

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3408

(SENATE AUTHORS: UTKE and Anderson)

DATE	D-PG	OFFICIAL STATUS
02/24/2022	5117	Introduction and first reading Referred to Human Services Reform Finance and Policy
03/03/2022	5194a	Comm report: To pass as amended and re-refer to State Government Finance and Policy and Elections
03/16/2022	5370	Author added Anderson
03/23/2022	5514	Comm report: To pass and re-referred to Finance

1.1 A bill for an act

1.2 relating to employees; modifying the membership and duties of the Task Force on

1.3 Subminimum Wages; amending Laws 2021, First Special Session chapter 7, article

1.4 17, section 14.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Laws 2021, First Special Session chapter 7, article 17, section 14, is amended

1.7 to read:

1.8 Sec. 14. **TASK FORCE ON ~~ELIMINATING~~ SUBMINIMUM WAGES.**

1.9 Subdivision 1. **Establishment; purpose.** The Task Force on ~~Eliminating~~ Subminimum

1.10 Wages is established to develop a plan and make recommendations to ~~phase out payment~~

1.11 ~~of subminimum wages to people with disabilities on or before August 1, 2025~~ promote

1.12 independence and increase opportunities for people with disabilities to earn competitive

1.13 wages.

1.14 Subd. 2. **Definitions.** For the purposes of this section, "subminimum wage" means wages

1.15 authorized under section 14(c) of the federal Fair Labor Standards Act, Minnesota Statutes,

1.16 section 177.28, subdivision 5, or Minnesota Rules, parts 5200.0030 and 5200.0040.

1.17 Subd. 3. **Membership.** (a) The task force consists of ~~16~~ 20 members, appointed as

1.18 follows:

1.19 (1) the commissioner of human services or a designee;

1.20 (2) the commissioner of labor and industry or a designee;

1.21 (3) the commissioner of education or a designee;

- 2.1 (4) the commissioner of employment and economic development or a designee;
- 2.2 (5) a representative of the Department of Employment and Economic Development's
 2.3 Vocational Rehabilitation Services Division appointed by the commissioner of employment
 2.4 and economic development;
- 2.5 (6) one member appointed by the Minnesota Disability Law Center;
- 2.6 (7) one member appointed by The Arc of Minnesota;
- 2.7 (8) ~~three~~ four members who are persons with disabilities appointed by the commissioner
 2.8 of human services, at least one of whom ~~must be~~ is neurodiverse, ~~and~~ at least one of whom
 2.9 ~~must have~~ has a significant physical disability, and at least one of whom at the time of the
 2.10 appointment is being paid a subminimum wage;
- 2.11 (9) two representatives of employers authorized to pay subminimum wage and one
 2.12 representative of an employer who successfully transitioned away from payment of
 2.13 subminimum wages to people with disabilities, appointed by the commissioner of human
 2.14 services;
- 2.15 (10) one member appointed by the Minnesota Organization for Habilitation and
 2.16 Rehabilitation;
- 2.17 (11) one member appointed by ARRM; ~~and~~
- 2.18 (12) one member appointed by the State Rehabilitation Council; and
- 2.19 (13) three members who are parents or guardians of persons with disabilities appointed
 2.20 by the commissioner of human services, at least one of whom is a parent or guardian of a
 2.21 person who is neurodiverse, at least one of whom is a parent or guardian of a person with
 2.22 a significant physical disability, and at least one of whom is a parent or guardian of a person
 2.23 being paid a subminimum wage as of the date of the appointment.
- 2.24 (b) To the extent possible, membership on the task force under paragraph (a) shall reflect
 2.25 geographic parity throughout the state and representation from Black, Indigenous, and
 2.26 communities of color.
- 2.27 Subd. 4. **Appointment deadline; first meeting; chair.** Appointing authorities must
 2.28 complete member selections by January 1, 2022. The commissioner of human services shall
 2.29 convene the first meeting of the task force by February 15, 2022. The task force shall select
 2.30 a chair from among its members at its first meeting.
- 2.31 Subd. 5. **Compensation.** Members shall be compensated and may be reimbursed for
 2.32 expenses as provided in Minnesota Statutes, section 15.059, subdivision 3.

3.1 Subd. 6. **Duties; plan and recommendations.** The task force shall:

3.2 (1) develop a plan to ~~phase out the payment of subminimum wages to people with~~
 3.3 ~~disabilities by August 1, 2025~~ promote independence and increase opportunities for people
 3.4 with disabilities to earn competitive wages;

3.5 (2) consult with and advise the commissioner of human services on statewide plans for
 3.6 ~~limiting~~ reducing reliance on subminimum wages in medical assistance home and
 3.7 community-based services waivers under Minnesota Statutes, sections 256B.092 and
 3.8 256B.49;

3.9 (3) engage with employees with disabilities paid subminimum wages and conduct
 3.10 community education on the payment of subminimum wages to people with disabilities in
 3.11 Minnesota;

3.12 (4) identify and collaborate with employees, employers, businesses, organizations,
 3.13 agencies, and stakeholders ~~impacted by the phase out of subminimum wage~~ on how to
 3.14 implement the plan and create sustainable work opportunities for employees with disabilities;

3.15 (5) propose a plan to establish and evaluate benchmarks for measuring annual progress
 3.16 toward ~~eliminating~~ reducing reliance on subminimum wages;

3.17 (6) propose a plan to monitor and track outcomes of employees with disabilities, including
 3.18 those who transition to competitive employment;

3.19 (7) identify initiatives, investment, training, and services designed to improve wages,
 3.20 reduce unemployment rates, and provide support and sustainable work opportunities for
 3.21 persons with disabilities;

3.22 (8) identify benefits to the state ~~in eliminating~~ of reducing reliance on subminimum
 3.23 ~~wage by August 1, 2025~~ wages;

3.24 (9) identify barriers to ~~eliminating subminimum wage by August 1, 2025~~ wages, including
 3.25 the cost of implementing and providing ongoing employment services, training, and support
 3.26 for employees with disabilities ~~and~~, the cost of paying minimum ~~wage~~ wages to employees
 3.27 with disabilities, and the potential impact on persons with disabilities who would be unable
 3.28 to find sustainable employment in the absence of a subminimum wage or who would not
 3.29 choose competitive employment;

3.30 (10) make recommendations to eliminate the barriers identified in clause (9); and

3.31 (11) identify and make recommendations for sustainable financial support, funding, and
 3.32 resources for ~~eliminating~~ reducing reliance on subminimum ~~wage by August 1, 2025~~ wages.

4.1 Subd. 7. **Duties; provider reinvention grants.** (a) The commissioner of human services
4.2 shall establish a provider reinvention grant program to promote independence and increase
4.3 opportunities for people with disabilities to earn competitive wages. The commissioner
4.4 shall make the grants available to at least the following:

4.5 (1) providers of disability services under Minnesota Statutes, sections 256B.092 and
4.6 256B.49, for developing and implementing a business plan to shift the providers' business
4.7 models away from paying waiver participants subminimum wages;

4.8 (2) organizations to develop peer-to-peer mentoring for people with disabilities who
4.9 have successfully transitioned to earning competitive wages;

4.10 (3) organizations to facilitate provider-to-provider mentoring to promote shifting away
4.11 from paying employees with disabilities a subminimum wage; and

4.12 (4) organizations to conduct family outreach and education on working with people with
4.13 disabilities who are transitioning from subminimum wage employment to competitive
4.14 employment.

4.15 (b) The provider reinvention grant program must be competitive. The commissioner of
4.16 human services must develop criteria for evaluating responses to requests for proposals.
4.17 Criteria for evaluating grant applications must be finalized no later than November 1, 2021.
4.18 The commissioner of human services shall administer grants in compliance with Minnesota
4.19 Statutes, sections 16B.97 and 16B.98, and related policies set forth by the Department of
4.20 Administration's Office of Grants Management.

4.21 (c) Grantees must work with the commissioner to develop their business model and, as
4.22 a condition of receiving grant funds, grantees must fully phase out the use of subminimum
4.23 wage by April 1, 2024, unless the grantee receives a waiver from the commissioner of
4.24 human services for a demonstrated need.

4.25 (d) Of the total amount available for provider reinvention grants, the commissioner may
4.26 award up to 25 percent of the grant funds to providers who have already successfully shifted
4.27 their business model away from paying employees with disabilities subminimum wages to
4.28 provide provider-to-provider mentoring to providers receiving a provider reinvention grant.

4.29 Subd. 8. **Report.** By February 15, 2023, the task force shall submit to the chairs and
4.30 ranking minority members of the committees and divisions in the senate and house of
4.31 representatives with jurisdiction over employment and wages and over health and human
4.32 services a report with recommendations to ~~eliminate by August 1, 2025, the payment of~~
4.33 ~~subminimum wage~~ increase opportunities for people with disabilities to earn competitive

5.1 wages, and any changes to statutes, laws, or rules required to implement the recommendations
5.2 of the task force. The task force must include in the report a recommendation concerning
5.3 continuing the task force beyond its scheduled expiration.

5.4 Subd. 9. **Administrative support.** The commissioner of human services shall provide
5.5 meeting space and administrative services to the task force.

5.6 Subd. 10. **Expiration.** The task force shall conclude their duties and expire on March
5.7 31, 2024.

5.8 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
5.9 commissioner of human services must make the additional appointments required under
5.10 this section within 30 days following final enactment.