

March 31, 2022

To: House Human Services Finance and Policy Committee
Re: HF 4071



Chair Schultz and Committee Members,

Thank you for the opportunity to provide written testimony in response to House File 4071.

We are grateful to you, Chair Schultz, to Rep. Ecklund, and to the entire committee for making employment supports for people with disabilities a priority during this legislative session. However, we disagree with the direction of this specific bill, which aims to change the scope and purpose of Minnesota's Taskforce on Subminimum Wage.

In this letter, we hope to provide clarity around the purpose of the Taskforce and the ways in which we believe it will contribute to sustainability and inclusivity in employment services statewide.

What is the Taskforce on Subminimum Wage and what can they do?

Last session, the Minnesota legislature passed language to establish a Taskforce on Subminimum Wage, which will develop a plan and make recommendations on how to phase-out subminimum wage, should there be further legislation that ends the use of subminimum wage. The thoughtful and strategic recommendations will help make sure people who have disabilities are not left without meaningful day services and employment options.

The scope and work of the Taskforce on Subminimum Wage does not include the authority to end the use of subminimum wage in Minnesota. The elimination of subminimum wage would require separate legislation from the state legislature or Congress at the federal level. This is a nation-wide movement, led by Self-advocates, and it is imperative Minnesota is prepared.

Why is the Taskforce important?

Our state has historically under-invested in integrated employment. In 2018, Minnesota spent \$239,012,000 on funding for segregated, facility-based work and other daytime supports, but ten times less (\$20,943,000) funding integrated employment.

The work of the Taskforce is crucial in helping ensure more people have access to jobs that build on their skills. That work must be strategic and thoughtful so that people in our community are not left behind. With the right plan and approach, we can ensure that people with disabilities who want to work can work, and that people have meaningful ways to spend their time.

We currently have interagency groups that are focused on increasing employment outcomes as well as implementation of the Employment First policy passed in 2014; making the proposed changes to the Taskforce in HF 4071 would be duplicative. Our current Taskforce is preparing our state for something that is entirely different and essential – the eventual phase-out of subminimum wage.

In developing recommendations for the state of Minnesota, the Taskforce will build on work of groups like the national *Association of People Supporting Employment First (APSE)*, which suggest how to build capacity in employment supports, and can help ensure providers are sustainable if subminimum wage is phased out. They include:

- “Technical assistance and supports should be provided... to the holders of 14(c) certificates themselves, in order to move the individuals currently receiving sub-minimum into employment opportunities in the community at minimum wage or higher”
- “Effort must be undertaken to improve the overall quality of community employment outcomes both in terms of individual outcomes (wages, hours, diversity of employment), system outcomes (efficiency and effectiveness), and proper funding of services and long-term support.”
- “It is unacceptable to eliminate an individual’s day services and supports as a result of the phase out of sub-minimum wage.”

Along with the Taskforce legislation passed last session in Minnesota, there are resources dedicated to providers that commit to phasing out their use of subminimum wage certificates, also known as 14(c). There are providers across the state that have successfully done so. Those providers are still in business, and still support people with intellectual and developmental disabilities (IDD). Many other providers are planning and in progress of phasing out their 14(c) certificates.

The legislature was wise last session in enacting reinvention grants to support providers in their transition. Along with the Taskforce’s recommendations, the reinvention grants can support providers as they move toward a model that affords people with IDD the opportunity to find and keep jobs and careers that build on their strengths while paying them equitably.

Why is it important to make a plan to phase out subminimum wage?

There is momentum nationwide and in Congress to phase out subminimum wage. This effort is led by people with disabilities, who want more opportunity for and investment in employment. It is imperative that Minnesota – the state with one of the highest numbers of subminimum wage certificates per capita – be prepared to ensure consistent, stable employment supports when this phase-out occurs. Many other states across the country – from Alaska, to Texas, to New Hampshire, and beyond – have already taken on this transition, and Minnesota is lagging far behind. The changes to the purpose of the Taskforce in HF 4071 would prevent Minnesota from developing a plan in response to the eventual prohibition of subminimum wage at the federal level.

Furthermore, we believe that Section 14(c) of the Fair Labor Standards Act is outdated and needs to be changed. The practice of paying people with disabilities less than minimum wage in jobs goes against The Arc Minnesota’s mission to promote and protect the human rights of people with IDD. Phasing out 14(c), subminimum wage, segregated employment, and other employment-related policies that discriminate against people with disabilities will help advance equity, drive social change, and truly protect human rights.

What comes next?

The Taskforce’s purpose is to support people with disabilities, especially those with concerns about what a phase-out would mean for them. We would like to continue this conversation with people with disabilities and families so they understand the work being done to ensure they or their loved ones will always have the meaningful services and support they need to have belonging, justice, freedom, and citizenship in their communities.

We must not reverse course on the legislature’s forward-thinking approach to advancing equity and opportunity for Minnesotans who have IDD through this Taskforce. We implore you to allow the

Taskforce to continue its crucial work, which has already begun. The Taskforce must be allowed to continue centering the lived experience and expertise of people with IDD in this process, as they will set us on the right path toward expanding competitive, integrated employment. If not, we will stifle our capacity to develop innovative strategies for expanding access to meaningful jobs in inclusive environments.

We ask that you support the Taskforce in doing the work it was enacted to accomplish, and *not* move forward with the changes proposed in HF 4071.

Thank you,

Andrea Zuber, Chief Executive Officer

Alicia Munson, Chief Program Officer

Julia Burkstaller, Public Policy Director