

55TH HOUSE DISTRICT

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**State Representative P. Scott Lipps
Ohio House of Representatives**

Chairman Peterson, Vice Chair Thomas, Ranking Member Humphrey, and members of the House Government Oversight Committee, I appreciate the opportunity to offer testimony on House Bill 427, The Ohio Employment First and Greater Opportunities for Persons with Disabilities Act.

The Fair Labor Standards Act of 1938 established the Federal Minimum Wage. This legislation pertains to Section 14(c), which allows employers to pay people with disabilities less than the minimum wage. The current federal minimum wage stands at \$7.25 and Ohio's minimum wage at \$10.45, the people we are talking about today make less, often between \$3-5 per hour. HB427 is a catalyst for change in the disability workforce space. It would, over the course of 5 years, phase out Sub Minimum Wage in Ohio, as 17 other states have already done.

Within 180 days of the bill being enacted into law, all employers who wish to remain part of the Sub Minimum Wage program would be required to renew their license. These licenses would be valid for the duration of the 5-year wind down. After the 5 years have passed, employers would be prohibited from paying subminimum wage to employees with a mental or physical disability.

The legislation would also require, no later than 15 months after the bill's effective date, that each employer with a state license or federal certificate submit to the Director of Developmental Disabilities a transition plan addressing how the employer will 1. Phase out subminimum wage by the 5-year mark and 2. Support individuals with disabilities pursue competitive, integrated employment.

HB427 would increase collaboration and data collection by the agencies responsible for supporting Ohio's DD population. It would require the Director of DD in consultation with the Executive Director of the Opportunities for Ohioans with Disabilities agency to assist in the phase out with employers and stakeholders impacted by the transition with implementing new plans and collecting data on employers who have licenses/certificates to measure

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progress regarding the implementation of these plans and to track the outcomes of employees with disabilities. In addition, it would require the Director of DD and OOD to solicit assistance from the Employment First Task Force, stakeholders (20% of whom must be individuals with a disability), family members of the individual, advocacy organizations, service providers, local governments, and business associations. The Director of DD would then be required to provide a report, no later than Jan 1 of each year during the 5-year phase down, to the Governor and General Assembly.

HB427 creates new responsibilities for the Employment First Task Force. These include reviewing employers transition plans and helping them to build out long term strategies, developing recommendations to transition individuals off of subminimum wage, working with interagency partners to ensure disability services align with national models, and to use the data available by DODD to identify opportunities for improving health outcomes for those with a developmental disability. The task force, in consultation with DODD, would be required to submit to the General Assembly a report that details information on the outcomes, best practices, and challenges being faced by the DD community and then to provide legislative recommendations for creating a better system.

HB427 is the starting point of an important conversation in workforce development, which is how can we best support Ohio's DD community and transition it into the 21st century. We believe that HB427 is the right step for Ohio moving forward.

Thank you, Committee, for your time and attention. I will now answer any questions you may have.

Scott Lipps
Ohio State Representative
District 55

A handwritten signature in black ink that reads "P. Scott Lipps".

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Sincerely,

Scott Lipps
Ohio State Representative
District 55