

38.23

ARTICLE 3

38.24

**PHASE-OUT OF SUBMINIMUM MINIMUM WAGE FOR PERSONS WITH
DISABILITIES**

38.25

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

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

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

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

39.4 **252.44 LEAD AGENCY BOARD RESPONSIBILITIES.**

39.5 When the need for day services in a county or Tribe has been determined under section
39.6 252.28, the board of commissioners for that lead agency shall:

39.7 (1) authorize the delivery of services according to the support plans and support plan
39.8 addendums required as part of the lead agency's provision of case management services
39.9 under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision
39.10 15; and 256S.10 and Minnesota Rules, parts 9525.0004 to 9525.0036;

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

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

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

39.18 (5) ensure that on or after August 1, 2028, a day service program, including county,
39.19 Tribal, or privately funded day services, pays employees with disabilities the highest
39.20 applicable minimum wage, regardless of whether the employer holds a special certificate
39.21 from the United States Department of Labor under section 14(c) of the federal Fair Labor
39.22 Standards Act.

39.23 Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4906, is amended to read:

39.24 **256B.4906 SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED**

39.25 **SERVICES REPORTING.**

39.26 Subdivision 1. Data reporting. (a) A provider of home and community-based services

39.27 for people with developmental disabilities under section 256B.092 or home and

39.28 community-based services for people with disabilities under section 256B.49 that holds a

39.29 credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner

39.30 of human services data on individuals who are currently being paid subminimum wages or

39.31 were being paid subminimum wages by the provider organization as of August 1, 2023:

40.1 (1) a certificate through the United States Department of Labor under United States

40.2 Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of

40.3 subminimum wages to workers with disabilities; or

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

40.5 (b) The report required under paragraph (a) must include the following data about each

40.6 individual being paid subminimum wages:

40.7 (1) name;

40.8 (2) date of birth;

40.9 (3) identified race and ethnicity;

40.10 (4) disability type;

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

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

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

40.14 commissioner.

40.15 (d) A provider must submit the data required under this section annually on a date

40.16 specified by the commissioner. The commissioner must give a provider at least 30 calendar

40.17 days to submit the data following notice of the due date. If a provider fails to submit the

40.18 requested data by the date specified by the commissioner, the commissioner may delay

40.19 medical assistance reimbursement until the requested data is submitted.

40.20 (e) Individually identifiable data submitted to the commissioner under this section are

40.21 considered private data on individuals as defined by section 13.02, subdivision 12.

40.22 (f) The commissioner must analyze data annually for tracking employment and

40.23 community-life engagement outcomes.

40.24 Subd. 2. Prohibition of subminimum wages. A provider of home and community-based

40.25 services must not pay a person with a disability a wage below the highest applicable minimum

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wage on the basis of the person's disability. A special certificate authorizing the payment
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of less than the highest applicable minimum wage to a person with a disability issued
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pursuant to a law of this state or to a federal law is without effect as of August 1, 2028.
- 41.1

Sec. 4. **PHASE-OUT OF USE OF SUBMINIMUM WAGE FOR MEDICAL**
- 41.2

ASSISTANCE DISABILITY SERVICES.
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The commissioner must seek all necessary amendments to Minnesota's federally approved
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disability waiver plans to require an individual receiving prevocational or employment
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support services be compensated at or above the highest applicable minimum wage no later
- 41.6

than August 1, 2028.