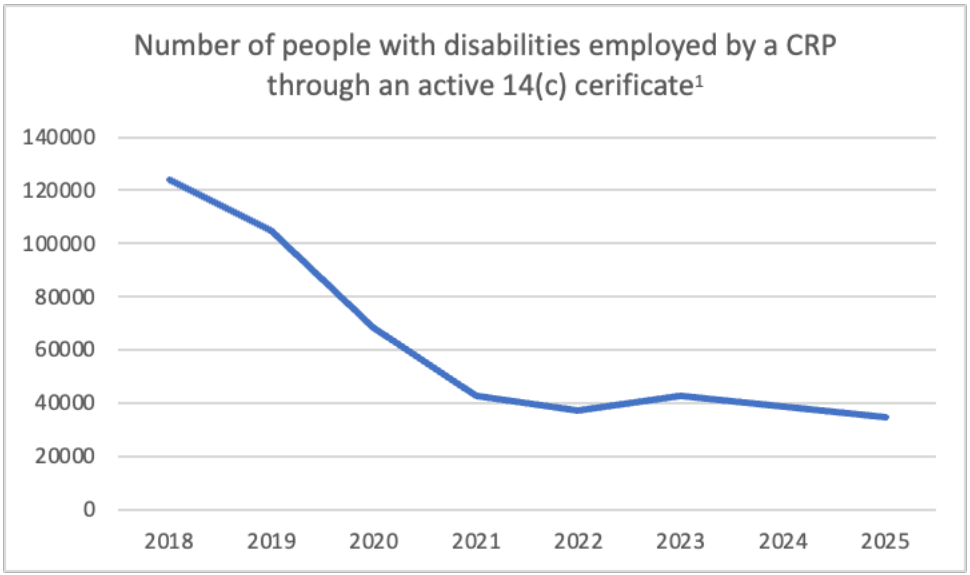
UPDATED May 2026

Trends and Current Status of 14(c)

According to the US Department of Labor (USDOL) Wage and Hour May 2026 report on 14(c) data, 30,358 individuals were reported as earning a subminimum wage under active 14(c) certificates held by community rehabilitation providers (CRPs). The number of individuals earning subminimum wages has decreased 72% between 2018 and 2025, which speaks to the declining market demand for 14(c) under the Fair Labor Standards Act.



The number of individuals served in 14(c) settings with active certificates has steadily decreased over the past three reporting periods.

Table 1. *Comparison of the number of individuals served, number of active certificates, and the average number of individuals served per certificate over time (CRP issued certificates)*[1]

	2023	2024	2025
# Employees	42,792	38,524	34,682
# Active Certificates	773	700	615
Avg. # employees/certificate	55	55	56

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Additionally, the number of pending certificates has decreased from 310 certificates (July 2018) to 31 pending certificates (July 2025). Of the pending certificates reported in July 2025, three were applications for a new certificate. The remaining 28 pending certificates were renewals. Certificate holders pending renewal are not required to report the number of individuals served to the US DOL while in pending status. This means that the actual total number of individuals earning below minimum wage is not reported in full.

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

A prevailing unknown 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 US DOL reports, which is the only publicly available data on 14(c).

In an attempt to address this lack of available data, estimates have been calculated using the average number of individuals served per active CRP certificate multiplied by the number of pending CRP certificates reported by US DOL.

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Impact of Elimination of 14(c) restrictions on Employment Outcomes

Another prevailing question in the policy discussion around 14(c) relates to the potential impact on the employment rates of people with disabilities when a state eliminates subminimum wages and the use of 14(c). As demonstrated above, there has been a steady decline in the number of active certificates and the number of individuals served. Some of this decrease is accounted for by state-level initiatives, including passage of legislation, to phase out the use of 14(c) certificates.

Given how relatively recent these changes in policy were enacted, it is not possible to fully assess the impact on the lives of people with disabilities. Nevertheless, analyzing trends is a useful exercise given the increased attention to this issue from a state and federal policy perspective. Despite the obvious limitations of available data, positive trends can be observed when comparing American Community Survey employment rates from the year a state enacted legislation to discontinue the use of 14(c) and subminimum wage against the most current labor participation rate data available (Table 3).

Table 2. *Comparisons of employment rates from the year legislation was enacted to the most currently available data (Ages 18-64)*[2]

	Employment Rate During Year Enacted	Most Recent Reported Employment Rate	+/- difference
New Hampshire	2015*	2024	
No disability	85.1%	84.2%	-0.9%
All disabilities	42.4%	52.8%	10.4%
Cognitive disabilities	34.6%	46.6%	12.0%
Maryland	2016*	2024	
No disability	82.5%	82.7%	0.2%
All disabilities	42.2%	49.9%	7.7%
Cognitive disabilities	31.7%	44.1%	12.4%
Vermont	2016*	2024	
No disability	85.0%	86.2%	1.2%
All disabilities	41.4%	44.6%	3.2%
Cognitive disabilities	24.4%	38.5%	14.1%

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Alaska	2018	2024	
No disability	76.3%	78.4%	2.1%
All disabilities	45.3%	50.9%	5.6%
Cognitive disabilities	32.7%	42.3%	9.6%
Oregon	2019	2024	
No disability	78.3%	80.8%	2.5%
All disabilities	44.0%	49.0%	5.0%
Cognitive disabilities	35.4%	44.7%	9.3%
Maine	2020	2024	
No disability	79.8%	82.8%	3.0%
All disabilities	35.6%	45.7%	10.1%
Cognitive disabilities	28.0%	43.5%	15.5%
Washington	2021	2024	
No disability	77.1%	79.9%	2.8%
All disabilities	41.9%	50.5%	8.6%
Cognitive disabilities	34.1%	46.4%	12.3%
Colorado	2021	2024	
No disability	79.9%	82.5%	2.6%
All disabilities	49.9%	57.1%	7.2%
Cognitive disabilities	41.9%	50.7%	8.8%
California	2021	2024	
No disability	73.6%	77.0%	3.4%
All disabilities	39.4%	44.0%	4.6%
Cognitive disabilities	31.9%	36.6%	4.7%
Delaware	2021	2024	
No disability	76.3%	80.4%	4.1%
All disabilities	47.2%	49.4%	2.2%
Cognitive disabilities	38.6%	47.7%	9.1%

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Rhode Island	2022	2024	
No disability	79.8%	80.6%	0.8%
All disabilities	46.7%	51.2%	4.5%
Cognitive disabilities	40.3%	48.7%	8.4%
South Carolina	2022	2024	
No disability	77.5%	78.8%	1.3%
All disabilities	40.3%	45.3%	5.0%
Cognitive disabilities	33.9%	40.3%	6.4%
Tennessee	2022	2024	
No disability	79.0%	79.9%	0.9%
All disabilities	40.9%	43.9%	3.0%
Cognitive disabilities	34.8%	38.3%	3.5%
Virginia	2023	2024	
No disability	80.3%	80.7%	0.4%
All disabilities	48.0%	47.6%	-0.4%
Cognitive disabilities	40.7%	42.8%	2.1%
Nevada	2023	2024	
No disability	78.6%	78.5%	-0.1%
All disabilities	49.5%	51.2%	1.7%
Cognitive disabilities	41.0%	45.8%	4.8%

Note: Employment rates are the percentage of non-institutionalized, male or female, with a disability, ages 18-64, all races, regardless of ethnicity, with all educational levels in the U.S. who were employed).
**2015 & 2016 data uses the age range of 21-64.*

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

States and municipalities with 14(c) restrictions

To date, seventeen (17) states have enacted legislation to eliminate subminimum wage and 14(c). These are listed below in order of the date of passage. Of these, twelve (12) statues have successfully phased out the use of 14(c) certificates while six (5) states are in the process of phase out. Data on current utilization is based on active certificate reporting to the U.S. Department of Labor, Wage & Hour Division (5/1/26).

New Hampshire (2015, SB47)

- https://legiscan.com/NH/drafts/SB47/2015
- Repeated payment of subminimum wage for individuals with disabilities effective July 2015.
- Current Status: Phased out
    - New Hampshire reports no active or pending 14(c) certificates in the state.

Maryland (2016, HB 420/SB 417)

- https://legiscan.com/MD/bill/HB420/2016
- Phased out payment of subminimum wage for individuals with disabilities by October 2020.
- Prevents approval of new certificates as of October 2016.
- Current Status: Phased out
    - Maryland reports no active or pending 14(c) certificates in the state.

Alaska (2018, repeal of 8 AAC 15.120); (2022, SB185)

- (2018) https://labor.alaska.gov/news/2018/news18-04.pdf
- (2018) https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=110744
- (2018) Repealed (by regulation) minimum wage exemption for individuals with disabilities effective February 2018.
- (2022) https://legiscan.com/AK/bill/SB185/2021
- (2022) Amended list of exceptions (maintains rule related to individuals with disabilities)
- Current Status: Phased out
    - Alaska reports no active or pending 14(c) certificates in the state.

Oregon (2019, SB 494)

- https://legiscan.com/OR/bill/SB494/2019
- Phased out subminimum wage for people with disabilities by June 2023.
- Current Status: Phased out
    - Oregon reports no active or pending 14(c) certificates in the state.

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Maine (2020, LD1874/HP1340)

- http://www.mainelegislature.org/legis/bills/bills_129th/chapters/PUBLIC632.asp
- Ended subminimum wage as of December 2019.
- Current Status: Phased out
    - Maine reports no active or pending 14(c) certificates in the state.

Washington (2021, SB5284)

- https://legiscan.com/WA/bill/SB5284/2021
- Prevents issuance of new 14(c) certificates and begins sunset of all existing certificates effective August 2023.
- Eliminated payment of subminimum wages by state agencies as of enactment.
- Current Status: Phased out
    - Washington reports no active or pending 14(c) certificates in the state.

Hawaii (2021, S793)

- https://legiscan.com/HI/bill/SB793/2021
- Ends use of 14c certificates as of January 2022.
- Current Status: Phased out
    - Hawaii reports no active or pending 14(c) certificates in the state.

Colorado (2021, SB39)

- https://legiscan.com/CO/bill/SB039/2021
- Prevents issuance of new 14(c) certificates and phases out existing certificates in place as of July 2025.
- Current Status: Phased out
    - Colorado reports no active or pending 14(c) certificates in the state.

California (2021, SB639)

- https://legiscan.com/CA/bill/SB639/2021
- The Act prohibits new special licenses from being issued after January 1, 2022, permits a license to only be renewed for existing license holders who meet requisite benchmarks, and prohibit an employee with a disability from being paid less than the legal minimum wage by January 1, 2024.
- Current Status: In progress
    - California reports 8 active 14(c) certificate serving 331 individuals, and no pending certificates.

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Delaware (2021, HB122)

- https://legiscan.com/DE/bill/HB122/2021
- The Act requires that authorization to pay individuals with disabilities less than the minimum wage required to be paid to other employees will be phased out by July 1, 2023.
- Current Status: Phased out
    - Delaware reports no active or pending 14(c) certificates in the state.

Rhode Island (2022, S2242)

- https://legiscan.com/RI/bill/S2242/2022
- Repeals § 28-12-9 of the general laws which provides that the director of labor and training may approve of wages below the minimum wage for those persons whose earning capacity is impaired due to physical or mental disability.
- Current Status: Phased out
    - Rhode Island reports no active or pending 14(c) certificates in the state.

South Carolina (2022, S533)

- https://legiscan.com/SC/bill/S0533/2021
- Prohibit The Use of Section 14(c) Of The Fair Labor Standards Act Of 1938 To Pay Subminimum Wages To Individuals With Disabilities.
- Current Status: Phased out
    - South Carolina reports no active or pending 14(c) certificates in the state.

Tennessee (2022, SB2042)

- https://legiscan.com/TN/bill/SB2042/2021
- As enacted, requires employers to pay employees no less than the minimum wage, regardless of the subminimum wage for an employee whose earning or productive capacity is impaired by age, physical, or mental deficiency or injury.
- Current Status: Phased out
    - Tennessee reports no active or pending 14(c) certificates in the state.

Virginia (2023, HB1924)

- https://legiscan.com/VA/bill/HB1924/2023
- Prevents issuance of new 14(c) certificates and phases out existing certificates in place as of July 2030.
- Current Status: In progress
    - Virginia reports 3 active 14(c) certificates serving 58 individuals, and no pending certificates.

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Nevada (2023, AB259)

- https://legiscan.com/NV/bill/AB259/2023
- Prevents issuance of new 14(c) certificates as of January 2025 and phases out existing certificates in place as of January 2028.
- Current status: In progress
    - Nevada reports 2 active 14(c) certificates serving 111 individuals, and no pending certificates.

Illinois (2025, HB793)

- https://legiscan.com/il/bill/hb793/2024
- Prevents issuance of new 14(c) certificates as of January 2025 and phases out existing certificates in place as of January 2030; provides grants to support transition.
- Current status: In progress
    - Illinois reports 45 active 14(c) certificates serving 2,603 individuals, and no pending certificates.

Georgia (2025, SB55)

- https://legiscan.com/GA/bill/SB55/2025
- Prevents issuance of new 14(c) certificates as of July 2025 and phases out existing certificates in place as of July 2027; anyone working under 14(c) must be paid at least half the minimum wage as of July 2026.
- Current status: In progress
    - Georgia reports 3 active 14(c) certificates serving 130 individuals, and no pending certificates.

As of May 2026, there are a total of sixteen (16) states that do not currently utilize 14(c) certificates. While no legislation prohibiting the use of 14(c) certificates is in place, the **District of Columbia, New Mexico, Vermont** and **Wyoming** report no active or pending 14(c) certificates at this time.

During the 2026 legislative session, **Ohio, Pennsylvania, Minnesota, New Jersey, New York,** and **West Virginia** introduced legislation to phase out 14(c). These bills are either in progress or died in committee or chamber.

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Other state activities:

Minnesota passed legislation (2021, HF33, Article 17, Sections 14-15) establishing a task force to develop a plan to phase out subminimum wages by August 2025. Additionally, $14.1 million in grants were appropriated to help disability service providers transform their business models and boost work options in the community.

- https://www.revisor.mn.gov/laws/2021/1/Session+Law/Chapter/7/

Kansas passed legislation (2024, SB15) expanding an income tax credit for goods and services purchased from qualified businesses that employ disabled workers and that pay those workers at least the minimum wage. The law also creates a matching grant program to assist employers to voluntary transition away from and relinquish their 14(c) certificate.

- https://www.kslegislature.org/li/b2023_24/measures/sb15/

Massachusetts issued regulatory guidance from the Department of Developmental Services prohibiting the payment of subminimum wages effective October 2024.

- https://www.mass.gov/doc/dds-blueprint-for-success-moving-forward-together/download

Oklahoma passed legislation (2025, HB 1833) establishing a task force to study and develop a plan to phase out the practice of paying workers with disabilities subminimum wages.

- https://legiscan.com/OK/text/HB1833/id/3229795

Texas and Illinois have eliminated subminimum wage related to state use contracts.

Texas (2019, SB753)

- 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

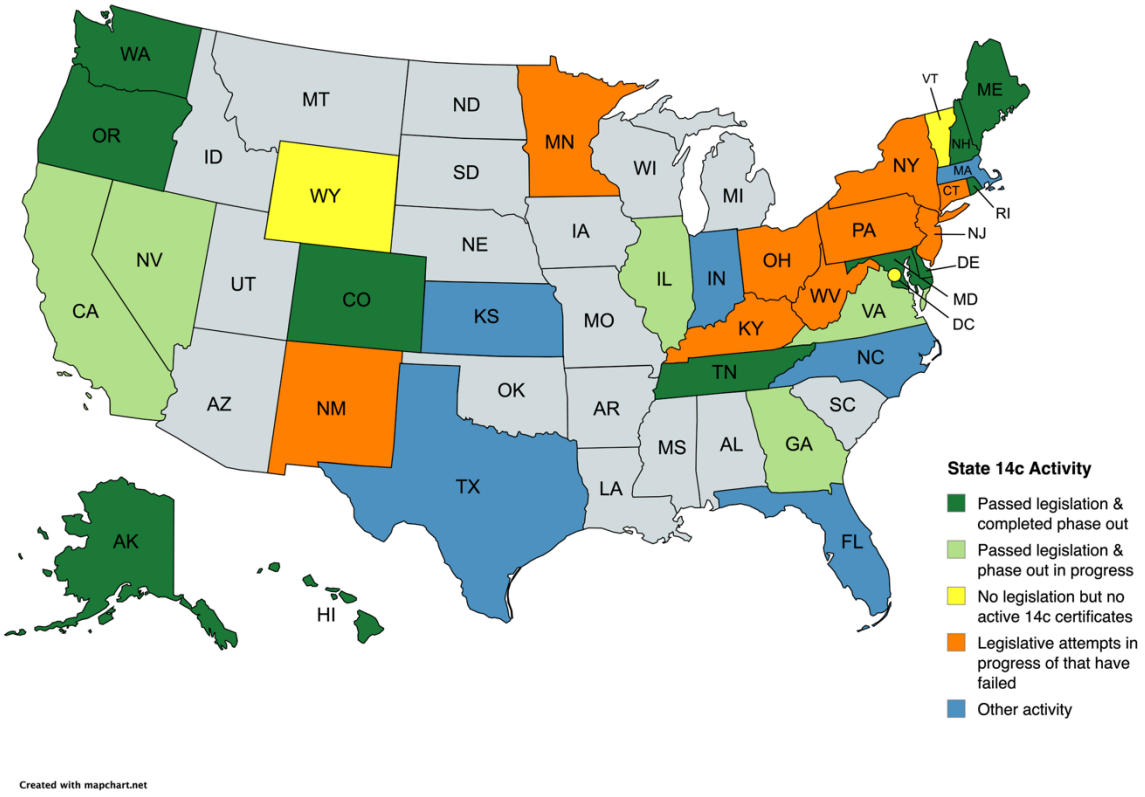
Illinois (2021, EO 2021-6)

- https://www.illinois.gov/government/executive-orders/executive-order.executive-order-number-26.2021.html
- Eliminates subminimum wage in state contracting for people with disabilities.

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

At the local level, **Chicago (2019)** passed city-specific bans on subminimum wage. *(Previously, **Seattle (2018)**, **Denver (2019)** and **Reno (2019)** passed similar city-specific bans, and **King County, WA (2019)** barred sub-minimum wage for employees and contractors. However, these locales are now subject to statewide legislation eliminating 14c.)*

State 14c Activity



www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org

Minimum Wage Laws in States
https://www.dol.gov/whd/minwage/america.htm#stateDetails

Higher than federal	30 states, plus DC
Same as federal	13 states
No state minimum (federal applies)	5 states
Lower than federal (federal applies)	2 states

Read APSE's full statement on the phase out of 14(c):
https://apse.org/final-14c-statement-3_26_19/

For more information, contact:
Julie Christensen, Executive Director, Director of Policy and Advocacy (julie@apse.org)

Source Data:

[1]U.S. Department of Labor Wage and Hour Division (USDOL, 14(c) Certificate Holders, 7/2025 and 5/2026 reports)
[2]American Community Survey (ACS, Employment Data, 2024)

www.apse.org
1 Research Ct., Suite 450
Rockville, MD 20850
Phone: 301.279.0060
info@apse.org