

Human Services

FY 2024-25 Biennial Budget Change Item

Change Item Title: Nursing Home Workforce Standards Board

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures				
DLI	641	322	369	369
DHS				69
Revenues				
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	641	322	369	438
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor proposes establishing a Nursing Home Workforce Standards Board responsible for setting minimum standards necessary and appropriate to protect the health and welfare of nursing home workers. The Department of Labor and Industry recommends \$641,000 in FY 2024 and \$322,000 in FY 2025 for leadership positions to perform work for the Nursing Home Workforce Standards Board and for rulemaking costs. A base appropriation of \$369,000 would fund 2.0 FTE ongoing. This proposal also includes \$69,000 in FY 2027 at the Department of Human Services.

Rationale/Background:

Minnesota nursing facilities provide vital care for the some of the most vulnerable people in the state. Ensuring nursing home workers have a voice in their conditions of their employment through participation in a Nursing Home Workforce Standards Board alongside employers will improve job quality and better protect vulnerable Minnesotans.

Proposal:

The newly created Nursing Home Workforce Standards Board would include equal numbers of nursing home workers and employers appointed by the Governor, along with commissioners from MN Department of Human Services (DHS), MN Department of Health (MDH), and the MN Department of Labor & Industry (DLI) and would be responsible for investigating wage, benefit, and working conditions of nursing home workers for specific geographic areas of the state and specific nursing home occupations. The board would adopt rules establishing minimum standards that are necessary and appropriate to protect the health and welfare of nursing home workers, to properly train them and to fully inform them of their rights. The rules would include standards on compensation, working hours, and other working conditions for nursing home workers. The standards set in the rulemaking could be set statewide, to a specific nursing home occupation, to a specific geographic area in the state, or any combination thereof. The Board would certify worker organizations to train nursing home workers on their rights in languages in which the employees are proficient.

The Department of Labor and Industry would have the authority to investigate possible violations and enforce compliance with the minimum nursing home employment standards established by the board. A worker could also bring a civil action in district court.

Impact on Children and Families:

A nursing home standards board with equal representation between workers and employers will level standards, improve working conditions, and better serve the vulnerable Minnesotans being cared for in these facilities. Improved working conditions, wages, and benefits in this low-wage industry will reduce turnover and maintain continuity of care for nursing home residents. Employees will be able to better support themselves and their families.

Equity and Inclusion:

Level standards across the nursing home industry supports low-wage workers and can help close racial and gender pay gaps. Better wages and working conditions can reduce opportunities for discrimination. Empowering workers to better understand and exercise their rights and have a voice in their conditions of employment will promote compliance and support workers and the vulnerable Minnesotans in their care.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

N/A

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Impact</i>	<i>Date</i>
Quantity	Improved education and enforcement	N/A	N/A	100% of nursing home employees impacted by standards trained by a certified worker organization	FY25
Quantity	Improved employee retention	N/A	N/A	Reduced turnover	FY25
Quantity	Improved workplace safety	N/A	N/A	50% reduction in workplace injuries	FY25

Statutory Change(s):

Minn. Stat. § 177.27, Minn. Stat. § 181