# Minnesota State SealSubcommittee on Employee Relations Legislative Coordinating Commission

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Date: March 11, 2019

To: Members of the Subcommittee

From: Greg Hubinger

Re: SEIU Labor Contract summary

Minnesota Management and Budget (MMB) and the Department of Human Services (DHS) have negotiated a new agreement with SEIU Healthcare Minnesota (“SEIU”) regarding the collective bargaining agreement for Direct Support Workers. This contract is for FY 20-21.

**Background**

The 2013 Legislature provided the right of individual providers of direct support services in covered programs to organize and bargain regarding the terms and conditions of their employment (Session Laws Chapter 128, Article 2). For purposes of collective bargaining, MMB is considered the employer. The individual provider is employed by the program participant, i.e. the individual with a disability or senior who is receiving the services. The program participant retains the right to hire, fire, and direct the employment of the individual provider.

**Covered individual providers.** Only individual providers providing services under the following programs are in the bargaining unit and covered by this contract:

* Personal Care Assistance (PCA) Choice: PCA is a state plan Medical Assistance service. PCA Choice is a model of PCA services that allows service participants to direct their own care, including hiring, supervision and training of their individual providers.
* Consumer Support Grant (CSG): This program is a state-funded alternative to Medical Assistance that allows people to use a cash grant to purchase services and supports as an alternative to personal care assistance or home care nursing services.
* Consumer Directed Community Support (CDCS): This is a service option under the Medical Assistance disability waivers, Elderly Waiver, and Alternative care programs that allows people to direct their own services.
* Extended Personal Care Assistance paid through the waivers and Alternative Care: People using a disability waiver or Elderly Waiver may purchase additional PCA services beyond what is paid for through state plan Medical Assistance through the waiver.

DHS estimates there are approximately 29,000 individual providers of services in the covered programs.

**Contract**

A copy of the collective bargaining agreement in legislative format is available at: <https://www.ser.leg.mn/contracts/20-21/SEIU-HCMN-TA-20-21.pdf>

**Financial provisions**

1. Effective July 1, 2019, increase the minimum hourly wage for all individual providers from current level of $12 per hour to $13.25 per hour.
2. Increase paid time off (PTO) accrual rate from current rate of 1 hour per 43 hours worked to 1 hour per every 40 hours worked. A Provider must work either: a) at least 600 hours; or b) six months, whichever comes first, to be eligible to use Paid Time Off. A Provider may waive PTO for alternative use by the Participant. The ability to waive PTO accruals or to use PTO after six months but prior to 600 hours expires June 30, 2020.

A Provider continues to be able to carry over 80 hours of PTO from one year to the next, and may cash out up to 80 hours on termination.

1. Providers are eligible for pay at 1.5 times their hourly wage for work on Thanksgiving and Memorial Day, and make permanent these specified holidays: Labor Day, New Year’s Day, and Rev. Dr. Martin Luther King Jr. Day.
2. In addition to the current funding of $250,000 per year for Provider training, an increase from the current level of $56,000 to $125,000 one-time funding in FY 20 and 21. In FY 20, reduce one-time funding of $2.5 million to $750,000 for stipends of $500 for up to 1,500 Providers who complete designated voluntary training made available through or recommended by the State Provider Cooperation Committee.

**Other negotiated contract terms**

1. Beginning in July 1, 2019, increased financial incentives for Providers who complete designated training, and provide services to Participants eligible for twelve or more hours of PCA each day will include a 7.5% increase to the rate for personal care assistance services and to the budgets of participants using Consumer Directed Community Supports or Consumer Support Grant programs.
2. When the provider attends orientation sessions in person, the Union has the opportunity to discuss worker’s rights and responsibilities, collective bargaining, and the provisions of the contract.
3. Clarify requirement that the State is to provide a list of all Fiscal Intermediaries with contact information to the Union on a monthly basis.

**Continuing contract terms**

These contract terms continue:

1. The State (MMB) is recognized as the employer for purposes of bargaining only. Individual providers are not state employees with respect to payroll or eligibility for benefits.
2. The parties may agree to amend the contract. (Similar provision to other state labor contracts.)
3. Affirms program participant’s right to select and terminate employment of individual providers.
4. Requires that the State require Fiscal Intermediaries to implement all the terms of the dues-checkoff authorizations submitted by the Union and agreed to by the individual provider.
5. Requires that the State require Fiscal Intermediaries to provide the Union with a list with information on individual providers, including name, address and phone number, hours paid and wage rate, paid time off account balance, and amount of union dues deducted.
6. Includes a grievance and dispute resolution mechanism, including binding arbitration.
7. The State and the Union operate a labor management committee, the State Provider Cooperation Committee, with the authority to make recommendations regarding training for Individual Providers.
8. Provides that individual providers may not be required to pay for the costs of background checks.
9. The new contract is effective July 1, 2019. The contract continues in effect during subsequent negotiations, and unless either party provides not less than ten calendar days’ notice of termination.
10. The economic provisions of the contract are subject to the legislative appropriations process.

**Estimated Costs**

MMB and DHS estimate that the proposed contract will have these costs to the State:

FY 20: $16,676,000

FY 21: $19,444,000

The rates negotiated in this contract apply to all services provided by direct support workers in PCA, CDCS or CSG. The costs in the table reflect all costs, not just for those who belong to the bargaining unit.

Please contact me if you have any questions.