

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

**S.F. No. 3465**

(SENATE AUTHORS: UTKE)

DATE  
02/24/2022

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

1.1 A bill for an act  
1.2 relating to human services; modifying the provider reinvention grant program;  
1.3 repealing the Task Force on Eliminating Subminimum Wages; amending Laws  
1.4 2021, First Special Session chapter 7, article 16, section 2, subdivisions 1, 7; article  
1.5 17, section 14, subdivision 7; repealing Laws 2021, First Special Session chapter  
1.6 7, article 17, section 14, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, 10.

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

1.8 Section 1. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision  
1.9 1, is amended to read:

1.10 **8,356,760,000** **9,803,181,000**  
1.11 Subdivision 1. **Total Appropriation** \$ **8,356,712,000** \$ **9,803,139,000**

1.12 Appropriations by Fund

	2022	2023
1.13		
1.14	<del>7,295,463,000</del>	<del>8,951,733,000</del>
1.15	<u>7,295,415,000</u>	<u>8,951,691,000</u>
1.16		
1.17	4,299,000	4,299,000
1.18	769,889,000	564,448,000
1.19	282,653,000	278,245,000
1.20	1,896,000	1,896,000
1.21		
1.22	2,560,000	2,560,000

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

2.1 **EFFECTIVE DATE.** This section is effective upon federal approval of Minnesota's  
 2.2 initial state spending plan as described in guidance issued by the Centers for Medicare and  
 2.3 Medicaid Services for implementation of section 9817 of the federal American Rescue Plan  
 2.4 Act of 2021. The commissioner of human services shall notify the revisor of statutes when  
 2.5 federal approval is obtained.

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

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

2.9	Appropriations by Fund	
2.10	41,767,000	42,015,000
2.11	<u>41,719,000</u>	<u>41,317,000</u>
2.12	Lottery Prize 163,000	163,000
2.13	Opioid Epidemic	
2.14	Response 60,000	60,000

2.15 **(a) Children's Mental Health Residential**  
 2.16 **Treatment Work Group.** \$70,000 in fiscal  
 2.17 year 2022 is for the children's mental health  
 2.18 residential treatment work group.

2.19 **(b) Base Level Adjustment.** The general fund  
 2.20 base is ~~\$39,668,000~~ \$39,658,000 in fiscal year  
 2.21 2024 and \$35,479,000 in fiscal year 2025. The  
 2.22 opiate epidemic response fund base is \$60,000  
 2.23 in fiscal year 2024 and \$0 in fiscal year 2025.

2.24 **EFFECTIVE DATE.** This section is effective upon federal approval of Minnesota's  
 2.25 initial state spending plan as described in guidance issued by the Centers for Medicare and  
 2.26 Medicaid Services for implementation of section 9817 of the federal American Rescue Plan  
 2.27 Act of 2021. The commissioner of human services shall notify the revisor of statutes when  
 2.28 federal approval is obtained.

2.29 Sec. 3. Laws 2021, First Special Session chapter 7, article 17, section 14, subdivision 7,  
 2.30 is amended to read:

2.31 **Subd. 7. Duties; Provider reinvention grants.** (a) The commissioner of human services  
 2.32 shall establish a provider reinvention grant program to promote independence and increase

3.1 opportunities for people with disabilities to earn competitive wages. The commissioner  
3.2 shall make the grants available to at least the following:

3.3 (1) providers of disability services under Minnesota Statutes, sections 256B.092 and  
3.4 256B.49, for developing and implementing a business plan to ~~shift the providers' business~~  
3.5 ~~models away from paying waiver participants subminimum wages~~ promote independence  
3.6 and increase opportunities for people with disabilities to earn competitive wages;

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

3.9 (3) organizations to facilitate provider-to-provider mentoring to promote ~~shifting away~~  
3.10 ~~from paying employees with disabilities a subminimum wage~~ independence and increase  
3.11 opportunities for people with disabilities to earn competitive wages; and

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

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

3.21 (c) Grantees must work with the commissioner to develop their business model ~~and, as~~  
3.22 ~~a condition of receiving grant funds, grantees must fully phase out the use of subminimum~~  
3.23 ~~wage by April 1, 2024, unless the grantee receives a waiver from the commissioner of~~  
3.24 ~~human services for a demonstrated need to~~ promote independence and increase opportunities  
3.25 for people with disabilities to earn competitive wages. As a condition of receiving grant  
3.26 funds, the commission may not require grantees to fully phase out the use of subminimum  
3.27 wages prior to the final implementation date of a federal requirement to do so.

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

3.32 **EFFECTIVE DATE.** This section is effective upon federal approval of Minnesota's  
3.33 initial state spending plan as described in guidance issued by the Centers for Medicare and

4.1 Medicaid Services for implementation of section 9817 of the federal American Rescue Plan  
4.2 Act of 2021. The commissioner of human services shall notify the revisor of statutes when  
4.3 federal approval is obtained.

4.4 Sec. 4. **REPEALER.**

4.5 Laws 2021, First Special Session chapter 7, article 17, section 14, subdivisions 1, 2, 3,  
4.6 4, 5, 6, 8, 9, and 10, are repealed.

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

*Laws 2021, First Special Session chapter 7, article 17, section 14 Subdivisions 1, 2, 3, 4, 5, 6, 8, 9, 10,*

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: 21-04535

(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. 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.