Committees:

Commerce and Labor Constitutional Resolutions Finance Financial Subcommittee on Higher Education, **Ranking Member** Insurance Rules and Reference



Office: 614-466-5343 Email: Rep01@ohiohouse.gov

Representative Dontavius L. Jarrells Assistant Minority Leader Ohio House District 1

Chair Peterson, Vice Chair Thomas, Ranking Member Humphrey, and esteemed Members of the House Government Oversight Committee,

Thank you for the opportunity to testify on House Bill 427, the "Ohio Employment First and Greater Opportunities for Persons with Disabilities Act." This bipartisan legislation, with its aim to phase out subminimum wages for individuals with disabilities in Ohio over the next five years, represents a pivotal moment in our state's commitment to supporting all Ohio workers.

To understand the roots of subminimum wage, we must journey back to 1937. President Roosevelt's enactment of the federal minimum wage, as part of the Fair Labor Standards Act of 1938, included a provision for subminimum wage, quietly inserted by Labor Secretary Frances Perkins. This provision, intended for those deemed unable to meet "normal production" due to illness, age, or other factors, was vague and led to arbitrary discrimination, particularly against workers of color. While subsequent Equal Employment Opportunity (EEO) laws ended overt discrimination, Section 14(c) of the Fair Labor Standards Act, the legacy of Perkins' provision, persists.

In Ohio, current law permits reduced wages based on disabilities such as physical, mental, age-related, or injury-related conditions. This system perpetuates negative stereotypes and barriers, suggesting that the labor of individuals with disabilities is worth less than that of their non-disabled peers. House Bill 427 challenges this injustice by affirming the principle of equal pay for equal work, regardless of ability, and dismantling barriers to full participation in society.

Our advocacy for this legislation stems from listening to the voices of Ohioans with disabilities, understanding their experiences in the workforce, and crafting policy based on their needs. After extensive consultation with constituents, provider agencies, and families, our legislation embodies several key principles:

- 1. Phasing out subminimum wage over time, accompanied by a comprehensive shift towards Employment First principles, prioritizing community employment as the preferred option.
- 2. Concurrent efforts to enhance the overall quality of community employment outcomes, both for individuals (wages, hours, diversity of employment) and for the system as a whole.
- 3. Rejecting the movement of individuals into non-workday habilitation facilities as an acceptable outcome of phasing out subminimum wage.

House Bill 427 sets forth new guidelines for the Employment First Task Force, which will assist employers in the transition process and align developmental disability services with national standards. This Task Force will play a crucial role in ensuring the success of our transition away from subminimum wages.

Sixteen states have already either legislated against or are in the process of phasing out subminimum wages for people with disabilities. Additionally, Texas and Washington have terminated 14(c) contracts, and Alabama, the District of Columbia, Vermont, and Wyoming have no active 14(c) certificates.

Furthermore, a recent ruling by the Northern District of Ohio U.S. District Court awarded back pay and damages to three individuals with disabilities who were paid subminimum wages. This landmark decision, affirming a 2016 U.S. Department of Labor finding, establishes that disabilities alone should not dictate lower wages. It marks a significant step forward in recognizing the inherent dignity and rights of individuals with disabilities to receive fair compensation for their work.

I'll close my remarks with this—House Bill 427 presents an unparalleled opportunity to advance disability rights and economic justice in Ohio, solidifying our commitment to fostering a society where every individual has the opportunity to thrive.

Thank you for the opportunity to testify on House Bill 427. We look forward to answering any questions you may have.

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