



SENATOR  
**MARIA ELENA DURAZO**  
LEGISLATIVE FACTSHEET

**Eliminating Subminimum Wages for Persons with Disabilities**  
**Senate Bill 639**

**Summary:**

SB 639 phases out the payment of subminimum wage for work performed by people with disabilities in California and supports providers to transition service delivery models away from subminimum wage employment to competitive integrated employment.

**Background:**

In 1938, the federal Fair Labor Standards Act (FLSA) created a federal minimum wage, overtime pay, recordkeeping requirements and employment standards for employees in the private sector and in federal, state and local governments. Section 14(c) of that law allows the federal Wage and Hour Division to issue special certificates to employers that allow them to pay employees with disabilities less than the minimum wage based on the purported impact that the employee's disability has on their ability to perform a job.

This policy was instituted prior to the enactment of federal and state civil rights laws that deemed failure to provide an employee with a disability reasonable accommodation as a form of employment discrimination.

In September 2020, the United States Commission on Civil Rights issued a report on the use of subminimum wage laws. In its report, the Commission said that regulators have "repeatedly found providers operating pursuant to Section 14(c) limiting people with disabilities participating in the program from realizing their full potential while allowing providers and associated businesses to profit from their labor." The primary recommendation approved by the Commission majority was that Congress should repeal Section

14(c) with a planned phase-out period to allow transition among service providers and people with disabilities to alternative service models prioritizing competitive integrated employment.

**Problem:**

California Labor Code §1191 allows the state to issue employers a special license for one year that allows for the payment of subminimum wage to employees with disabilities.

**Solution:**

SB 639 will phase out subminimum wages and provide support to transition services providers away from subminimum wage employment to competitive integrated employment. SB 639 is modeled upon Maryland's successful phase out of the subminimum wage.

**Sponsors:**

Disability Rights California  
State Council on Developmental Disabilities

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