

Task Force on Eliminating Subminimum Wages Recommendations Summary

January 2023

Introduction

This document is a preview of the legislative report from the Task Force on Eliminating Subminimum Wages. This preview document provides high level summaries of each recommendation. The full report will provide detailed information and all actions suggested under each recommendation. The full report will be released to the legislature in February 2023.

In the 2021 special legislative session, the Minnesota Legislature set up the Task Force on Eliminating Subminimum Wages. The legislature passed a law telling the task force to “develop a plan and make recommendations to phase out payment of subminimum wages to people with disabilities on or before August 1, 2025.”¹ The task force did not choose the target date for subminimum wages to end in Minnesota. This report presents the recommendations for the Minnesota Legislature from the Task Force on Eliminating Subminimum Wages, as well as other findings and supporting information.

Both Minnesota and federal law let employers pay less than minimum wage to workers who have disabilities. Subminimum wages in Minnesota could end because of future changes in Minnesota law, federal law, federal policies for Medicaid, or policies for the US Department of Labor (US DOL). This report focuses on recommendations on how to end subminimum wages.

The task force members joined with others in work groups to come up with the draft recommendations. The work groups included task force members and other people with knowledge about employment services and subminimum wages. The task force got help from experts on funding at several state agencies to roughly estimate how much the recommendations might cost and to identify potential sustainable funding sources. For its recommendations, the task force also used an administrative review committee that included the task force co-chairs and several officials from Minnesota’s Disability Services Division (DSD). This committee reviewed recommendations to see if there was anything missing, and to make sure the recommendations were clear. The task force also shared its list of recommendations with outside experts who have worked on efforts to end or reduce

¹ Laws of Minnesota, 2021, First Special Session, chapter 7, article 17, section 14, subdivision 1, <https://www.revisor.mn.gov/laws/2021/1/Session+Law/Chapter/7/#laws.17.14.0>.

subminimum wages in other states to find out if there was anything else the task force might need to recommend.

Task Force recommendations

The task force divided recommendations into two categories. The first category is made up of recommendations that must be in place when subminimum wages end in Minnesota. This is the Transition Plan for Ending Subminimum Wages. The second category is made up of recommendations that address barriers and strengthen the system.

Transition plan for ending subminimum wages

- 1. The task force recommends that the Minnesota State Legislature take immediate action to end the use of subminimum wages by August 1, 2025, to allow for a phased implementation period overseen by a statewide transition manager**

This recommendation repeals the law that allows paying subminimum wages to people with disabilities. This recommendation makes paying subminimum wages to people with disabilities illegal in Minnesota by August 1, 2025, and makes any hiring after August 1, 2023, be at minimum wage or above.

Cost estimate: No cost

- 2. Establish a data collection system and align administrative data to track employment outcomes and statewide progress on ending subminimum wages**

This recommendation creates a data plan to look at how people who are paid subminimum wages are doing as the state ends subminimum wages. It shares data and collects new data to look at employment for people with disabilities in Minnesota.

Cost estimate: \$1,000,000–\$5,000,000

- 3. Create a state-level transition team and technical assistance program**

This recommendation creates a manager for ending subminimum wages in Minnesota with goals to lower how many people get paid subminimum wages each year. It also provides help to service providers, case managers, and people with disabilities and their families in changing how they support people with disabilities.

Cost estimate: \$1,000,000–\$5,000,000 per biennium

- 4. Engage, educate, and support people interested in or earning subminimum wages during transition**

This recommendation has Minnesota's Department of Human Services (DHS) reach out to people paid subminimum wages to give them help to know what is changing, what supports they can get, and plan their benefits.

Cost estimate: \$1,000,000–\$5,000,000

5. Establish an Employment Resource Specialist Grant Program for lead agencies in Minnesota.

This recommendation gives grants to lead agencies so they can hire people to help them better support people with disabilities in employment.

Cost estimate: more than \$10,000,000

Task force recommendations to address barriers and strengthen the system

Improve information and education about available supports

6. Strengthen core information on supports and services available to people with disabilities in Minnesota

This recommendation provides information on services and supports to people with disabilities who are in school or who get waiver services.

Cost estimate: less than \$500,000

7. Embed benefits and work education throughout support programs

This recommendation makes public programs give information on work and benefits to people with disabilities who get supports through those programs.

Cost estimate: less than \$500,000

8. Build the benefits planning competencies of support professionals

This recommendation requires professionals who support people with disabilities in public programs to have skills and knowledge about benefits planning.

Cost estimate: less than \$500,000

Increase employment-related training for professionals

9. Invest in professionals' capacity to support employment outcomes

This recommendation provides a set of directions to increase training opportunities and requirements for support professionals, and their leaders and managers, working with people with disabilities.

Cost estimate: Not available

Enhance services and supports

10. Strengthen day services to produce community life engagement outcomes

This recommendation makes improvements to home and community based services (HCBS) waiver day support services.

Cost estimate: Not available

11. Incentivize employment and community access in Minnesota’s Medicaid HCBS waiver policy and fee structures, as well as county-funded services

This recommendation changes the waiver service rates so that employment exploration services are higher than day services or center-based employment services. It also changes how day support services are billed.

Cost estimate: \$500,000–\$1,000,000

12. Strengthen access to transportation supports

This recommendation improves transportation options for people with disabilities in Minnesota.

Cost estimate: \$500,000–\$1,000,000

13. Fully fund the competitive workforce factor and update inflationary data in rates systems

This recommendation increases service rates for HCBS waiver services and changes the inflation information used to update them. It also updates the rate for Personal Care Assistant (PCA) services to include changes every other year based on inflation.

Cost estimate: more than \$10,000,000

14. Assess and remove barriers to employment supports in Personal Care Assistant (PCA) and Medicaid HCBS waiver services policy

This recommendation allows PCAs to provide transportation and makes policy changes to allow people who live in group homes to get PCA support at work.

Cost estimate: more than \$10,000,000

15. Improve training requirements, oversight, and funding for case management services

This recommendation makes changes to case management services rates and training. It also sets caseload caps for case managers, allows DHS to change case management contracts, and requires each person on a waiver to have an individual case manager.

Cost estimate: more than \$10,000,000

Engage community businesses

16. Conduct a coordinated employer communications and engagement strategy

This recommendation has Minnesota's Department of Employment and Economic Development (DEED) engage businesses about the value of employing people with disabilities at competitive wages.

Cost estimate: less than \$500,000

17. Develop an inclusive worksite training and certification program for Minnesota businesses

This recommendation has DEED create a training and award certificates to businesses with inclusive worksites.

Cost estimate: \$500,000–\$1,000,000

Strengthen interagency coordination and service transitions

18. Conduct an interagency employment supports alignment study

This recommendation has DHS, the Minnesota Department of Education (MDE), and DEED research how to make employment supports work better together across programs.

Cost estimate: \$500,000 to \$1,000,000

19. Improve transitions between Vocational Rehabilitation Services/State Services for the Blind and waiver services

This recommendation has DHS, MDE, and DEED clarify in policy how employment services work together between programs, improve transitions between programs, and provide training to case managers.

Cost estimate: less than \$500,000

20. Ensure work experiences, opportunities for self-advocacy, collaboration, and seamless referrals for services between school professionals and Vocational Rehabilitation Services/State Services for the Blind

This recommendation will improve the experience for people working with Vocational Rehabilitation Services, State Services for the Blind, and school professionals.

Cost estimate: Not available

Task force continuation

The legislature also told the task force to include a recommendation about whether it would continue beyond March 31, 2024, which is when it is scheduled to expire. The task force voted to continue past the scheduled expiration and through the transition period if Minnesota takes legislative action to phase out subminimum wages. During the phase-out period, the task force can monitor, assist, and educate, until subminimum wages have ended. The task force would conclude its duties and expire once subminimum wages end in Minnesota. If the legislature does not take action to end subminimum wages, the task force will expire on March 31, 2024.

Additional information

If you have questions, or would like more information on the task force's work, including the recommendations, please contact task force co-chairs Jillian Nelson (jnelson@ausm.org) and Andrea Zuber (andreazuber@arcminnesota.org).