

May 20, 2026

The Honorable Tim Walberg
Chairman
U.S. House of Representatives
House Education and Workforce Committee
2266 Rayburn House Office Building
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
U.S. House of Representatives
House Education and Workforce Committee
2328 Rayburn House Office
Washington, DC 20515

Dear Chairman Walberg and Ranking Member Scott,

On behalf of Melwood, I am writing to encourage the Committee to oppose H.R. 8736. While Melwood appreciates Congressman Grothman's desire to see more people with disabilities employed, we do not believe that weakening barriers to youth entering the 14(c) program is the best option.

Melwood is a family of companies and is one of the nation's leading advocates, employers, and service providers for people with disabilities and their caregivers. We offer employment, job placement, job training, life skills for independence, support services, and youth and community recreational services to more than 6,000 people each year. For more information, visit www.Melwood.org.

Melwood is proud to offer stable, meaningful employment opportunities with prevailing wages and comprehensive benefits to people with disabilities in the Washington, D.C. area that build paths to independence. We employ people with disabilities across a variety of positions, industries and skill types – and no matter the job, we focus on empowering the individual to choose a career where they feel set up for success. Through the AbilityOne Program, we employ people at high-level government contracting sites, supporting teams and operations at the Department of Justice, FBI, Secret Service, and even the Senate Childcare Center.

14(c) in Practice

Melwood began using a 14(c) certificate in the 1970s. The program became known to our employees as the "Time Trials Program." Every six months, staff would time employees completing routine tasks and compared their performance to a benchmark set by three non-disabled workers. These results directly determined employees' wages until the next evaluation, affecting their financial stability.

The fundamental issue with the practice of using time trials to determine an individual's productivity is that they did not account for daily circumstances, personal challenges, stress, or differences in experience. Rather than recognizing employees' abilities or contributions, time trials often reinforced their disabilities. Even high-performing employees reported anxiety, while others faced reduced pay despite unchanged job duties. As one employee shared, the process created constant uncertainty about income and the ability to maintain their livelihood.

Vocational Support Specialists observed, and had employees report, widespread stress, anxiety, and discouragement among employees. As one of employee informed Melwood: "It made my anxiety run high. You didn't know what to expect. You don't know if you're going to pass or fail, and whatever happened, it

would change on your very next paycheck. And then you had to figure out how to maintain your life on that income until they decided to give you another time trial.”

Some of our federal customers banned the use of their contract sites for time trials because of productivity and distraction concerns.

Melwood’s Experience Ending the Use of 14(c)

In 2016, Melwood evaluated its use of 14(c). At the time, 396 employees were subject to Time Trials. The program cost \$136,000 annually and generated about \$467,000 in net savings. Time trials contributed to frequent HR and EEOC complaints, absenteeism, and low morale.

In 2013, Melwood raised all wages to at least the minimum wage, though not yet to prevailing wages. Following this step, leadership recommended ending the 14(c) program, and the Board approved the decision in January 2016.

On February 14, 2016, Melwood permanently relinquished its 14(c) certificate, recognizing its harmful impact and committing to fair pay. Today, no employee with a disability earns below minimum wage; the average hourly wage for direct labor employees with disabilities is \$21.36, along with full benefits.

Since the transition, Melwood’s financial performance, employee morale, retention, and productivity have all significantly improved.

Alternative to 14(c)

As of early 2026, 16 states have eliminated the practice of paying people with disabilities subminimum wages. Yet the elimination of 14(c) certificates continues to be a source of heated discussion, as community members are concerned its elimination will result in job losses for people with disabilities. Some family members of these employees fear the law’s elimination will make it harder for their loved ones in a society that is still not inclusive or accommodating of certain disabilities.

With more than 900 employees with disabilities, Melwood understands these concerns. However, our experience shows that with proper training and support, individuals with disabilities can succeed in competitive integrated employment, supported employment, and AbilityOne—without 14(c) and while earning fair wages. Nearly a decade after relinquishing our certificate, more than 200 employees from that time remain with Melwood, many now in leadership roles, and our workforce has grown to over 1,600 employees.

Paying fair wages has not reduced our competitiveness or job creation. Melwood now operates at more than 60 sites across Maryland, D.C., and Virginia and continues to expand training and employment opportunities.

Ensuring fair pay has increased employees’ independence, reducing reliance on public assistance. A 2022 Virginia Tech study found that Melwood’s AbilityOne employment reduces government spending by more than \$38,000 per person annually, largely because employees earn full wages.

While subminimum wages were originally intended to encourage hiring, organizations like Melwood have demonstrated that people with disabilities can succeed in meaningful, competitive work. There are multiple

pathways to employment—including supported employment and entrepreneurship—and individuals deserve both choice and adequate support.

Melwood firmly believes there is a path for each person with a disability to find employment that works for their individual needs and desires. Whether that path is through employment opportunities like those Melwood offers, through supported employment opportunities, or through entrepreneurship, people with disabilities deserve to have choices and adequate support to engage in those efforts. More needs to be done to get people with disabilities into the workforce, but encouraging the use of 14(c) certificates is not the right path.

Please contact Jewelyn Cosgrove, Vice President Government and Public Relations, (jcosgrove@melwood.org) with any questions.

Sincerely,

Larysa Kautz
President & CEO
Melwood