SF1533 REVISOR SS S1533-1 1st Engrossment

SENATE STATE OF MINNESOTA EIGHTY-NINTH SESSION

S.F. No. 1533

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS	
03/09/2015	612	Introduction and first reading	
		Referred to Jobs, Agriculture and Rural Development	
03/18/2015	935a	Comm report: To pass as amended	
	963	Second reading	

1.1 A bill for an act
1.2 relating to workforce development; modifying the extended employment
1.3 program for persons with disabilities; amending Minnesota Statutes 2014,
1.4 sections 268A.01, subdivisions 6, 10, 13, by adding subdivisions; 268A.03;
1.5 268A.06; 268A.07; 268A.085; 268A.15, subdivisions 1, 2, 3, 4, 5, 6, 7; repealing
1.6 Minnesota Statutes 2014, sections 268A.01, subdivisions 9, 14; 268A.15,
1.7 subdivisions 1a, 3a, 9.

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

1.9 Section 1. Minnesota Statutes 2014, section 268A.01, subdivision 6, is amended to read:

Subd. 6. <u>Community rehabilitation facility provider</u>. "<u>Community rehabilitation facility provider</u>" means an entity which meets the definition of community rehabilitation program in the federal Rehabilitation Act of 1973, as amended. However, for the purposes of sections 268A.03, clause (1), 268A.06, <u>268A.085</u>, and 268A.15, <u>community rehabilitation facility provider means an a nonprofit or public entity which is operated for the primary purpose of providing or facilitating employment for persons with a severe <u>disability that provides at least one extended employment subprogram for persons with the most significant disabilities.</u></u>

EFFECTIVE DATE. This section is effective July 1, 2015.

- 1.19 Sec. 2. Minnesota Statutes 2014, section 268A.01, subdivision 10, is amended to read:
- Subd. 10. **Extended employment program.** "Extended employment program"
- means the center-based noncompetitive employment and supported employment
- subprograms.

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1.23 Sec. 3. Minnesota Statutes 2014, section 268A.01, subdivision 13, is amended to read:

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SS SF1533 REVISOR S1533-1 1st Engrossment Subd. 13. Supported employment. (a) "Supported employment" means competitive integrated employment of a person with a disability so severe that the person needs ongoing training and support to get and keep a job in which: (1) the person engages in paid work in a position removed from the service vendor's site where individuals without disabilities who do not require public subsidies also may be employed; that is performed on a full-time or part-time basis, including self-employment, for which an individual is compensated at a rate that is not less than the higher rate specified in the Fair Labor Standards Act of 1938, United States Code, title 29, section 206, subsection (a)(1), or the rate specified in the applicable state or local minimum wage law; (2)(i) is not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities and who are similarly situated in similar occupations by the same employer who have similar training, experience, and skills; or (ii) in the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills; (3) is eligible for the level of benefits provided to other employees; (4) is at a location where the employee interacts with other persons who are not individuals with disabilities, not including supervisory personnel or individuals who are providing services to the employee, to the same extent that individuals who are not individuals with disabilities, and who are in comparable positions, interact with other persons; (5) as appropriate, presents opportunities for advancement that are similar to those for other employees who are not individuals with disabilities and who have similar positions; and (2) (6) public funds are necessary to provide ongoing training and support services throughout the period of the person's employment; and. have disabilities and who are not paid caregivers.

- (3) the person has the opportunity for social interaction with individuals who do not
- (b) If the commissioner has certified a rehabilitation facility setting as integrated, then employment at that site may be considered supported employment.
- Sec. 4. Minnesota Statutes 2014, section 268A.01, is amended by adding a subdivision to read:

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Subd. 15. **Noncompetitive employment.** "Noncompetitive employment" means paid work that is performed:

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- (1) on a full-time or part-time basis, including self-employment, for which an individual is compensated at a rate that is less than the higher rate specified in the Fair Labor Standards Act of 1938, United States Code, title 29, section 206, subsection (a)(1), or the rate specified in the applicable state or local minimum wage law; and
- (2)(i) is less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills; or
- (ii) is performed at a location where the employee does not interact with other persons who are not individuals with disabilities, not including supervisory personnel or individuals who are providing services to the employee, to the same extent that individuals who are not individuals with disabilities and who are in comparable positions interact with other persons.
- Sec. 5. Minnesota Statutes 2014, section 268A.01, is amended by adding a subdivision to read:
- Subd. 16. Noncompetitive employment subprogram. "Noncompetitive employment subprogram" means work and services for persons with a significant disability who are opposed to working in an integrated setting in the mainstream labor market and who, because of the nature and severity of the disabilities, require intensive ongoing employment support services. Services provided must include: (1) person-centered planning according to national best practice standards of the Commission on Accreditation of Rehabilitation Facilities (CARF); and (2) an annual informed choice process that assess an individual's appropriateness and desire for competitive employment based on the person's needs, abilities, and interests, as adopted in rules by the commissioner of employment and economic development.
- Sec. 6. Minnesota Statutes 2014, section 268A.01, is amended by adding a subdivision to read:
- Subd. 17. Special minimum wage. "Special minimum wage" means a wage paid to a worker with a disability that is commensurate with that worker's individual productivity as compared to the wage and productivity of experienced workers who do not have disabilities performing the same type, quality, and quantity of work in the vicinity where the worker with a disability is employed. The commensurate wage is below that required

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(11) ask the individual if they are opposed to working in an integrated setting and,

if not opposed, initiate the referral process, internally or externally, for competitive

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employment with ongoing employment support services.

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Persons with a disability are entitled to free choice of vendor for any medical, dental, prosthetic, or orthotic services provided under this paragraph;

(2) provide vocational rehabilitation services to persons with disabilities in

accordance with the federal Rehabilitation Act of 1973, Public Law 93-112, as amended.

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the duties as specified in section 268A.15;

(3) expend funds and provide technical assistance for the establishment, improvement, maintenance, or extension of public and other nonprofit rehabilitation facilities or centers;

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- (4) maintain a contractual or regulatory relationship with the United States as authorized by the Social Security Act, as amended. Under this relationship, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;
- (5) provide an in-service training program for rehabilitation services employees by paying for its direct costs with state and federal funds;
- (6) conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to persons with a disability and the general public; and provide technical assistance relating to vocational rehabilitation and independent living;
- (7) receive and disburse pursuant to law money and gifts available from governmental and private sources including, but not limited to, the federal Department of Education and the Social Security Administration, for the purpose of vocational rehabilitation or independent living;
- (8) design all state plans for vocational rehabilitation or independent living services required as a condition to the receipt and disbursement of any money available from the federal government;
- (9) cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation or independent living. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation or independent living programs;
- (10) enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies, or facilities with respect to providing vocational rehabilitation or independent living services;
- (11) take other actions required by state and federal legislation relating to vocational rehabilitation, independent living, and disability determination programs;
- (12) hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section; and

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(13) adopt, amend, suspend, or repeal rules necessary to implement or make specific programs that the commissioner by sections 268A.01 to 268A.15 is empowered to administer.

Sec. 11. Minnesota Statutes 2014, section 268A.06, is amended to read:

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268A.06 COMMUNITY REHABILITATION FACILITIES PROVIDERS.

Subdivision 1. **Application.** Any city, town, county, nonprofit corporation, regional treatment center, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community rehabilitation facility an extended employment program. Application for assistance must be on forms prescribed by the commissioner. An applicant is not eligible for a grant under this section unless its audited financial statements of the prior fiscal year have been approved by the commissioner.

Subd. 2. **Funding.** In order to provide the necessary funds for extended employment programs offered by a <u>community</u> rehabilitation <u>facility</u> provider, the governing body of any city, town, or county may expend money which may be available for such purposes in the general fund, and may levy a tax on the taxable property in the city, town, or county. Any city, town, county, or nonprofit corporation may accept gifts or grants from any source for the <u>rehabilitation facility</u> extended employment program. Any money appropriated, taxed, or received as a gift or grant may be used to match funds available on a matching basis.

Sec. 12. Minnesota Statutes 2014, section 268A.07, is amended to read:

268A.07 REQUIREMENTS FOR CERTIFICATION.

Subdivision 1. **Benefits.** A <u>community</u> rehabilitation <u>facility provider</u> must, as a condition for receiving program certification, provide employees in <u>center-based</u> employment with personnel benefits prescribed in rules adopted by the commissioner of <u>the Department of employment</u> and economic development.

- Subd. 2. **Grievance procedure.** A <u>community</u> rehabilitation <u>facility provider</u> must, as a condition for receiving program certification, provide to employees in <u>eenter-based</u> <u>noncompetitive</u> employment subprograms, a grievance procedure which has as its final step provisions for final and binding arbitration.
- Subd. 3. **Informed choice.** A community rehabilitation provider must, as a condition for receiving program certification, provide employees in a noncompetitive employment with informed choice as described in administrative rules adopted by the commissioner.
- Subd. 4. Report on satisfaction and outcomes of extended employment workers. A community rehabilitation provider must, as a condition for receiving program

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certification, submit an annual report to the commissioner of the outcomes of workers served in extended employment during the provider's prior year, including:

- (1) satisfaction of persons reported in the noncompetitive employment subprogram;
- (2) satisfaction of persons reported in the competitive employment subprogram;
- (3) access to competitive employment by persons in noncompetitive employment, including local labor market information;
- (4) effectiveness and efficiency measures and results for the noncompetitive employment subprogram;
- (5) effectiveness and efficiency measures and results for the competitive employment subprogram; and
 - (6) plans for quality improvement in the next cycle.

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- Subd. 5. **Independent audited financial statements.** A community rehabilitation provider must, as a condition for receiving program certification, submit its independently audited financial statements of its prior fiscal year for approval by the commissioner.
 - Sec. 13. Minnesota Statutes 2014, section 268A.085, is amended to read:

268A.085 <u>COMMUNITY</u> REHABILITATION <u>FACILITY</u> <u>PROVIDER</u> GOVERNING BOARDS.

Subdivision 1. Appointment; membership. Every city, town, county, nonprofit corporation, or combination thereof establishing a rehabilitation facility an extended employment program shall appoint a rehabilitation facility governing board of no fewer than seven voting members before becoming eligible for the assistance provided by sections 268A.06 to 268A.15. When any city, town, or county singly establishes such a rehabilitation facility an extended employment program, the governing board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties, or nonprofit corporations establishes a rehabilitation facility an extended employment program, the chief executive officers of the cities, nonprofit corporations, and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation facility an extended employment program, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a person with a disability. If a county establishes an extended employment program and manages the program with county employees, the governing board shall be the county board of commissioners, and other provisions of this chapter pertaining to membership on the governing board do not apply.

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Subd. 2. **Duties.** Subject to the provisions of sections 268A.06 to 268A.15 and the rules of the department, each rehabilitation facility governing board shall:

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- (1) review and evaluate the need for extended employment programs offered by the rehabilitation facility provided under sections 268A.06 to 268A.15;
- (2) recruit and promote local financial support for extended employment programs from private sources including: the United Way; business, industrial, and private foundations; voluntary agencies; and other lawful sources, and promote public support for municipal and county appropriations;
- (3) promote, arrange, and implement working agreements with other educational and social service agencies, both public and private, and any other allied agencies; and
- (4) when an extended employment program offered by the rehabilitation facility is certified, act as the its administrator of the rehabilitation facility and its programs for purposes of this chapter.

EFFECTIVE DATE. This section is effective July 1, 2015.

- Sec. 14. Minnesota Statutes 2014, section 268A.15, subdivision 1, is amended to read: Subdivision 1. **Administration.** The Department of Employment and Economic Development shall administer this section through <u>vocational</u> rehabilitation services. The department may employ staff as required to administer this section and may accept and receive funds from nonstate sources for the purpose of implementing this section.
 - Sec. 15. Minnesota Statutes 2014, section 268A.15, subdivision 2, is amended to read:
- Subd. 2. **Program purpose.** The extended employment program shall have two eategories of clients consisting of those with severe disabilities and those with severe impairment to employment. The primary purpose of the extended employment program for persons with severe disabilities is to provide residents of Minnesota with the most significant disabilities with the ongoing employment support services necessary to maintain retain and advance the in competitive employment of persons with severe disabilities. The purpose of the extended employment program for persons with severe impairment to employment is to provide the ongoing support services necessary to secure, maintain, and advance in employment. Employment must encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence: that is based on the person's needs, abilities, and interests. Ongoing employment support services to eligible persons who are opposed to competitive employment may be provided for work compensated under a United States Department of Labor certificate for a special minimum wage or for work performed in sheltered,

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congregate, or segregated settings provided that eligible persons have been provided with an informed choice of employment options.

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Sec. 16. Minnesota Statutes 2014, section 268A.15, subdivision 3, is amended to read: Subd. 3. **Rule authority.** The commissioner shall adopt rules on an individual's eligibility for the extended employment program, the certification of community rehabilitation facilities providers, and the methods, criteria, and units of distribution for the allocation of state grant funds to certified rehabilitation facilities extended employment program providers. In determining the allocation, the commissioner must consider the economic conditions of the community and the performance of community rehabilitation facilities providers relative to their impact on the economic status of workers in the extended employment program.

- Sec. 17. Minnesota Statutes 2014, section 268A.15, subdivision 4, is amended to read: Subd. 4. Evaluation. The commissioner of employment and economic development shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include information for the preceding funding year derived from the independent compliance audits of extended employment service providers submitted to the department on or before October 31 of each year. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public.
- Sec. 18. Minnesota Statutes 2014, section 268A.15, subdivision 5, is amended to read: Subd. 5. **Technical assistance.** The commissioner of employment and economic development shall provide technical assistance within available resources to community rehabilitation facilities providers.
- Sec. 19. Minnesota Statutes 2014, section 268A.15, subdivision 6, is amended to read: Subd. 6. **Grants.** The commissioner may provide innovation and expansion grants to community rehabilitation facilities providers to encourage the development, demonstration, or dissemination of innovative business practices, training programs, and service delivery methods that: 10.30

Sec. 19. 10 (1) expand and improve <u>competitive</u> employment opportunities for persons with <u>severe</u> the most significant disabilities or <u>severe</u> impairment to employment who are unserved or underserved by the extended employment program; and

(2) increase the ability of persons with severe the most significant disabilities or severe impairment to employment to use new and emerging technologies in competitive employment settings, and foster the capacity of community rehabilitation facilities providers and employers to promote the integration of individuals with severe the most significant disabilities and severe impairment to employment into the workplace and the mainstream of community life.

The grants must require collaboration at the local level among vocational rehabilitation field offices, county social service and planning agencies, <u>community</u> rehabilitation facilities providers, and employers.

Sec. 20. Minnesota Statutes 2014, section 268A.15, subdivision 7, is amended to read:

Subd. 7. **Withdrawal of funds.** The commissioner may withdraw funds from a rehabilitation facility an extended employment provider that is not being administered in accordance with its approved plan and budget extended employment program grant contract, program rules, or certification requirements unless a modified corrective action plan and budget is submitted to and approved by the commissioner, and implemented within a reasonable time. The commissioner may withdraw funds from a rehabilitation facility not being administered according to department rules, or not meeting mandatory standards for certification, unless a plan bringing the rehabilitation facility into compliance with the rules and standards is submitted to and approved by the commissioner, and implemented within a reasonable time. Funds withdrawn shall, after reasonable notice and opportunity for hearing, be reallocated by the commissioner to other rehabilitation facilities extended employment program providers.

Sec. 21. REPEALER.

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Minnesota Statutes 2014, sections 268A.01, subdivisions 9 and 14; and 268A.15, subdivisions 1a, 3a, and 9, are repealed.

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APPENDIX

Repealed Minnesota Statutes: S1533-1

268A.01 DEFINITIONS.

Subd. 9. **Center-based employment subprogram.** "Center-based employment subprogram" means employment which provides paid work on the premises of a rehabilitation facility and training services or other services necessary for employment on or off the premises of the rehabilitation facility.

Subd. 14. **Affirmative business enterprise employment.** "Affirmative business enterprise employment" means employment which provides paid work on the premises of an affirmative business enterprise as certified by the commissioner.

Affirmative business enterprise employment is considered community employment for purposes of funding under Minnesota Rules, parts 3300.1000 to 3300.2055, provided that the wages for individuals reported must be at or above customary wages for the same employer. The employer must also provide one benefit package that is available to all employees at the specific site certified as an affirmative business enterprise.

268A.15 EXTENDED EMPLOYMENT PROGRAM.

Subd. 1a. **Severe impairment to employment; definition.** For the purpose of this section, "severe impairment to employment" means profound limitations that dramatically restrict an individual's ability to seek, secure, and maintain employment due to an extended history of little or no employment, limited education, training, or job skills, and physical, intellectual, or emotional characteristics seriously impairing future ability to obtain and retain permanent employment.

Subd. 3a. **Severe impairment to employment; separate program.** The allocation of funds, eligibility criteria, and funding criteria for extended employment program funds for persons with severe disabilities shall be separate from the allocation of funds, eligibility criteria, and funding criteria for extended employment program funds for persons with severe impairment to employment. Extended employment program services for persons with severe disabilities shall be modified to the extent necessary to provide services to persons with severe impairment to employment.

The county agency must consider placing an individual who is on welfare and who has a severe impairment to employment, as defined in subdivision 1a, into an extended employment program under this section for job skills training or a job, or both, as part of the effort to move people from welfare to work as required under federal welfare reform.

Subd. 9. **Integrated setting.** At the commissioner's discretion, paid work on the premises of a rehabilitation facility may be certified as an integrated setting after a site review by the department.