JB Pritzker, *Governor*

IDHS ILLINOIS DEPARTMENT OF HUMAN SERVICES

Dulce M. Quintero, *Secretary*

Support HB 793 House Amendment 4: Dignity In Pay Act (Rep. Mah & Sen. Castro)

Provides 5 ½ years, robust provider support, and a careful path to phase out subminimum wages for workers with disabilities in Illinois

Overview

A provision in the Fair Labor Standards Act of 1938 has allowed for payment of Subminimum Wage (SMW) to individuals with disabilities by entities with special authorization, generally referred to as 14(c) certificates. In recent years, the practice of paying SMW has come under scrutiny from entities such as the Department of Labor, Department of Justice and a multitude of Civil Rights and Disability Advocacy organizations. To date, 18 states have taken action to phase out the use of SWM and foster expansion of programs that increase inclusion and access to competitive integrated employment.

The Dignity in Pay Act requires the Illinois Department of Human Services (IDHS), the Illinois Council on Developmental Disabilities, and the Illinois Department of Labor to lead a responsible and gradual 5-year process to increase employment options for people with disabilities and phase out 14(c) subminimum wage authorizations in Illinois.

Key Changes

- Eliminates permission for employers to pay workers with disabilities less than the minimum wage, starting on December 31, 2029 (2 ½ years later than the last version of the bill).
- Requires the Governor to appoint at least two additional 14(c) subminimum wage certificate holders to the IDHS Task Force responsible for the phase-out program.
- Establishes a Transition Grants Program for 14(c) providers to support them through the transition ($2M is included in the Governor's proposed FY25 budget).
- Increases the Personal Needs Allowance for CILA residents to $100 per month (currently at $60), beginning on January 1, 2025.
- Requires HFS/DHS to file a waiver amendment with federal CMS to increase small group supported employment rates for organizations that provide disability employment programs.

Additional Context

This legislation represents a compromise reached after years of dialogue between the DD service provider industry, disability groups, and civil rights and anti-poverty advocates. It is reflective of growing momentum at state and federal levels to eliminate subminimum wage. Bipartisan federal legislation H.R.2373, the Transformation to Competitive Integrated Employment Act, was introduced in 2021 to phase out subminimum wage. The City of Chicago, and a range of employers across Illinois, have already phased out subminimum wage programs in favor of Supported Employment and meaningful day program opportunities – including Misericordia, the Arc, MarcFirst, Ray Graham, Chicago Lighthouse for the Blind, Thresholds, and Macon Resources, Inc., among many others.

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Supporting Organizations