



February 18, 2025

Senator John Hoffman
95 University Avenue W.
Minnesota Senate Bldg., Room 2111
St. Paul, MN 55155

Jamie Gulley
President

Dear Chair Hoffman:

Jigme Ugen
Executive Vice President

SEIU Healthcare MN & IA represents over 50,000 Minnesotans who work in hospitals, clinics, nursing homes, and self-directed homecare. We write to inform you about two important elements in Governor Walz's Health and Human Services Budget proposals.

Phillip Cryan
Executive Vice President

Brenda Hilbrich
Executive Vice President

Rasha Ahmad Sharif
Executive Vice President

First, Investments in Community First Service and Supports (AD-54) reflects the recent tentative agreement between our union and the State. The two-year agreement covers over 30,000 homecare workers in PCA Choice, the Community First Service and Supports (CFSS) budget model program, Consumer Directed Community Supports (CDCS), and the Consumer Support Grant. We and the state reached a settlement that reflects the current budget environment, making progress for the workforce and the people they serve in a number of areas while only increasing wages modestly for some members. Please note that, unlike some other long-term-care programs, the programs in our bargaining unit have no built-in rate increases. Much of the spending for this tentative agreement comes in the form of one-time money for annual \$1,200 stipends to help homecare workers cover their out-of-pocket health care costs. There are 40-cent-per hour increases to the wage scale for some workers in the PCA Choice and CFSS budget model programs, and an increase in the Enhanced Rate (from 7.5% to 12.5%) for those workers serving the highest-need clients in any of the covered programs. There are concrete steps towards creating a defined-contribution retirement program for this workforce in the future, but without any ongoing funding for workers to begin accruing retirement benefits; funding for retirement benefits will need to be pursued through future rounds of collective bargaining. For further details on the agreement, which invests \$68 million in F7Y 26-27, please see pages 112-116 of the Department of Human Services Budget change pages. Our members are in the process of reviewing and voting to ratify the tentative agreement and, when they are done, we look forward to discussing further details with you and all members. Please note that although the legislature is no longer required to ratify the tentative agreement, the contract is still contingent upon an appropriation of these funds by the legislature.

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Second, Nursing Home Workforce Standards Board Rules (AD-91) provides about \$15 million in FY 28-29 to fund a recent minimum wage rule from the Nursing Home Workforce Standards Board. Per last session's legislation, the minimum wage rule is contingent on the legislature appropriating funds to cover the increased costs to the nursing home funding system (i.e. Value Based Reimbursement). The rule provides an industry-wide minimum wage for all workers of \$19 an hour in 2026 and \$20.50 in 2027. There are higher minimum wages for Certified Nursing Assistants (\$22.50/\$24), Trained Medication Aides (\$23.50/\$25), and Licensed Practical Nurses (\$27/\$28.50). For further details please see p. 120-123 of the Department of Human Services Budget change pages. By funding this proposal, the legislature can have absolute confidence that the money will go directly to workers and will help insure quality care for our seniors.

We encourage all members to support these two critical proposals. In a tight budget environment, both proposals directly fund wage and benefit increases for the critical frontline workers who provide essential services for seniors and the disabled. Funding for these programs has always received strong bipartisan support and we hope to work with you and all members to continue that tradition.

Sincerely yours,

Rick Varco

RV:klh/opeiu#12