

**Statement of Matthew R. Putts, PhD  
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**U.S. House of Representatives  
Committee on Education and Labor  
Joint hearing of the Subcommittee on Workforce Protections and  
the Subcommittee on Civil Rights and Human Services  
“Phasing Out Subminimum Wages: Supporting the Transition to Competitive Integrated  
Employment for Workers with Disabilities”**

**July 21, 2021**

Thank you for the invitation to provide this statement regarding 14(c) wages as discussed in the *Transformation to Competitive Integrated Employment Act* (H. R. 2373).

Employment Horizons is a non-profit community rehabilitation program (CRP) in northern New Jersey serving approximately 450 or more individuals with disabilities a year. We have been in operation since 1957. Our program participants, the people with disabilities we serve, participate in a wide range of programs including supported employment, vocational evaluation, Pre-Employment Transition Services (Pre-ETS), Community Based Work Evaluation, Trial Work Experience, job sampling, Readiness for Individual Success in Employment (training and connection to employment for out of work, out of school participants age 16 to 24), employment on janitorial and grounds keeping contracts, culinary arts and janitorial instruction, and employment in our fulfillment center. In providing these services, we partner with the New Jersey Division of Vocational Rehabilitation Services, the New Jersey Division of Developmental Disabilities, and the New Jersey Commission for the Blind and Visually Impaired. While Employment Horizons is proud of the work we do to ensure employment opportunities for individuals with disabilities, we are just one organization out of thousands nationally that provide these crucial life-changing services.

In order to fully understand the importance of CRPs like Employment Horizons and the role they play in our communities, it is essential to understand the employment gap between people with and without disabilities. The U.S. Bureau of Labor Statistics tells us that as of June of this year, the labor force participation rate – people working or looking for work – for people *without* disabilities was 67.7 percent and for people *with* disabilities was 21.3 percent. The data also indicates that the unemployment rate for people *without* disabilities was 5.9 percent as of June; but for people *with* disabilities, it was 10.9 percent. CRPs work to close these gaps through an assortment of programs.

In order to ensure that as many people with disabilities as possible can work, CRPs rely on a variety of methods and tools. One tool available to these organizations is the use of 14(c) special wage certificates. These certificates allow CRPs to successfully hire and maintain employment for individuals with the most significant disabilities. Elimination of 14(c) certificates as proposed in H. R. 2373 would eliminate employment opportunities for thousands of employees who want to be able to choose the type of employment that makes the most sense for them. In fact, the outright elimination of 14(c) certificates benefits no one. Those working under 14(c) certificates

already have the right and option to pursue competitive integrated employment. They also have the right and option to pursue non-vocational programs like day programs. Under the Rehabilitation Act of 1973, the designated state unit (state vocational rehabilitation program) must provide career counseling including referrals for assistance with competitive integrated employment every six months for the first year of employment and annually thereafter for all employees receiving subminimum wages. Employment within a 14(c) program, therefore, is just one of many choices available to people with disabilities who wish to work.

Part of my role, and that of others in the vocational rehabilitation field, is to advocate for the rights of people with disabilities. In this role, it is crucial that I raise awareness about any issue in which a person with a disability loses the ability for self-determination, or the right to make choices about their own life. The elimination of 14(c) certificates does just that. Such a step assumes that people with disabilities cannot make their own best choices about the type of employment and setting they would like to work or spend time in. Discontinuing 14(c) programming also makes the assumption that working with people without disabilities is somehow innately better than working in a setting with other people with disabilities. How can we assume and apply a standard that work is only valuable when performed around a preponderance of non-disabled co-workers if we believe in the value of people with disabilities?

If we accept the basic premises that people with disabilities are valuable members of our community and that they have the right to self-determination, then we must accept that they have a right to a full array of employment and program options. Why then would anyone argue for the elimination of 14(c)? Often, those who would like to see 14(c) eliminated are not fully aware of the value of these programs or have been provided information on them that is not fully accurate. I would like to provide some facts that may help clear up some of this misinformation.

1. Many people believe that 14(c) certificate holders receive a financial benefit through having such a certificate. However, the reality is that 14(c) certificates permit paying a commensurate wage (which may or may not be subminimum) based on the work abilities of the employee. For example, if a certificate holder's 14(c) employees have an average production rate of 25 percent the non-disabled average, then the employer will need to hire four employees to maintain the same level of production as their competition hiring non-disabled workers. The employer does not make any additional profit or have any additional savings compared to a non-certificate holder providing the same work. In fact, in certain situations there is a financial deterrent as benefits may need to be paid to more employees than if a smaller number of non-disabled employees were hired instead.
2. Some people believe that employees in 14(c) programs are unaware of other employment opportunities or are not provided alternatives. As discussed above, employees receiving subminimum wages working under 14(c) certificates receive career counseling, guidance, and referrals from each state's designated state unit in addition to services they may receive from their CRP, including job sampling, specific career preparation, vocational readiness services, job placement, and job coaching.
3. Another common misconception is that the closure of 14(c) programs would result in more people with significant disabilities working in competitive integrated employment along with increased wages. This is used as a rationale for eliminating 14(c) certificates. The truth is that there has been only limited research in this area, but the research that

exists suggests this is not true. As an example, the state of Maine eliminated 14(c) employment at the state level. The result in Maine was devastating for those with the most significant disabilities. In fact, after the elimination of 14(c) certificate use in Maine, fewer people with disabilities were working, fewer were in integrated employment despite the closure of non-integrated settings, more people with disabilities were in day programs, and those with disabilities who were working had the lowest number of hours worked per week of every state in the country<sup>i</sup>. Employers cannot be forced to hire people, and we can see this in the statistics from Maine. Despite there being more people with disabilities available for employment, there was no increase in the number becoming competitively employed.

The use of 14(c) certificates as part of a continuum of opportunities for people with disabilities is a complicated issue. Unfortunately, grant funding and elimination of such certificates are not enough to ensure a transition from 14(c) to competitive integrated employment. More research is needed on the impacts such elimination would have, as very little information is available currently. Other options beyond full elimination should also be part of any research and discussion. Employers must be part of the conversation, as competitive integrated employment relies on their hiring decisions. Employers will need information and supports in order to adequately assist this process. And ultimately, the self-determination of people with disabilities must be preserved.

I leave you with the story of a former program participant working under a 14(c) certificate. This individual started out working in a 14(c) program after high school. After developing the necessary skills, she transitioned into competitive integrated employment working in the hospitality field. As part of her disability, she had a number of medical issues including frequent seizures. As these conditions worsened and her seizures became more frequent, she left competitive integrated employment and returned to her earlier 14(c) covered job where she continued to work until unfortunately passing away in her 50s. There was not a day in either of her jobs where she was not proud to be working and where she did not bring her infectious smile and positive attitude to work. However, without the full continuum of services available to her, she would have needed to stop working as her seizures worsened and may have never achieved her earlier competitive position. Her 14(c) employment allowed her to both develop critical work skills initially and to finish her career in a safe and supportive setting.

I appreciate the opportunity to speak to you about the important issue of 14(c) employment and the array of employment opportunities available to individuals with disabilities. I look forward to continuing the discussion and believe that, together, we can find creative ways to ensure the best, and best-paying, employment possible for people with disabilities.

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<sup>i</sup> Phoenix, J. A. & Bysshe, T. (2015). *Transitions: A Case Study of the Conversion from Sheltered Workshops to Integrated Employment in Maine*. George Washington University.