



# The Ability Center

Proponent Testimony on HB 225

May 14<sup>th</sup>, 2025

Thank you Chairman Johnson, Vice Chair Lear, Ranking Member McNally, and members of the House Commerce and Labor Committee for the opportunity to testify on House Bill 225. My name is Dr. Jules Patalita and I am a Disability Rights Advocate for The Ability Center in Greater Toledo. We are a Center for Independent Living that has worked for the last century towards our mission, to make our community the most disability friendly in the nation by increasing independence for people with disabilities, discovering true passions, and changing the community's perception of disability. In fulfillment of that mission, to increase the independence of those with disabilities, and to fight for the dignity of fellow Ohioans, I come today to speak in favor of HB 225, as the subminimum wage is an antiquated piece of law that has no place in Ohio code in 2025, and I push for this committee to join the 21 states already acting to phase out the practice.

I would like to begin by addressing a misconception that many have surrounding HB 225, that it will lead to those with disabilities losing jobs in these sheltered environments. Simply put, phasing out subminimum wage is a work incentive, and it will lead to more Ohioans with disabilities joining the workforce. While this may seem counterintuitive, data from states that have already phased out 14(c) show us this is true. Studies on Maryland and Vermont, two of the earliest states to phase out subminimum wage, had significant increase in employment rates for adults with disabilities, with respective 11.9% and 24.5% increases in the employment rates of those specifically with cognitive disabilities.<sup>i</sup> These numbers, coming from 2022 employment data by the American Community Survey, also show other states that reported between a 5-12% increase in employment rates for those with cognitive disabilities: New Hampshire, Alaska, Maine, Washington, Delaware, and Colorado.

Empirically, we have proof that many states have found phasing out 14(c) to be a work incentive for their communities, but we have just as much personal testimony and lived experience showing the benefits of the phase out for the disability community. A study published on April 29<sup>th</sup> of this year by the United States Government Accountability Office highlighted interviews with former 14(c) workers and their caregivers. While some individuals discussed the challenges of transitioning to competitive employment, the



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report noted “more individuals discussed positive experiences than challenging.”<sup>ii</sup> Key findings from these interviews were workers noting positive reactions to more fulfilling job tasks, increased freedom of earning a higher wage, and “pathways for taking on additional responsibilities at work, such as receiving a promotion.” If Ohio is an Employment First state as Governor Kasich declared in 2012, why would we not follow through with bills such as HB 225 that perfectly demonstrate this philosophy?<sup>iii</sup>

While there may have been cause for concern about the hiring of workers with disabilities in 1938, that was 87 years ago, and our society has changed to give those with disabilities equal opportunities in employment that make subminimum wage unnecessary and harmful. The Americans with Disabilities Act protects individuals with disabilities from discrimination during the interview, hiring, and employment stage, while also requiring reasonable accommodation to allow workers to perform their job functions to the same effectiveness as nondisabled coworkers.<sup>iv</sup> Ohio is also equipped with many departments and agencies that assist individuals with finding employment and job coaching. The Ohio Association of County Boards currently manages these types of services for thousands of Ohioans and, this February, they signed a resolution to support the phasing out of subminimum wage. If the statewide collection of professionals assisting many people with developmental disabilities believes that they are able to support these individuals as they move towards competitive employment, I trust that this is the correct move for the future of Ohio’s disability community.

There are two concerns on HB 225 you are most likely to hear. The first is that 14(c) businesses will be unable to maintain profits if they are forced to increase wages. We have evidence that this will not be the case, however, as the previous 21 states ending subminimum wage did not close the doors of every 14(c) certificate holder. These employers adjusted and were able to maintain services while keeping staff. There are businesses in Ohio that once paid subminimum wage, only to voluntarily raise wages to match the minimum, and they are functioning much the same as they were before. To address these issues, HB 225 has many elements built in that work to protect businesses, mainly the five-year transition period itself. Many states that previously passed similar bills had shorter transition periods or none at all. Georgia, who just signed a bill to phase out subminimum wage weeks ago, only built in a two-year transition.<sup>v</sup> At the end of last year, there was a federal rule proposal that would have seen a three-year phase out period of subminimum wage.<sup>vi</sup>

Ohio’s five-year transition is longer than these other proposals, giving us more time to find solutions that best fit the environment here in Ohio. The bill also has the built-in protections for employers, including a tax credit to assist with funding, participation from

OOD and DODD to work alongside an Employment First Taskforce, and transition plans for each individual business to ensure that employers are able to keep doors open and staff happy. National reports have stated the best way to ensure a successful phase out of 14(c) is to have a strong support system ranging from employment specialists to benefits coaching to Medicaid.<sup>vii</sup> By having these supports available in Ohio and included in HB 225, this bill is laying the foundation for our state to have a successful transition that best serves all of the interested parties while enhancing the independence and dignity of our workers.

The second viewpoint against phasing out 14(c) is one of fear for loved ones, family members afraid that the routine and employment of their relatives with disabilities will be disrupted. It is difficult to argue against a parent who wants to see their child continue to be in a place where they have been satisfied for years, and we have nothing but empathy for those advocating for what they think is best for their loved ones. The facts show, however, that this will not be the effect of HB 225. As addressed, states that have already eliminated subminimum wage see higher employment rates for those with disabilities, including those with intellectual and developmental disabilities. As a Center for Independent Living, our chief concern is the independence and quality of life for the disabled community of Ohio, and that is why we support this bill. The goal is not to close businesses, but to give individuals more choice to how they spend their days while raising wages to match all other Ohioans. HB 225 has protections in place, including the Employment First Taskforce and the participation of OOD and DODD, that take necessary action over the five-year transition to make sure that no one is left behind, especially workers with disabilities. For those few individuals who are not able to find employment afterwards, existing services such as Day Habilitation Services will ensure that the social needs of these people are met while keeping valued routine in place to create as little disruption as possible.

You will hear opponents of HB 225 defend subminimum wage as a necessary part of Ohio's disability services, but 21 states have already demonstrated that this is not the reality today. This bill includes a lengthy five-year transition period where the Employment First Taskforce and state agencies will work to ensure that our state offers competitive wages to all workers while making sure no one is left behind. These steps are greater than many taken by other state and federal proposals, but are vital to protecting employers and employees alike. With these various protections included in the bill, our belief is that we will see increased choices for people with disabilities as to how they spend their working hours, but with the increased independence that comes with an equal wage to their nondisabled peers. I hope the committee is able to see the benefits in paying all Ohioans

an equal wage, strengthening our workforce and further committing to Ohio being an Employment First state.

Thank you for the opportunity to provide testimony on HB 25, please let me know if you have any additional questions or concerns.

Sincerely,

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<sup>i</sup> Association of People Supporting Employment First. (2024). (rep.). *Trends and Current Status of 14(c)* . Retrieved from <https://apse.org/wp-content/uploads/2024/08/APSE-14c-Update-REV-Jul24.pdf>

<sup>ii</sup> (2025). (rep.). *Subminimum Wage Program: Employment Outcomes and Views of Former Workers in Two States*. Retrieved from [https://files.gao.gov/reports/GAO-25-106471/index.html?\\_gl=1\\*idxm33\\*\\_ga\\*MjE1NTk4NzYxLjE3NDY4MTQ2MDY.\\*\\_ga\\_V393SNS3SR\\*cze3NDcwNTQ5MzckbzlkZzEkdDE3NDcwNTYwNzMkajAkBDaKaDA.#\\_Toc196381458](https://files.gao.gov/reports/GAO-25-106471/index.html?_gl=1*idxm33*_ga*MjE1NTk4NzYxLjE3NDY4MTQ2MDY.*_ga_V393SNS3SR*cze3NDcwNTQ5MzckbzlkZzEkdDE3NDcwNTYwNzMkajAkBDaKaDA.#_Toc196381458).

<sup>iii</sup> Ohio Employment First Taskforce. *Employment first in Ohio*. <https://ohioemploymentfirst.org/employment-first-in-ohio>

<sup>iv</sup> *Americans with Disabilities Act of 1990, as Amended*. ADA.gov. <https://www.ada.gov/law-and-regs/ada/>

<sup>v</sup> Cole, A. (2025, May 1). *Disabled Georgians Must Now be Paid at Least Minimum Wage*. WJCL. <https://www.wjcl.com/article/georgia-ends-subminimum-wage-disabled-workers/64648109>

<sup>vi</sup> *US Department of Labor Announces Proposed Rule to Phase Out Certificates Allowing Payment of Less than Minimum Wage to Workers with Disabilities*. United States Department of Labor. (2024, December 3). <https://www.dol.gov/newsroom/releases/whd/whd20241203>

<sup>vii</sup> Heigl, L., Knackstedt, K., & Silva, E. (2024). (rep.). *Pennies on the Dollar: The Use of Subminimum Wage for Disabled Workers across the United States*. NewAmerica.org. Retrieved from <https://www.newamerica.org/education-policy/reports/the-use-of-subminimum-wage-for-disabled-workers-across-the-us/>