

To: Chair Jennifer McEwen and members of the Senate Labor Committee

Subject: SF2149 Testimony in Opposition

From: James S Clapper, parent of 38 year old successfully working under 14(c)

Date: March 10, 2025

I am opposed to Subdivisions 6a) and b) which would eliminate the utilization of Special Minimum Wage provisions contained in 14(c) of the Fair Labor and Standards Act. The 15 states that have eliminated use of 14(c) have experienced **much more loss of employment** by people with Intellectual and Developmental Disabilities than any gains in Competitive Integrated Employment. I am also opposed to the bill as it has no appropriations for funding to implement such a transition. This proposed transformation is certainly not going to be free of cost.

My son Bob, has been working under the provisions of 14(c) for almost 17 years. He started working in a center based employment program doing packaging work and was making about \$2.35 per hour, based on his productivity as compared to a non-disabled worker. He has developed his skills and work ethic over these years, and is now working on a mobile work crew at a grocery store, making a little over \$9 per hour. We are very proud that he has improved his skills and work ethic over this time and has tripled his productivity. He does require close supervision and has very limited language skills so has probably reached his potential. If 14(c) is eliminated in Minnesota, he will not likely make it to Competitive Integrated Employment and may end up in Life Enrichment and volunteer work only. This is especially true if no funding is provided for the Transition.

I have taken the time to study what has been happening in Minnesota with the efforts to transition away from Special Minimum Wages. One project provides some interesting data. In the Spring of 2022, the Minnesota Transformation Initiative was started and grant money was awarded for the Transition to Competitive Wages. Eight employment service providers committed to relinquishing their 14(c) certificates and the University of Minnesota Institute of Community Integration was chosen to provide Technical Assistance. As reported in Access Press in the January 2025 edition, 689 people with ID/D were employed under the provisions of 14(c) at the start of the project, across these 8 employment service providers. **Only 43 people have achieved Competitive Integrated Employment, or about 6%.** 14 of these people remain in 14(c) protected jobs, presumably with the one provider who dropped out of the project. The remaining 632 people (90%) ended up in center based or group employment or moved to Life Enrichment services only. I have made repeated requests to get more information as to how many lost their employment without success. A full report is promised for Spring 2025.

I requested data from the Dept of Human Services concerning the grant money that was approved for this project. Mr John Thompson from DHS communicated on January 13,

2025, that \$3.4 million was awarded to U of M ICI for Technical Assistance and \$2.4 million was awarded to the 8 employment service providers, for a total of \$5.8 million. **The results available so far do not give me any confidence that my son Bob, and the other ~3500 people currently employed under 14(c) like Bob, will have successful outcomes if 14(c) utilization is banned in Minnesota, if SF2149 is passed.** This is most certainly true if no funding is provided with the elimination. I would recommend that the Senate Labor Committee schedule a hearing and review this \$5.8 million project, and make your own determination if eliminating 14(c) is a good idea and if it can be done at no cost.

I would love to provide this committee with information I have gathered concerning the experiences of the 15 states who have abandoned the use of 14(c), but it would take much longer than my allotted 3 minutes. I would be happy to send you my report titled, "Startling Facts about FLSA section 14(c) – Special Minimum Wages." The bottom line across these states is that they spent a lot of money to transition some people with ID/D to Competitive Integrated Employment but most ended up without employment.

I recommend that the Senate Labor Committee reject SF2149 or amend it to remove any 14(c) phase out language. Thank you for taking my testimony.

Respectfully,

James S Clapper
parent