.783 (Burdick)
<b>SUBJECT</b> Relates to the effectiveness of chapter 565 of the laws of 2022 amending the state finance law relating to preferred source status for entities that provide employment to certain persons
<b>DATE</b> February 11, 2025
<b>SUPPORT</b>

The Business Council supports S.2367 (Scarcella-Spanton) / A.783 (Burdick) also referred to as the Preferred Sourcing Program, which has been instrumental in increasing employment opportunities for individuals with disabilities by ensuring equitable access to state contracts. The 2022 modernization of the Preferred Source Program (PSP) updated outdated language, aligned the program with diversity, equity, and inclusion (DEI) standards, and promoted integrated employment opportunities for individuals with disabilities. However, these provisions are set to expire in October 2025. Senate Bill S2367 ensures the permanent continuation of these necessary reforms.

Since its modernization, the PSP has demonstrated measurable success. The number of hours worked under the program has significantly increased, along with the number of individuals with disabilities securing sustainable employment. This program is critical, as individuals with disabilities face a 67% unemployment rate, making employment access a major barrier to financial stability and community integration. In 2022 alone, more than 6,800 individuals with disabilities in New York participated in the PSP, contributing over 2.1 million work hours across various industries. Without permanency, these gains are at risk, and thousands could lose access to meaningful employment.

The economic impact of the program is substantial. A 2021 report by the Rockefeller Institute of Government found that every hour worked by an individual with disability under a preferred source contract generates a \$108 local economic impact. This translates into over \$226 million in statewide economic activity annually. Additionally, PSP contracts contribute millions in wages and benefits to workers with disabilities, reducing reliance on public assistance programs and promoting financial independence. Expanding and sustaining this program will further strengthen New York’s labor force, support small businesses, and enhance economic inclusivity statewide.

Failing to make these provisions permanent would reverse the progress made in advancing workforce integration for individuals with disabilities and could lead to a loss of job opportunities for thousands of New Yorkers. The Preferred Source Program is not just a workforce initiative, it is an economic development tool that ensures all New Yorkers, regardless of ability, can contribute meaningfully to the state's economy.

By passing S.2367 (Scarcella-Spanton) / A.783 (Burdick) and making this program permanent, New York will:

- Ensure continued access to state contracts for individuals with disabilities, fostering long-term job stability.
- Maintain and expand economic opportunities for a historically underrepresented workforce segment.
- Support New York's commitment to integrated, community-based employment in alignment with national employment equity standards.
- Boost economic growth by ensuring that individuals with disabilities remain an active and productive part of the workforce.

The fiscal impact is minimal, as this bill only extends provisions that are already in place, with measurable positive economic effects. Research shows that for every \$1 invested in disability employment initiatives, states receive a return of \$3.50 in economic benefits through increased worker productivity, tax revenues, and reduced social service costs.

The Preferred Source Program is a proven success and must remain a permanent fixture in New York's workforce development strategy. It ensures its long-term viability, protecting job opportunities and sustaining economic growth for individuals with disabilities across the state.

For these reasons, The Business Council supports S.2367 (Scarcella-Spanton) / A.783 (Burdick).