



**Minnesota Coalition**  
for Disability Wage Justice

# FREQUENTLY ASKED QUESTIONS SUBMINIMUM WAGE PHASE OUT

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# What does the Governor's proposal do?

Phases out the use of 14c / subminimum wages for people with disabilities by August 2028

## Do any services get taken away because of this proposal?

- No.
- All supports and services remain in place.
- This proposal does not impact the level of service received.
- All current benefits remain intact (Medical Assistance, Waivers, Social Security, etc.).
- Wages are completely separate from services.
  - Providers are reimbursed to provide services, and their rates are meant to cover the services they provide.
  - Wages are not paid for or subsidized by local, state or federal government.
  - Wages are paid by the businesses that providers contract with
  - Businesses have overwhelmingly been willing to increase their contracts to accommodate minimum wages.
- Here are current employment supports and services (which will not be eliminated with the phase out of subminimum wage):
  - **Pre-Employment Transition Services (Pre-ETS)**
    - People with disabilities are eligible for employment preparation related services starting at age 14 and this is provided by the Department of Education and Vocational Rehabilitation Services (VRS). These services are called Pre-Employment Transition Services (Pre-ETS), and they were created around 2016. Pre-ETS include activities like:
      - Working on vocational skills
      - Learning about the labor market and different jobs
      - Informational interviews
      - Job shadowing
      - Opportunities for internships (paid and unpaid) and help with finding and maintaining a job.
  - **Employment Support Services through disability waivers and VRS**
    - Once a person graduates from transition school at 21 - 22 years old, they move on to adult services which are paid for by a disability waiver and VRS. Employment services for adults including:
      - Helping a person discover their interests and skills.
      - Creating and updating their resume
      - Applying for jobs and interviewing
    - Once a person gets a job, services help with their onboarding and provide ongoing job coaching support as needed. Employment services include helping a person understand the benefits they are receiving and how employment will impact those benefits.
  - **Day Support Services (Non-employment services)**
    - At the same time as a person is getting employment services, they can receive Day Support Services, which are also paid for by a disability waiver. These include things like volunteering and recreation leisure activities in their community.
    - It is common for a person with disabilities to work a few hours or days a week and during the other hours/days participate in non- employment services. In most cases these different services are delivered by the same provider.

## Will providers close if they can no longer pay subminimum wages?

- No.
- Providers WILL stay open.
- Wages are completely separate from services.
- Many providers in Minnesota have gotten rid of their [14\(c\) certificate](#) and are still open, viable, successful and continue to serve people with physical, intellectual, and development disabilities and significant support needs.
  - They did it with less designated resources
  - Several more are in the process right now of transitioning.
- Employment and day service providers still provide supports, including center-based employment supports and day support services, to people with disabilities without using subminimum wages.
  - People will receive the same amount of day center services and supports they do now.
  - People will be out of the house for the same amount of time they are now (typically 35-40 hours/week).
  - Current funding for day services will remain in place; there will be no change to this funding.
- Service providers will re-negotiate contracts with community businesses and rethink how supports advance people to customized employment, but it does not mean they need to close.

## **Is there a PLAN to help providers learn how to help people move to customized, integrated employment and transition their business model away from using 14c, so they can stay open and viable?**

- Yes.
- The University of Minnesota's Institute on Community Integration has a project called the Minnesota Transformation Initiative, or MTI. MTI provides training and technical assistance to provider agencies across Minnesota that want to transition away from the use of subminimum wages and increase integrated, customized employment outcomes for the people they serve.
  - In the past 2 years MTI has supported 7 providers to relinquish their 14c Special Wage certificate.
  - These 7 providers have all completed a robust transition plan with support from MTI. No one has lost services because of their provider's transformation, rather, individuals are receiving employment and day support services that they haven't had access to before.
  - All providers have developed plans for a sustainable business model that does not rely on subminimum wages,
  - None have expressed concern about their ability to stay open.
  - The Minnesota legislature has made funding available for the foreseeable future to continue the work to help service providers with this powerful, equitable transformation.
  - There is not a "one size fits all" plan to this work.
    - The technical assistance MTI provides looks different for every provider.
    - They visit the organization, meet with their leadership, we learn about their service model, and then work together to build their transition plan.
  - MTI provides extensive, impactful trainings on a range of topics related to expanding community employment and organizational transformation.
  - MTI supports peer mentorship opportunities by connecting providers that are in the process of ending payment of subminimum wages with those who have successfully made the transition and are providing community employment services.
- Organizational change is hard work, but it can be done with strong leadership, a clear vision, and external support when needed.
- For instance, MTI worked with a small provider in a rural area that only offered center-based work, often below minimum wage.
  - They helped staff get training in evidence-based employment practices and began

offering services to help people find and keep integrated, customized, competitive jobs in the community.

- They also developed day support services for those who don't want to work or want wraparound support during times they aren't working.
- Organizational transformation, when it is intentional, often results in greater community inclusion and better quality of life for people with disabilities. Research supports this, and providers that have successfully made these transformations have stories demonstrating this.

## What about people with high support needs and significant disabilities—how will they be supported in community employment?

- People with high support needs and significant IDD and other disabilities are successful in customized employment.
  - Customized employment was developed for people with significant IDD.
  - The state of MN VRS offers providers free training on how to do customized employment for people with significant IDD; anyone can sign up.
  - Customized employment means people have customized support on the job.
- In 2020, the United States Commission on Civil Rights published [a detailed 349-page report](#) recommending that Congress phase out the practice.
  - **The Commission found that people with intellectual and developmental disabilities earning subminimum wages are not categorically different in their disabilities and levels of support needs from those working in integrated employment.**
- Minnesota is an Employment First State. That means we have the expectation that people with disabilities can work in competitive integrated employment and our public support helps people meet their competitive employment goals – **regardless of disability status**. There are services right now that can help people plan, find, and keep a job that matches their skills and interests.

## Do people have to work in the community if 14(c) ends?

- No.
- Ending 14(c) does not mean everyone has to move to customized, integrated, community employment – only those who choose to.
- The phase out of subminimum wage does not mean these individuals would be required to go work a 40-hour a week job in the community.
- People can still work in day centers and on work crews. Providers will negotiate contracts that pay workers minimum wage or higher, in jobs they are good at.
- People will receive the full week of day services/care they do now.
- Part of the transition plan that the MTI technical assistance center can help providers with are:
  - Create meaningful day services and non-work community-based activities.
  - Targeted engagement, education, and support effort to reach people currently earning subminimum wages during the transition.

## Will earning higher wages impact my benefits?

- People can earn as much as they want and keep their disability waivers in Minnesota.
- Minnesota has a program called Medical Assistance for Employed People with Disabilities (MA-EPD).
  - This is available to anyone who has a disability waiver and allows people to work and access home and community-based services (HCBS) through MA while earning as much money as they want to.

- Benefits support work. All public programs in Minnesota have special rules, called “work incentives”, that help people be better off financially and let them keep health care benefits when they work.
- People can get help understanding work and benefits through disability waiver employment services, using tools like [Disability Benefits 101](#) (DB101) and through the [Disability Hub MN](#).
- Managing work and benefits takes planning as well as understanding the incentives that exist.
- Through the work of The Taskforce on Eliminating Subminimum Wages, they found that many people and families expressed concern about benefits, but that is because they were not aware of incentives Minnesota has.
- Minnesota passed legislation last year that requires training for case managers to ensure they are informed on what incentives and programs are available.
- Legislation also included embedding information on benefits and work education throughout support programs and building the benefits planning competencies of support professionals in the employment services field.

## Isn't some work at sub-minimum wages better than no work?

- Most people earning subminimum wage are working an average of 3-7 hours a week, but they are the center 30+ hours/week.
- Many with more significant disabilities only work 1-2 hours a week but are at the center 30+ hours/week.
- Using customized employment, the minimal hours that someone works can be replaced with customized employment in jobs they are good at, earning minimum wages. Customized employment is designed especially for people with significant IDD.
- For people who are not interested in competitive employment, finding out what interests them and brings meaning to their days is a first step in planning supports.
- Using Day Support Services, people may volunteer, build community navigation skills, or pursue hobbies.
- The rest of their week is spent at the center or in the community, accessing other day support services that are not employment-based.
- The number of hours they receive services will stay the same.
- Life won't change for them very much if they don't want it to. They can still attend a day center 30+ hours /week if that is what they choose and work as little or as much as they choose.
- We realize the importance of a full, meaningful day, which may mean supporting people with a variety of services – both work and non-work supports.

## If people who earn subminimum wages are happy, why end this option for them?

- In 2020, the U.S. Commission on Civil Rights called for an end to a subminimum wage because it violates the civil rights protections of people with disabilities. They also found that subminimum wages prevent people with disabilities from realizing their full potential.
- Since 1938, when the law allowing subminimum wages was created, we have learned a lot about how to support people with disabilities. We now know that workers with disabilities, given opportunity and the right supports, can work as well or better than people without disabilities, if a job is customized to their skills and interests and they have a supportive employer.
- Informed decision making:
  - Per the Minnesota Employment First policy, informed decision making needs to be based on experience.
  - People working for subminimum wage are asked questions about whether or not they like where they work, who they work with, getting out of the house, but they are not given the opportunity to experience what it is like to work in an integrated customized job.
  - If they have never done it, how can they decide if they like it? They are not asked “would

you like to make more money” or “would you like to try a different job”.

- Many have not had a true informed choice in employment.
- Pilot projects in Minnesota have demonstrated that when given a choice, based on experience, people choose customized employment over other services.

## What about staffing shortages?

- Eliminating SMW does not negatively impact staffing shortages; they are separate issues.
- Staffing shortages need to be addressed through separate legislation that increases wages for direct support specialists and provides incentives to work in the direct care profession.
- Customized employment will help rebalance the direct support workforce shortage as people are using more natural supports on the job and in community.

## What if my loved one is “not productive enough” to be paid at least minimum wage?

- Subminimum wage jobs are limiting. They can only be jobs/tasks that can be measured.
- If someone is making subminimum wage, then they are in a job that does not meet their skillset.
- If someone cannot do the task, then they should not be in that job. They should be in a job that matches their interests and skill sets.
- There are many jobs that are not based on productivity of building or making widgets that people with disabilities could thrive in, but because subminimum wage jobs must be measured these are the only types of jobs they are offered. This is essentially setting them up for failure and to be stuck in a job that they are not good at.
- [Minnesota Disability Law Center’s research](#) found that over 80% of subminimum wage providers in Minnesota offered only one type of work. If people are limited to one, maybe two types of work, how will they have an opportunity to explore their interests or develop their skills?
- To make an informed choice about employment, the state and service providers must meaningfully offer a variety of options and opportunities to all people with disabilities.
- Subminimum wage employment does not offer choice.

## My loved one doesn’t care about the size of their paycheck, they just like having a paycheck. Why does ending subminimum wages need to be a priority for them?

- When conducting community engagement for the report, the Task Force on Eliminating Subminimum Wages heard from both people with disabilities and their families.
- Families reported in feedback that their loved ones did not care about the size of their paycheck.
- People with disabilities, however, overwhelmingly reported size of income as the most important thing to them.
- Second, part of the issue is a historic reliance on subminimum wages has limited employment options for people with disabilities, concentrated in few industries (light manufacturing, cleaning, etc.).
- Moving to minimum wages pushes our system to support people on individualized employment paths that find what is important to them and what they like to do with their days and build a career around it.
- In addition to increasing the size of paychecks, moving to customized employment improves the quality of the job fit.

## What about people who have never worked in any job except center-based, subminimum wage?



- Most people currently making subminimum wages are of an age where employment services were not offered to them in high school and transition school.
- The assumption by society was their disability made it so most jobs in the community would be impossible for them to do.
- These assumptions have been proven false time and again, and there have been exciting changes in legislation, rules and regulations, and services and supports for people with disabilities.
- Not so many years ago the assumption was people with disabilities could only work under very special conditions, now the assumptions are everyone can work with the right supports and services in place. This is demonstrated by the wide range of activities covered by employment services, as well as people with disabilities getting exposed to work and other related opportunities while they are still in high school and transition school.
- Fortunately, along with the change in assumptions about people with disabilities came improvements to employment supports and services for people with disabilities.
- We know that most people will be successful with customized work and/or meaningful day services.

## How can providers learn about the skills people have for competitive employment if they cannot first observe them in a subminimum wage?

- Our existing employment services through Vocational Rehabilitation Services (VRS) already support this exploration process. There are things like job trials and the discovery process for determining what someone is interested in and what skills they can bring to a job.
- We do not need to pay people subminimum wage to determine what interests or skills they have for community employment.

## What if there are not options for employment supports (other than subminimum wages) in my community?

- In the 2023 legislative session, the legislature provided ongoing funding for counties (lead agencies) to support in the transition.
  - The Minnesota Transformation Initiative (MTI) will provide technical assistance (TA) and consultation to Counties/Tribal Nations to build capacity and reach competitive, integrated employment outcomes for HCBS, ICF/DDs and county-funded program participants.
  - TA with each agency will be tailored to each lead agency and will consist of an assessment and review of current state and desired future state, action plan development and ongoing consultation.
  - Action Plans will include ways for counties to work with local providers to ensure options for employment supports are available in each community.
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- For instance, MTI worked with a small provider in a rural area that only offered center- based work, often below minimum wage.
  - They helped staff get training in evidence-based employment practices and began offering services to help people find and keep integrated, customized, competitive jobs in the community.
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- Organizational transformation, when it is intentional, often results in greater community inclusion and better quality of life for people with disabilities. Research supports this, and providers that have successfully made these transformations have stories demonstrating this.

## How would an end to subminimum wages impact places in greater Minnesota, where there might not be as many supports available or options?

- Providers in greater Minnesota who have stopped using 14(c) have been very successful.
  - Lake County, MN has the highest rate of employment for people with disabilities, per capita, in our state.
- Customized employment will help rebalance the direct support workforce shortage as people are using more natural supports on the job and in community.
- Smaller communities bring the benefits of stronger informal networks. It will be important to use the community resources, relationships, and strengths of local areas across the state in a transition—this is all part of what MTI (the technical assistance center) provides support with.
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  - The Minnesota Transformation Initiative (MTI) will provide technical assistance (TA) and consultation to Counties/Tribal Nations to build capacity, reach competitive, integrated employment outcomes for HCBS, ICF/DD and county-funded program participants.
  - TA is tailored to each lead agency and consists of an assessment and review of current state and desired future state, action plan development and ongoing consultation.
  - MTI will also continue to provide:
    - Intensive and targeted technical assistance for providers
    - Community of practice for providers undergoing transformation
    - Organizational peer-to-peer mentoring
    - Peer-to-peer mentoring for people with disabilities
    - Statewide training on topics related to transformation, resource development and dissemination.
- Investments the legislature made last session in training case management services will help



## Why would an employer hire someone who has significant, disruptive behaviors?

- All our behavior is a form of communication.
- If people have “behaviors”, they are communicating they are not happy. Why would we keep them in settings where they have behaviors, like 14(c) jobs?
- When someone is placed in settings that don’t match their skills or interests, outbursts or negative behavior might feel like the only option people have.
- Finding an environment conducive to someone’s skills and interests can go a long way in reducing behavior issues.
- **We have heard of numerous stories from job developers where a person who previously had “behavior” issues in a center setting, who then got a community job and the behaviors stopped.**
- All of us have bad days. We need to have grace and understanding that people with disabilities have bad days too.
- Part of the role of a job developer is to identify good job matches for a person and a business. Although employers do not want to have a disruptive workplace and manage inappropriate behavior, they are often willing to provide the accommodations and support that employees need to be successful on the job. The key component is finding the right job for the right person.

## My loved one with a disability is safer in their day center. Are community-based jobs more dangerous for them?

- No.
- Community-based jobs are safer.
- The best way to promote safety of people with disabilities is to support inclusion and community integration in all aspects of life—including employment.
- Nancy Fitzsimons, PhD, MSW, LISW, a Professor of Social Work at Minnesota State University Mankato is the lead author of Minnesota’s [Comprehensive Plan for Prevention of Abuse and Neglect of People with Disabilities](#). She reports:
  - People with disabilities experience violent victimization at [rates 3 to 4 times](#) higher than people without disabilities.
  - Segregating people with disabilities in “special” or “sheltered” places has never, nor will ever, afford people labeled as “vulnerable” in our society safety and protection.
  - Everyday reports of abuse, neglect, and exploitation are made documenting harm perpetrated against people with disabilities living and working in disability services settings. These places do not offer people with disabilities special protection from harm.
  - **Factors that contribute to higher rates of harm include systematic devaluation, segregation and isolation, a culture of compliance, and lack of power and control over one’s own life.**
- We have been ***systematically devaluing*** people with disabilities through Section 14(c) of the Fair Labor Standards Act for over eight decades. Through this practice we have marginalized, oppressed, disrespected, impoverished, and thwarted the human potential of generations of Minnesotans with disabilities.
  - These are the very same people we label as “vulnerable”, while ignoring the fact that we, as a society, bear much of the responsibility for creating the conditions that lead to enhanced vulnerability.
- [Self-Determination and Dignity of Risk](#) must be promoted in Minnesota:
  - It is natural to want to protect someone that we care about, but it’s important to not take away someone’s dignity of risk.

- When someone has both self-determination and dignity of risk, they are more likely to become independent.
- Many of the same arguments heard now for reasons to not end subminimum wage were argued during deinstitutionalization. And all of those arguments, assumptions, concerns were deficit-based and ultimately proven wrong.
  - Learn more about the history from resources provided by the Governor’s Council on Developmental Disabilities: <https://mn.gov/mnddc/parallels/index.html>
- People still do not understand what the possibilities are for people with disabilities because we continue to limit them in how our systems are structured. We still have segregation in our society through childcare, playgrounds, pre-K-12<sup>th</sup> grade, higher ed. employment, and housing. [Raising Expectations](#).

## Why can’t we just let this happen naturally, as people “age out” or as providers give up their 14c certificates voluntarily?

- The time is now. We have the necessary resources, allocated by the Minnesota legislature this past session, to support the 4-year phase-out.
- Thanks to the research the Taskforce did, the recommendations they created, and significant, historic, ongoing funding from the Minnesota State legislature to support the transition in 2023, We have the resources, funding, plans, skills and tools to do this successfully.
- This is about preparedness and ensuring the fears and concerns of the providers and parents do not actually come true—we are behind in our preparation and behind in the way of progress for disability rights compared to other states.
  - Some jurisdictions have eliminated subminimum wage employment altogether.
    - Alaska, Hawaii, Maine, Maryland, New Hampshire, Rhode Island, Vermont, Tennessee, and the District of Columbia do not have subminimum wage employment.
    - Other states, including California, Colorado, Delaware, Oregon, and Washington, have set an end date for subminimum wage employment in their state.
    - Illinois and Texas prohibit the payment of subminimum wages in contracts with the state.
  - This is coming at the federal level whether Minnesota is ready or not.
    - Last year a bipartisan bill in both the US House and Senate was introduced: [Transformation to Competitive Integrated Employment Act](#)
      - [Fact Sheet for Ed & Workforce Democrats](#)
      - [Republican Lead Author in the House](#)
- If 14c doesn’t get eliminated through state or Federal legislation, it is highly likely that it could happen through litigation.
  - [Minnesota Disability Law Center’s October 2022 Report](#) discusses what has happened in other states like Oregon (the first class-action lawsuit in the nation to challenge a state funded and administered employment service system, *Lane v. Brown*)

## How many people are paid sub-minimum wages in Minnesota?

- In 2021 there were approximately 6,000 people with disabilities earning less than minimum wage
- [As of March 2024](#), there were approximately 3,180 people with disabilities earning less than minimum wage

## Who is the Coalition for Disability Wage Justice?

Many organizations across the state are advocating for and support the end of subminimum wage. The coalition includes people with disabilities and their family members, service providers, advocacy

organizations, labor unions, state agencies, counties, cities, health plans and many other entities. They include: (this is not an exhaustive list):

- ACCORD
- AFL-CIO
- AFSCME Council 5
- APSE (The Minnesota Association of People Supporting Employment First)
- Autism Society of Minnesota
- Cow Tipping Press
- Dakota County
- Dungarvin Minnesota
- Epic Enterprise
- Family Voices
- Great Work
- Griffin Hammis Associates
- Hennepin County
- Howry Residential Services
- Inclusive Networking
- Institute on Community Integration, The University of Minnesota
- Integrity Living Options
- Kaposia
- Lifeworks
- Mains'l
- MAPE (Minnesota Association of Professional Employees)
- Mid-Minnesota Legal Aid, Minnesota Disability Law Center
- Minnesota Consortium for Citizens with Disabilities (MNCCD)
- Medica
- MNA (Minnesota Nurses Association)
- Multicultural Autism Action Network
- The City of Minneapolis
- Minnesota Council on Disability
- Minnesota Inclusive Higher Education Consortium
- National Federation of the Blind, Minnesota
- NASW (National Association of Social Workers)
- Oaktree Support Services
- Ramsey County
- Reach for Resources
- Residential Services, Inc.
- The City of Saint Paul
- SEIU Healthcare MN & IA
- Strengths@Work, LLC
- The Arc Minnesota
- The Arc Northland
- The Phoenix Residences, Inc.
- UDAC, Duluth

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Legislative Task Force Report  
on Ending Subminimum Wage

