

LAST UPDATE: December 2019

**Source: U.S. DOL Wage & Hour Division CRPs List (2019 data pulled from 7/1/19 report)*

Trends and Current Status of 14(c)

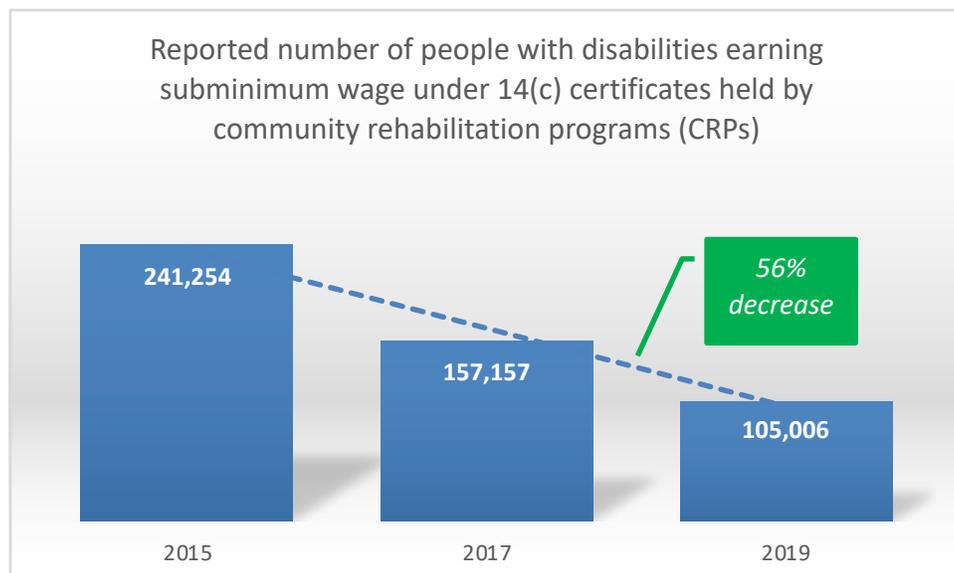
*NOTE: DOL data only counts individuals served in currently active 14(c) certificates. Since 2017, approximately 15% of existing certificates have been listed in “pending” status each reporting period.

The number of individuals earning subminimum wage has been steadily declining

- 56% decline since 2015

This speaks to the declining market demand for 14(c) “programs”

- NCI data also supports this:
 - % who would like a paid job in the community
 - 53% for 18-22 year-olds & 57% for 23-34 year-olds
 - 40% for 35+ year-olds



Estimated Numbers of Individuals Served in CRP 14(c) Settings

A prevailing question in the policy discussion regarding 14(c) is the total number of individuals with disabilities served currently in 14(c) settings, especially given the lack of understanding of how many individuals are being served in settings where the 14(c) certificate is listed as “pending” in DOL reports, which is the only publicly available data on 14(c).

To attempt to address this lack of available data, some estimates have been applied based on the average number of individuals served per active certificate for each year of analyzed Wage and Hour data (2017-2019) by Community Rehabilitation Programs. Of note:

- The number of individuals served in 14(c) settings with active certificates has steadily decreased over the past three reporting periods, from 157,157 (Oct. 2017) to 105,006 (July 2019).
- There has been a steady decrease in the number of active certificates (from 1,631 to 1,316).
 - The average number of individuals served per 14(c) setting has similarly decreased (from 96 to 80).
- The number of pending certificates has remained relatively constant at approx. 290 certificates per reporting period (median = 294).

States with 14(c) restrictions

New Hampshire, Maryland, Alaska and Oregon have passed policies to fully eliminate 14(c).

New Hampshire (2015, SB 47)

- <http://nhpr.org/post/new-hampshire-bans-lower-minimum-wages-workers-disabilities#stream/0>
- <http://www.gencourt.state.nh.us/legislation/2015/SB0047.html>
- There are currently no active or pending 14(c) certificates in New Hampshire.

Maryland (2016, HB 420/SB 417)

- <https://thinkprogress.org/maryland-to-become-the-second-state-to-guarantee-fair-minimum-wage-for-workers-with-disabilities-a5e44cbda84f/>
- <http://mgaleg.maryland.gov/2016RS/bills/hb/hb0420E.pdf>
- Phases out subminimum wage for people with disabilities by October 2020.
- Maryland currently has 13 certificates serving 1,159 individuals.

Alaska (2018, repeal of 8 AAC 15.120)

- <http://labor.alaska.gov/news/2018/news18-04.pdf>
- <https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=110744>
- Alaska currently has 1 remaining certificate serving 48 individuals.

Oregon (2019, SB 494)

- <https://legiscan.com/OR/bill/SB494/2019>
- Phases out subminimum wage for people with disabilities by June 2023.
- Oregon currently has 10 remaining certificate serving 675 individuals.

Vermont does not have any formal policy specifically to eliminate 14(c). However, the Vermont Division of Disability and Aging Services does not support center-based or group supported employment services, and as of January 2016 there were no active 14(c) certificates in the state. Vermont policy is clear, and the state implemented a systematic process of change between 1999 and 2005.

Maine does not have any formal policy specifically to eliminate 14(c). However, the last remaining active 14(c) certificate expired on 4/30/19. As of 5/1/19, there were no active 14(c) certificates in the state. A bill to end subminimum wage for people with disabilities was indefinitely postponed in the Senate during the 2019 legislative session. The Maine Office of Adults with Cognitive and Physical Disability Services discontinued support for center-based employment in July 2008.

Wyoming currently reports no active or pending 14(c) certificates (*Source: DOL W&H, 7/1/19*).

Washington and Texas passed partial subminimum wage bills during the 2019 legislative session.

Washington (2019, HB 1706)

- <https://legiscan.com/WA/bill/HB1706/2019>
- No state agency may pay using special certificate effective 7/1/2020; existing certificates to expire 6/30/2020.

Texas (2019, SB 753)

- <https://legiscan.com/TX/bill/SB753/2019>
- <https://www.expressnews.com/opinion/commentary/article/Texas-ending-subminimum-wage-for-disabled-workers-14059931.php>
- requires that organizations that operate state use contracts to employ people with disabilities must pay at least minimum wage

Seattle (2018), Reno (2019), Chicago (2019) and Denver (2019) have passed city-specific bans on subminimum wage; and **King County, WA (2019)** has barred sub-minimum wage for employees and contractors as well.

States with 14(c)/subminimum wage bills introduced during the 2019 legislative session include Illinois, Montana, North Carolina, Kentucky, Hawaii, New York, Maine, Connecticut and West Virginia. Montana’s bill failed in the House, and Maine’s failed in the Senate. North Carolina and New York are still in session, and these bills remain in committee. Bills in the remaining states are currently “dead” as the legislative sessions have ended.

Minimum Wage Laws in States

<https://www.dol.gov/whd/minwage/america.htm#stateDetails>

Higher than federal	29 states and 2 territories
Same as federal	16 states and 1 territory
No state minimum (federal applies)	5 states
Lower than federal (federal applies)	1 territory