PHASE-OUT OF SUBMINIMUM MINIMUM WAGE FOR PERSONS WITH DISABILITIES

Section 1. Minnesota Statutes 2022, section 177.24, is amended by adding a subdivision to read:

Subd. 6. Special certificate prohibition. (a) On or after August 1, 2026, an employer must not hire a new employee with a disability at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

(b) On or after August 1, 2028, an employer must not pay an employee with a disability less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 2. Minnesota Statutes 2022, section 252.44, is amended to read:

252.44 LEAD AGENCY BOARD RESPONSIBILITIES. When the need for day services in a county or Tribe has been determined under section 252.28, the board of commissioners for that lead agency shall:

(1) authorize the delivery of services according to the support plans and support plan addendums required as part of the lead agency's provision of case management services under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision 15; and 256S.10 and Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) ensure that transportation is provided or arranged by the vendor in the most efficient and reasonable way possible; and

(3) monitor and evaluate the cost and effectiveness of the services;

(4) ensure that on or after August 1, 2026, an employer does not hire a new employee at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act; and

(5) ensure that on or after August 1, 2028, a day service program, including county, Tribal, or privately funded day services, pays employees with disabilities the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.
Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4906, is amended to read:

256B.4906 SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED SERVICES REPORTING.

Subdivision 1. Data reporting. (a) A provider of home and community-based services for people with developmental disabilities under section 256B.092 or home and community-based services for people with disabilities under section 256B.49 that holds a credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner of human services data on individuals who are currently being paid subminimum wages or were being paid subminimum wages by the provider organization as of August 1, 2023:

(1) a certificate through the United States Department of Labor under United States Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of subminimum wages to workers with disabilities; or

(2) a permit by the Minnesota Department of Labor and Industry under section 177.28.

(b) The report required under paragraph (a) must include the following data about each individual being paid subminimum wages:

(1) name;

(2) date of birth;

(3) identified race and ethnicity;

(4) disability type;

(5) key employment status measures as determined by the commissioner; and

(6) key community-life engagement measures as determined by the commissioner.

(c) The information in paragraph (b) must be submitted in a format determined by the commissioner.

(d) A provider must submit the data required under this section annually on a date specified by the commissioner. The commissioner must give a provider at least 30 calendar days to submit the data following notice of the due date. If a provider fails to submit the requested data by the date specified by the commissioner, the commissioner may delay medical assistance reimbursement until the requested data is submitted.

(e) Individually identifiable data submitted to the commissioner under this section are considered private data on individuals as defined by section 13.02, subdivision 12.

(f) The commissioner must analyze data annually for tracking employment and community-life engagement outcomes.

Subd. 2. Prohibition of subminimum wages. A provider of home and community-based services must not pay a person with a disability a wage below the highest applicable minimum
wage on the basis of the person's disability. A special certificate authorizing the payment of less than the highest applicable minimum wage to a person with a disability issued pursuant to a law of this state or to a federal law is without effect as of August 1, 2028.

Sec. 4. **PHASE-OUT OF USE OF SUBMINIMUM WAGE FOR MEDICAL ASSISTANCE DISABILITY SERVICES.**

The commissioner must seek all necessary amendments to Minnesota's federally approved disability waiver plans to require an individual receiving prevocational or employment support services be compensated at or above the highest applicable minimum wage no later than August 1, 2028.