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STATE OF MINNESOTA
NINETY-FOURTH SESSION

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(SENATE AUTHORS: FATEH)

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Introduction and first reading
Referred to Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; requiring a report related to direct support service rate
1.3 calculations.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **DIRECT SUPPORT SERVICE RATE CALCULATIONS.**

1.6 (a) By March 15, 2027, the commissioner of human services must submit to the chairs
1.7 and ranking minority members of the legislative committees with jurisdiction over human
1.8 services policy and finance a report on any proposed collective bargaining agreement
1.9 between the state and individual providers of direct support services in a covered program
1.10 as defined under Minnesota Statutes, section 256B.0711. The report must include the
1.11 information described in this section.

1.12 (b) The commissioner must include in the report an estimate of the reimbursement rates,
1.13 enhanced rates, tiered rates, individual budgets, grants, and allocations that would result
1.14 from an increase equal to the sum of:

1.15 (1) the cost to an employer of increasing the wages of all employees by an amount equal
1.16 to the incremental increase in the wage floors;

1.17 (2) the cost to an employer of increasing paid time off by an amount equal to the
1.18 incremental increase in any paid time off;

1.19 (3) the cost to an employer of adjusting the wages of any employee who works on a
1.20 holiday by an amount equal to the incremental increase in any wage adjustment for work
1.21 on holidays;

2.1 (4) the cost to an employer of providing all employees with an increase in benefits equal
2.2 to the value of any other incremental increase in other benefits included in a proposed
2.3 collective bargaining agreement; and

2.4 (5) the cost to an employer for all corresponding incremental increases in the employer's
2.5 share of FICA taxes, Medicare taxes, state and federal unemployment taxes, worker
2.6 compensation premiums, and retirement contributions, if any, attributable to costs increased
2.7 under clauses (1) and (4).

2.8 (c) The commissioner must include in the report the rates and formulas used to determine
2.9 the increases described in paragraph (b) for covered programs and for the community first
2.10 services and supports agency-provider model.

2.11 (d) For the purposes of the calculations described in paragraphs (b) and (c), the
2.12 commissioner must not assume, based on an employer, fiscal support entity, or fiscal
2.13 management service already paying all or some direct support professionals the proposed
2.14 minimum wage, providing the proposed minimum paid time off, or providing any other
2.15 proposed benefit or portion of the proposed incremental increase in wages, paid time off,
2.16 or other benefits, that:

2.17 (1) any employer, fiscal support entity, or fiscal management service will not be affected
2.18 by the increases in wages and benefits in the proposed collective bargaining agreement; or

2.19 (2) any portion of employers, fiscal support entities, or fiscal management services will
2.20 not be affected by the increases in wages and benefits in the proposed collective bargaining
2.21 agreement.

2.22 (e) The commissioner must assume for the purposes of the calculations described in
2.23 paragraphs (b) and (c) that every employer of an individual providing direct support services
2.24 will receive a rate increase equal to the incremental increase in the wage floor and the
2.25 incremental increase in other benefits proposed in the collective bargaining agreement as
2.26 compared to the prior collective bargaining agreement. For the purposes of these calculations,
2.27 the commissioner must not assume that any employer, fiscal support entity, or fiscal
2.28 management service will absorb any incremental increase in costs attributable to any
2.29 incremental increase described in the collective bargaining agreement.

2.30 (f) The commissioner of human services must include in the report an estimate of the
2.31 total appropriation necessary to implement the increases calculated under paragraphs (b)
2.32 and (c).

3.1 (g) The commissioner of human services must include in the report the statutory changes
3.2 necessary to implement the rates calculated under paragraphs (b) and (c).

3.3 (h) The commissioner may include in the report alternative estimates of the reimbursement
3.4 rates, enhanced rates, tiered rates, individual budgets, grants, and allocations that the
3.5 commissioner believes are sufficient to implement the proposed collective bargaining
3.6 agreement and an alternative estimate of the appropriation sufficient to implement the
3.7 alternative rates, budgets, grants, and allocations. The commissioner may also include in
3.8 the report the commissioner's recommendation with respect to implementing the proposed
3.9 collective bargaining agreement and the reimbursement rates, enhanced rates, tiered rates,
3.10 individual budgets, grants, and allocations sufficient to do so.