

March 13, 2024

Re: Minnesota Coalition for Disability Wage Justice Letter of Support, SF 4399

Chair Hoffman and members of the Senate Human Services Committee,

On behalf of Reach for Resources), we write in support of Senate File 4399 – specifically the provision prohibiting issuance of 14(c) certificates which authorize payment of subminimum wage to people with disabilities.

Reach for Resources is a Twin Cities based disability provider. We provide comprehensive services within our community of Case Management, Counseling and Mental Health Services, Adaptive Recreation Programming and Inclusion Services, Employment Services, Housing Services and In-Home Services. All of the services that Reach provides are community based and we work with each person to help them to achieve the highest level of independence. We work with 2500 different people and families within the Twin Cities metro area.

As a provider that has only done community based employment services, we can speak to the possibility of those that we work with to obtain community based employment. We are currently working with 110 different people who have employment services and 65% of those that we are working with are employed in their communities and receiving supports at their jobs. Within our services, we have people who require a higher level of support and we are able to provide those supports to them. Our Employment program has grown by 50% over the past 9 months, and we plan to continue to grow these services. For this role, we have been able to hire. There is talk about how staffing is always going to be a need, and while that is true, Reach as a provider, has been able to not only hire, but retain our staff as well. I feel confident that we will be able to continue to do this, even with the staffing shortages that the state is facing. Employment gives people purpose, this is true for those that are receiving our Employment Services, but it is also true for our staff.

As you know, federal law allows businesses to pay people with disabilities less than minimum wage through Section 14(c) of the Fair Labor Standards Act. More than 3200 people with disabilities in Minnesota legally earn less than minimum wage, and our state – a purported leader in disability rights – employs more people with disabilities earning subminimum wage than any other state in the nation (per capita).

On average, Minnesotans with disabilities who work under 14(c) make just \$4.15 per hour, but some earn as little as 7 cents per hour.

Many people earning subminimum wage are in segregated settings. This contradicts the integration mandate of the Americans with Disabilities Act (ADA), which requires that people with disabilities have access to the most integrated settings possible – including employment. Just last year, the United States Department of Justice found that employers who pay less than minimum wage in these segregated settings may be in violation of the ADA.

We urge the Minnesota Senate to support the prohibition of 14(c) certificates as outlined in SF 4399, which will help ensure that all workers with disabilities are paid minimum wage or higher by 2028.

This change is possible. The Minnesota Task Force on Subminimum Wage created a robust transition plan that would make sure no one is left behind in the transition away from 14(c). Service providers that have electively and successfully ended subminimum wage are available to provide technical assistance so other providers remain viable. And just last year, the legislature funded historic investments in individualized, integrated employment programming so all people with disabilities can earn minimum wage in jobs that build on their skills and interests. People who do not want to work will have robust, enriching programming to support their needs during the day.

Minnesota has learned from the sixteen states nationwide that have already passed legislation protecting the rights of people with disabilities to earn minimum wage. It is time for us to follow their lead and live up to our stated commitment to integration, inclusion, belonging, and justice for all Minnesotans. We call on the legislature to support wage equity for all Minnesotans with disabilities now.

Respectfully signed,

Reach for Resources, Inc.