

**SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION**

**S.F. No. 3466**

**(SENATE AUTHORS: UTKE)**

**DATE**  
02/24/2022

**D-PG**  
5127

Introduction and first reading  
Referred to Human Services Reform Finance and Policy

## OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to human services; repealing the Task Force on Eliminating Subminimum

1.3 Wages; repealing the provider reinvention grant program; amending Laws 2021,

1.4 First Special Session chapter 7, article 16, section 2, subdivisions 1, 7, 29; repealing

1.5 Laws 2021, First Special Session chapter 7, article 17, sections 14; 15.

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

1.7 Section 1. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision  
1.8 1, is amended to read:

1.9			<b>8,356,760,000</b>	<b>9,803,181,000</b>
1.10	<b>Subdivision 1. Total Appropriation</b>	<b>\$</b>	<b>8,351,504,000</b>	<b>\$ 9,796,903,000</b>

## 1.11 Appropriations by Fund

1.12		2022	2023
1.13		<del>7,295,463,000</del>	<del>8,951,733,000</del>
1.14	General	<u>7,290,207,000</u>	<u>8,945,455,000</u>
1.15	State Government		
1.16	Special Revenue	4,299,000	4,299,000
1.17	Health Care Access	769,889,000	564,448,000
1.18	Federal TANF	282,653,000	278,245,000
1.19	Lottery Prize	1,896,000	1,896,000
1.20	Opiate Epidemic		
1.21	Response	2,560,000	2,560,000

1.22 The amounts that may be spent for each  
1.23 purpose are specified in the following  
1.24 subdivisions.

1.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1       Sec. 2. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 7, is  
2.2       amended to read:

2.3       Subd. 7. **Central Office; Community Supports**

2.4                       Appropriations by Fund

2.5		<del>41,767,000</del>	<del>42,015,000</del>
2.6	General	<u>40,811,000</u>	<u>40,381,000</u>
2.7	Lottery Prize	163,000	163,000
2.8	Opioid Epidemic		
2.9	Response	60,000	60,000

2.10       **(a) Children's Mental Health Residential**

2.11       **Treatment Work Group.** \$70,000 in fiscal  
2.12       year 2022 is for the children's mental health  
2.13       residential treatment work group.

2.14       **(b) Base Level Adjustment.** The general fund

2.15       base is ~~\$39,668,000~~ \$39,181,000 in fiscal year  
2.16       2024 and \$35,479,000 in fiscal year 2025. The  
2.17       opiate epidemic response fund base is \$60,000  
2.18       in fiscal year 2024 and \$0 in fiscal year 2025.

2.19       **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.20       Sec. 3. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 29,  
2.21       is amended to read:

2.22		<del>31,398,000</del>	<del>31,010,000</del>
2.23	Subd. 29. <b>Grant Programs; Disabilities Grants</b>	<u>27,098,000</u>	<u>25,710,000</u>

2.24       **(a) Training Stipends for Direct Support**

2.25       **Services Providers.** \$1,000,000 in fiscal year  
2.26       2022 is from the general fund for stipends for  
2.27       individual providers of direct support services  
2.28       as defined in Minnesota Statutes, section  
2.29       256B.0711, subdivision 1. These stipends are  
2.30       available to individual providers who have  
2.31       completed designated voluntary trainings  
2.32       made available through the State-Provider  
2.33       Cooperation Committee formed by the State  
2.34       of Minnesota and the Service Employees

3.1 International Union Healthcare Minnesota.  
3.2 Any unspent appropriation in fiscal year 2022  
3.3 is available in fiscal year 2023. This is a  
3.4 onetime appropriation. This appropriation is  
3.5 available only if the labor agreement between  
3.6 the state of Minnesota and the Service  
3.7 Employees International Union Healthcare  
3.8 Minnesota under Minnesota Statutes, section  
3.9 179A.54, is approved under Minnesota  
3.10 Statutes, section 3.855.

3.11 **(b) Parent-to-Parent Peer Support.** \$125,000  
3.12 in fiscal year 2022 and \$125,000 in fiscal year  
3.13 2023 are from the general fund for a grant to  
3.14 an alliance member of Parent to Parent USA  
3.15 to support the alliance member's  
3.16 parent-to-parent peer support program for  
3.17 families of children with a disability or special  
3.18 health care need.

3.19 **(c) Self-Advocacy Grants.** (1) \$143,000 in  
3.20 fiscal year 2022 and \$143,000 in fiscal year  
3.21 2023 are from the general fund for a grant  
3.22 under Minnesota Statutes, section 256.477,  
3.23 subdivision 1.

3.24 (2) \$105,000 in fiscal year 2022 and \$105,000  
3.25 in fiscal year 2023 are from the general fund  
3.26 for subgrants under Minnesota Statutes,  
3.27 section 256.477, subdivision 2.

3.28 **(d) Minnesota Inclusion Initiative Grants.**  
3.29 \$150,000 in fiscal year 2022 and \$150,000 in  
3.30 fiscal year 2023 are from the general fund for  
3.31 grants under Minnesota Statutes, section  
3.32 256.4772.

3.33 **(e) Grants to Expand Access to Child Care**  
3.34 **for Children with Disabilities.** \$250,000 in

4.1 fiscal year 2022 and \$250,000 in fiscal year  
4.2 2023 are from the general fund for grants to  
4.3 expand access to child care for children with  
4.4 disabilities. This is a onetime appropriation.

4.5 **(f) Parenting with a Disability Pilot Project.**

4.6 The general fund base includes \$1,000,000 in  
4.7 fiscal year 2024 and \$0 in fiscal year 2025 to  
4.8 implement the parenting with a disability pilot  
4.9 project.

4.10 **(g) Base Level Adjustment.** The general fund  
4.11 base is ~~\$29,260,000~~ \$24,760,000 in fiscal year  
4.12 2024 and \$22,260,000 in fiscal year 2025.

4.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.14 Sec. 4. **REPEALER.**

4.15 Laws 2021, First Special Session chapter 7, article 17, sections 14; and 15, are repealed.

4.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

*Laws 2021, First Special Session chapter 7, article 17, section 14*

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

Subdivision 1. **Establishment; purpose.** The Task Force on Eliminating Subminimum Wages is established to develop a plan and make recommendations to phase out payment of subminimum wages to people with disabilities on or before August 1, 2025.

Subd. 2. **Definitions.** For the purposes of this section, "subminimum wage" means wages authorized under section 14(c) of the federal Fair Labor Standards Act, Minnesota Statutes, section 177.28, subdivision 5, or Minnesota Rules, parts 5200.0030 and 5200.0040.

Subd. 3. **Membership.** (a) The task force consists of 16 members, appointed as follows:

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

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

(3) the commissioner of education or a designee;

(4) the commissioner of employment and economic development or a designee;

(5) a representative of the Department of Employment and Economic Development's Vocational Rehabilitation Services Division appointed by the commissioner of employment and economic development;

(6) one member appointed by the Minnesota Disability Law Center;

(7) one member appointed by The Arc of Minnesota;

(8) three members who are persons with disabilities appointed by the commissioner of human services, at least one of whom must be neurodiverse, and at least one of whom must have a significant physical disability;

(9) two representatives of employers authorized to pay subminimum wage and one representative of an employer who successfully transitioned away from payment of subminimum wages to people with disabilities, appointed by the commissioner of human services;

(10) one member appointed by the Minnesota Organization for Habilitation and Rehabilitation;

(11) one member appointed by ARRM; and

(12) one member appointed by the State Rehabilitation Council.

(b) To the extent possible, membership on the task force under paragraph (a) shall reflect geographic parity throughout the state and representation from Black, Indigenous, and communities of color.

Subd. 4. **Appointment deadline; first meeting; chair.** Appointing authorities must complete member selections by January 1, 2022. The commissioner of human services shall convene the first meeting of the task force by February 15, 2022. The task force shall select a chair from among its members at its first meeting.

Subd. 5. **Compensation.** Members shall be compensated and may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 3.

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

(1) develop a plan to phase out the payment of subminimum wages to people with disabilities by August 1, 2025;

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

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

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

APPENDIX  
Repealed Minnesota Session Laws: 22-04540

(5) propose a plan to establish and evaluate benchmarks for measuring annual progress toward eliminating subminimum wages;

(6) propose a plan to monitor and track outcomes of employees with disabilities;

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

(8) identify benefits to the state in eliminating subminimum wage by August 1, 2025;

(9) identify barriers to eliminating subminimum wage by August 1, 2025, including the cost of implementing and providing ongoing employment services, training, and support for employees with disabilities and the cost of paying minimum wage to employees with disabilities;

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

(11) identify and make recommendations for sustainable financial support, funding, and resources for eliminating subminimum wage by August 1, 2025.

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

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

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

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

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

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

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

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

Subd. 8. **Report.** By February 15, 2023, the task force shall submit to the chairs and ranking minority members of the committees and divisions in the senate and house of representatives with jurisdiction over employment and wages and over health and human services a report with recommendations to eliminate by August 1, 2025, the payment of subminimum wage, and any changes to statutes, laws, or rules required to implement the recommendations of the task force. The task force must include in the report a recommendation concerning continuing the task force beyond its scheduled expiration.

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

Subd. 10. **Expiration.** The task force shall conclude their duties and expire on March 31, 2024.  
*Laws 2021, First Special Session chapter 7, article 17, section 15*

Sec. 15. **MOVING TO INDEPENDENCE: SUBMINIMUM WAGE PHASE-OUT.**

(a) This act includes \$4,300,000 in fiscal year 2022 and \$5,300,000 in fiscal year 2023 for the commissioner of human services to establish a reinvention grant program to promote independence and increase opportunities for people with disabilities to earn competitive wages. The general fund base included in this act for this purpose is \$4,500,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This section expires June 30, 2024.