



Transitioning to Integrated and Meaningful Employment Act (HR 188) (S 2001)

Current labor laws unjustly prohibit workers with disabilities from reaching their full vocational and socioeconomic potential.

Passed in 1938, Section 14(c) of the Fair Labor Standards Act allows the Secretary of Labor to issue Special Wage Certificates to certain entities, permitting them to pay workers with disabilities subminimum wages. The original intent of Section 14(c) was to incentivize for-profit businesses to hire people with disabilities in integrated settings, but today 95 percent of 14(c)-certificate-holding entities are non-profit “sheltered workshops.”ⁱ These entities compensate workers with disabilities as little as pennies per hour, forcing many workers with disabilities to rely on government assistance such as Supplemental Security Income (SSI) and Medicaid.

Entities that obtain Section 14(c) certificates hold workers with disabilities to low expectations. Workers in sheltered, subminimum-wage environments often perform mundane tasks that do not utilize existing skills, interests, and talents, but innovative strategies, such as customized and supported employment, when paired with appropriate rehabilitative services, training, tools, and expectations, allow employees with disabilities to be as productive as their nondisabled coworkers.ⁱⁱ Many former 14(c)-certificate-holding entities have successfully transitioned their business model. No entities in Vermont or New Hampshire use 14(c) certificates.

Section 14(c) is not necessary for the successful operation of a disability training program. Seminars such as the Vermont Conversion Institute highlight successful entities that have already phased out reliance on Section 14(c) certificates. This transition not only benefits employees with disabilities but the budget of the organizations that employ them.ⁱⁱⁱ Research shows that sheltered, subminimum wage environments cost more to operate than alternatives, and consumers who never entered sheltered, subminimum-wage environments earn more money than peers who were subjected to the low expectations of these environments.^{iv}

The only organizations that support the continuation of Section 14(c) are the certificate-holding entities themselves. In August 2012, the National Council on Disability unanimously recommended that the Department of Labor immediately stop issuing new special wage certificates and that the “Section 14(c) program be phased out.”^v In addition, over eighty disability organizations support the repeal of Section 14(c) of the Fair Labor Standards Act.^{vi}

The Transitioning to Integrated and Meaningful Employment Act:

Discontinues the issuance of new Special Wage Certificates. The Secretary of Labor will no longer issue Special Wage Certificates to new applicants.

Phases out the use of Special Wage Certificates over a three-year period. After enactment of this Act, all 14(c)-certificate-holding entities will have three years to transition to the proven model of competitive, integrated employment for all of their employees with disabilities.

Repeals Section 14(c) of the Fair Labor Standards Act. Three years after the law is enacted, the practice of paying workers with disabilities subminimum wages will be officially abolished. This will result in the development of integrated and meaningful employment opportunities that encourage people with disabilities to reach their full vocational and socioeconomic potential.

**REMOVE BARRIERS TO REAL TRAINING AND MEANINGFUL EMPLOYMENT.
Cosponsor the Transitioning to Integrated and Meaningful Employment Act.**

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ⁱ United States Department of Labor. "Wage and Hour Division (WHD) Community Rehabilitation Programs (CRPs) List." Last modified November 1, 2013. <http://www.dol.gov/whd/specialemployment/CRPlist.htm>.

ⁱⁱ United States Department of Labor. "Customized Employment Works Everywhere." Last modified October 2009. https://www.hdi.uky.edu/setp/materials/vignette_v3_blue_508_FINAL.pdf.

ⁱⁱⁱ Melwood. "Cari DeSantis: Fair Pay for Workers with Disabilities." Last modified November 28, 2014. <http://www.melwood.org/articles/articles/view/127>.

^{iv} Cimera, Robert E.; Wehman, Paul; West, Michael; & Burgess, Sloane. "Do Sheltered Workshops Enhance Employment Outcomes for Adults with Autism Spectrum Disorder?" *Autism*. 16 (2012): 87.

^v National Council on Disability. "National Council on Disability Report of Subminimum Wages and Supported Employment." Last modified August 23, 2012. <https://www.ncd.gov/publications/2012/August232012>.

^{vi} National Federation of the Blind. "The following groups support the repeal of Section 14(c) of the Fair Labor Standards Act." Last modified February 12, 2015. <https://nfb.org/groups-supporting-repeal-section-14c-fair-labor-standards-act>.