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March 10, 2025

Re: SF 2149

Dear Chair McEwen and members of the Senate Labor Committee,

I am writing to provide testimonial comment on SF 2149. My name is Tim Schmutzer, and I have been the CEO for PHASE-Industries for 17 years. PHASE-Industries is a CARF-Accredited, 245D-Licensed Provider of Day, Employment and Transportation Services, as well as VRS-funded transition & employment services. We provide supports throughout rural east-central and southwestern MN. For decades, we relied on our 14(c) Certificate, deeming it a necessary accommodation in the course of helping individuals with disabilities successfully prepare for, attain and maintain paid employment. At one point, more than 200 individuals we supported were earning a Special Minimum Wage.

In 2022, we voluntarily made the decision to end our payment of Special Minimum Wages and relinquish our 14(c) Certificate. We successfully did so on 8/1/23. We made this choice, not simply because we were concerned about an imminent end to 14(c) through legislative action, but because our stakeholders, as a whole, thematically asked for more when it came to employment supports and outcomes, and advances in field technologies and best practices evolved to the point where more relevant and effective accommodations & practices became available.

The creation of employment services offered within Waivered Services meant long-term supports became available in helping individuals successfully pursue, attain and maintain competitive integrated employment. Advances in best practices & field-technologies, along with training/supports, such as ACRE-Certified Customized Employment/Discovery Training, Community Life Engagement (CLE) Curricula, and MTI/ICI intensive guidance were pivotal in making the transition from commensurate to competitive wages.

Importantly, your investments during a previous session in Provider Transition Grants created the exact short-term funding and expert technical assistance support (through MTI) to help us successfully transition nearly 200 individuals from subminimum wages to competitive wages. If SF 2149 were to pass, similar short-term, one-time investments are critical to achieving the intended outcomes of the bill.

The considerations, as well as the implications, contained in eliminating Commensurate Wage Certificate availability in Minnesota are multi-dimensional, complex and significant. Your decision, or vote, directly and personally affects individuals with disabilities across all Minnesota communities. I implore you to delve thoughtfully, openly and deliberately below the presumptive dichotomous nature of the question, and consider how, if passed, Minnesotans with disabilities can expect their systems of support to offer more meaningful occupational opportunities as a result. Your Committee must address this question in its deliberations; a confident, fact-based, affirmative answer, if one is reached, will help guide your decision on if this is the right time, in all Minnesota communities, to legislatively eliminate the Commensurate Wage Certificate.



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In the course of your considerations, I wanted to share a provider experience in which it was possible to successfully make the transition, continue to provide employment & employment support opportunities, and ensure no one, regardless of the level of support they may have required based on their disability, was left behind. For me, personally, that was my biggest concern. I couldn't stand the thought that those who have historically been least heard, and whose voices have been underrepresented, even in the disability community at times, would be left behind or left sitting at home with no employment or occupational options as a result of relinquishing 14(c). I am happy to state, this did not happen. But, it did (and does) require an engaged and concerted provider & community strategy, including clear intentionality, creative and financially-supported transition design & planning, a compelling purpose for transitioning away from 14(c), and creative paradigm-shifting away from seemingly intractable historical models of services to achieve success. I can only speak for our services, with our team, serving citizens in our region of the state. That said, many examples of successful provider transitions exist in Minnesota, and we just happen to be one of them.

Thank you for your thoughtful consideration and debate on this important issue.

Respectfully,

Tim Schmutzer, CEO
PHASE-Industries