

HB225

The Ohio Olmstead Task Force

Proponent Testimony

House Commerce and Labor Committee

May 19th, 2025

Chair Johnson, Vice Chair Lear, Ranking Member McNally, and all other members of the House Commerce and Labor Committee:

On behalf of the Ohio Olmstead Task Force, thank you for the opportunity to provide written proponent testimony on HB225: Phasing Out Subminimum Wage for Ohioans with Disabilities.

The Ohio Olmstead Task Force is a coalition of people with disabilities, family members, and advocates working to ensure Ohio complies with the landmark Olmstead v. L.C. U.S. Supreme Court decision, which affirms the right of people with disabilities to receive services in the most integrated setting appropriate to their needs.

Section 14 (c) programs and the practice of subminimum wage were first introduced under the Fair Labor Standards Act (FLSA), originally intended to create employment opportunities for people with disabilities at a time when they were widely viewed as unemployable. As many stated in the previous proponent testimony hearing on HB225, that was nearly 90 years ago. People with disabilities are some of the only people where there is a legal practice that allows employers to pay them less than the prevailing minimum wage, often it is as low as \$2 an hour. In 2025, we must recognize how it has become unethical to pay anyone below the minimum wage set by the federal government or the state in which a person resides.

Today you may hear opponent testimony, particularly from family members of individuals with intellectual, developmental, or cognitive disabilities arguing that HB225 would decrease the independence of their loved ones with disabilities. This is not true. HB225 does not eliminate sheltered workshop settings, it simply requires that the employers pay people with disabilities at least the minimum wage or transition to a recreational model. They may also argue that these employers would lose their business if they had to pay their workers with disabilities more—this is also not true. Not only does HB225 allow for a five-year transition period, but it provides tax incentives to businesses who are transitioning away from 14(c) practices. There are several Ohio providers that used to offer subminimum wage who have voluntarily transitioned to paying minimum wage and are still in business.

14(c) Practices are NOT rooted in Equity, but Discrimination.

By its very definition, subminimum wage is exploitative. No one, when asked if they would willingly accept being paid less than their peers solely because of a disability or a perceived limitation, would ever say, 'Yes, that's what I want.' It's a practice rooted in discrimination, not equity. In 2024, the National Association of Councils on Developmental Disabilities (NACDD) released their position statement on the urgent need to end 14(c) and sheltered workshops to transition to integrated, inclusive employment.¹ They stated: *"Sheltered workshops, which often provide menial tasks for far below minimum wage, deny people with disabilities the opportunity to fully participate in society."*² These environments isolate individuals from their communities, limit their economic independence, and reinforce harmful stereotypes about the capabilities of people with disabilities. Rather than fostering growth or development, 14(c) programs trap individuals into a cycle of low expectations and dependency. True inclusion means ensuring all people, regardless of disability status, have access to meaningful, competitive employment with fair wages and opportunities for advancement. Ending 14(c) is not just a policy shift, it's a moral imperative to uphold the dignity and rights of all workers.

Eliminating 14 (c) practices is economically responsible

The elimination of subminimum wage and sheltered workshops would have several positive impacts for employers and on the economy in Ohio. To begin, introducing individuals with disabilities into the competitive workforce provides a new pool of employees who, statistically have equal or better attendance, productivity, and retention rates than those without disabilities.³ When individuals come to work, work effectively, and stay at their jobs, employers spend less money on their workforce. Additionally, when individuals with disabilities are working in an integrated environment, side-by-side with non-disabled peers, they naturally gain on-the-job training and social integration techniques that lead to high job satisfaction and skill development. This is a win for both employee and employer. Finally, employers' fears that they will incur additional cost to employ individuals with disabilities are unfounded. In fact, employers may qualify for tax incentives or grants that offset costs related to providing accommodations for workers with disabilities.

Providing individuals with disabilities a competitive wage also has economic implications that extend to the local and state economy. Employees with disabilities that receive at least a minimum wage are more likely to qualify for employer benefits, such as health insurance, and retirement, which may decrease their reliance on government subsidized insurance.

¹ National Association of Councils on Developmental Disabilities. "The Urgent Need to End 14(c) and Sheltered Workshops for People with Developmental Disabilities and Transition to Integrated, Inclusive Employment." NACDD, 30 Oct. 2024, <https://nacdd.org/14cstatement/.NACDD>

² National Association of Councils on Developmental Disabilities. "The Urgent Need to End 14(c) and Sheltered Workshops for People with Developmental Disabilities and Transition to Integrated, Inclusive Employment." NACDD, 30 Oct. 2024, <https://nacdd.org/14cstatement/.NACDD>

Additionally, when individuals with disabilities earn a more livable wage, they have more money to contribute to the economy by spending within their communities.

If there is a doubt that this model can work, I urge lawmakers and all opponents of this bill to look at Walgreens as a model employer of individuals with disabilities who are receiving at or above minimum wages.⁴ Other states throughout the country also offer precedent. As of 2024, 16 states have passed legislation to phase out the use of 14(c).⁵

Conclusion

The time has come for Ohio to align its employment practices with the values of dignity and equity. **Continuing to permit subminimum wage for people with disabilities sends the harmful message that their labor, and by extension, their lives, are worth less.** HB225 offers a thoughtful, phased approach to ending this discriminatory practice by supporting the individual, the families, and the businesses through the transition process.

On behalf of the Ohio Olmstead Task Force, we urge this committee to vote in favor of HB225 and take a critical step toward ensuring that all Ohioans, regardless of disability, are valued equally in our workforce. Thank you for your leadership and commitment to advancing the rights of people with disabilities in our state.

Sincerely,

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