



Representative Lauren McNally
59th House District

Good afternoon, Chair Hillyer, Vice Chair Mathews, Ranking Member Isaacsohn and members of the Ohio House Civil Justice Committee, thank you for allowing me the opportunity to testify on House Bill (HB) 422, legislation granting unpaid interns the same legal protection against discrimination and harassment as paid employees in Ohio. Our state has long recognized the value, both economically and morally, of protecting our employees from undue harassment and discrimination. It is expanding and further enshrining these long-held values that brings me here today.

Ohio has a long history of civil rights enforcement. All the way back in 1884, the Ohio Public Accommodations Law prohibited racial discrimination in all public facilities.¹ Seventy-five years later, in 1959, Ohio passed legislation prohibiting employment discrimination on the basis of race, color, religion, along with national origin and ancestry, becoming the 16th state to do so.² This prohibition has since been expanded to include discrimination on the basis of sex, disability, age, and military status.³

Ensuring fair and equal opportunity in the workforce is absolutely vital for employees, employers, and the state. If employees feel unsafe or undervalued in the workforce, that takes its toll. At best, the quality and efficiency of their work suffers, and at worst, they'll leave the state entirely for other states that do provide these opportunities.⁴ The negative effects are obvious. Employers want happy, productive employees and are more likely to invest in states that have them, investments that in turn draw prospective employees.⁵ This results in a positive feedback loop, one that the state of Ohio can further benefit from.

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<https://civ.ohio.gov/about/history#:~:text=Ohio%20has%20one%20of%20the.movie%20theaters%2C%20stores%20and%20restaurants>

2 <https://civ.ohio.gov/about/history>

3 <https://civ.ohio.gov/decisions-and-publications/informational-brochures/1-know-your-rights#:~:text=Ohio%20law%20prohibits%20discrimination%20on,or%20indirectly%20related%20to%20e mployment>.

4 <https://hbr.org/2022/07/how-fair-is-your-workplace>

5 cont.

Unfortunately, because of a gap in the statutory language, these protections do not extend to an important segment of the workforce: unpaid interns. Anti-discrimination laws are written to cover “employees,” which, as a rule, does not include unpaid interns. The only possible exception depends on whether the intern receives “significant remuneration,” which includes things like a pension, group life insurance, workers’ compensation coverage, or access to profession certifications. Things such as academic credit and practical experience, the benefits most common to unpaid internships, do not qualify as “significant remuneration.”

For most unpaid interns, it is therefore permissible, under Ohio law, to harass and discriminate against them on the basis of their race, sex, religion, or any otherwise protected categorization, with no opportunity for recourse on the part of the intern. These bigotries are odious and antiquated. They had no place in Ohio workplaces 65 years ago, and they certainly have no place today. Unpaid interns should be entitled to the same protections afforded to anyone else, and that is what HB 422 will do. With the current state of our discrimination law, Ohio tells unpaid interns that they aren’t as valued, and not just as contributors to our workforce but as people, too. We know, though, that this could not be further from the truth and HB 422 allows us to strongly convey our appreciation and gratitude for the contributions to our workforce made by interns.

Unpaid internships are becoming increasingly common, a testament to their value for employers. Interns provide incredibly low-cost labor and bring energy, motivation, and new ideas to employers. They also serve as an effective recruiting tool for students looking for post-graduation employment.⁶

Internships also benefit the students who participate in them. They allow participants to gain real-world experience and a valuable, inside perspective on their prospective career. They give the participant a leg up in the job market and allow them to create a professional network. Internship experience is also appealing to future employers and is practically required in many STEM fields.⁷

Considering their importance, and in the case of some employers their requirement, leaving unpaid interns vulnerable to discrimination is simply a bad investment, one that will negatively affect our economy. Ohio loses over one fifth of its college graduates in the first year alone, and those numbers continue to increase with each successive year after graduation.⁸ This directly feeds into a broader shortage in the

⁶ <https://www.investopedia.com/articles/economics/12/impact-of-unpaid-internships.asp>

⁷ cont.

⁸ <https://www.midstory.org/can-ohio-turn-the-tables-on-brain-drain/>; <https://highered.ohio.gov/data-reports/data-and-reports-sa/data-employment/census-pseo-retention-data>

workforce, which has become the number one issue for Ohio employers.⁹ In short, college graduates--young, intelligent prospective employees--are leaving Ohio, and they're not coming back.

This legislature has already recognized the importance of internships when it comes to encouraging graduate retention. In 2021, the General Assembly introduced the Graduating and Retaining Ohio's Workforce (or GROW) Ohio Act "to incentivize Ohio's younger population to live, learn, work, and prosper in Ohio vs. leaving the state after graduation."¹⁰ Unpaid interns provide the same benefits as paid interns, yet Ohio's current legislation fails to afford them basic protections.

The most direct way to protect unpaid interns and solve this issue is to cover them expressly under Ohio Revised Code 4112 and that is precisely what HB 422 seeks to do. It amends the Revised Code to apply discrimination protections to unpaid interns, but it otherwise does not change the Ohio Civil Rights law in any way. It adds the following language:

"Employee" includes an individual who performs unpaid work for an employer for the primary purpose of acquiring knowledge or experience relevant to the individual's career aspirations.

Beyond this section of the revised code, it is also not uncommon for Ohio to regulate or offer protections to specific sections of the workforce. For example, Ohio regulates child labor. These regulations include the hours permitted, time of day and calendar year eligible, and industry type with a particular focus on academic outcomes by requiring work permits signed off by school administrators. The purpose is to strengthen our economy because we know, both now and into the future, that by focusing on their safety and primary education we are strengthening our society as a whole.

The same can be said for interns, some of whom may even be in high school, just out of high school, minors, or barely adult age, and it's our responsibility to recognize the vulnerability that comes with being young and new in the workforce. We need to be adults and solve problems for them so they can be kids and concentrate on what matters most - their learning.

In 2023, over three-quarters of college students (76%) experienced moderate to serious psychological distress.¹¹ 36% of students were diagnosed with anxiety; 28% had depression.¹²

⁹ <https://www.wdtn.com/news/ohio/g-r-o-w-act-introduced-to-help-ohio-retain-graduates-grow-workforce/>

¹⁰ <https://ohiohouse.gov/members/jon-cross/news/rep-cross-announces-the-grow-ohio-act-legislation-107988>

¹¹ https://www.acha.org/documents/ncha/NCHA-III_SPRING_2023_UNDERGRAD_REFERENCE_GROUP_DATA_REPORT.pdf

¹² cont.

Being denied an internship experience, or belittled and called names as an intern, could have a chilling impact on a co-ed's mental health and by extension their degree attainment. These are serious matters that should be taken seriously, as should all those who are part of our workforce as interns.

A strong Ohio economy needs to help both its businesses and its workers. Seven other states have provided protections for their unpaid interns. We should follow their example and take a leading role on this issue, as one of the nation's most populated states with some of the best institutions for higher learning. Unpaid internships have become more important than ever to our next generation of workers. Let's set them up to be successful.

Chair Hillyer, Vice Chair Mathews, Ranking Member Isaacsohn and members of the Civil Justice Committee, thank you for your time and the opportunity to testify on HB 422. I would be happy to answer any questions.