



March 29, 2023

The Honorable Mohamud Noor
Minnesota House of Representatives
379 State Office building
St. Paul, Minnesota 55155

Re: HF2847

Members of the House Human Services Finance Committee:

I am submitting this letter in opposition to lines 1.7 – 1.15; 18.15 – 18.23; 38.12 – 39.18; 62.3 – 62.8; and all associated appropriations for the following reasons.

- Most importantly, the attached DEED WIOA, Section 511 Data report shows that 4,800 (90.2%) of the 5,321 people earning a special minimum wage statewide do not want to pursue minimum wage work.
- Also attached is a letter from two distinguished scholars serving on the Civil Rights Commission urging you to oppose the elimination of 14c and reporting that 98% of the 9,700 comments submitted asked that it be protected.
- In the last two weeks there have been four articles on the special minimum wage in the Star Tribune each with public comments. If you tally those 107 comments expressing a for or against position, 85% opposed elimination.
- You were provided a position statement from the NCSA that cites three authentic and independent research studies concluding that eliminating 14c does not result in an increase in minimum wage jobs and most people are sitting at home.
- People earning a special minimum wage have their living and medical expenses covered by Medicaid and any increase in wages will be offset by a reduction in their SSI/SSDI benefit and so federal dollars are being replaced by MN taxpayer dollars with little benefit to the clients.
- Finally, in the last two hearings you've heard from 4 family members opposing the elimination of 14c, 1 a distinguished economist explaining the need for the special minimum wage to promote employment equity, 1 asking you to honor informed choice, and 2 explaining how their loved ones had to find another day program when their provider discontinued their 14c certificate and could not find them a minimum wage job.

Repeatedly you've been told by the proponents of eliminating the special minimum that nothing will change for these clients except that day programs will be required to pay at least a minimum wage without explaining how that will happen. We've heard them say that our business partners will readily accept a cost increase of 33% - 50% to pay clients not producing at a nondisabled rate a minimum wage and that simply will not happen. We've also heard they believe brokers are making a commission connecting businesses to day programs and that is not happening at Merrick. Some have said the Executive Directors at day programs are making an egregious salary and I can tell you that having worked at Merrick for 25 years I made less in 2022 than the Executive Director of Arc MN who has been there less than 4 years. At Merrick we are not profiting on the work completed by our client workforce and most production revenue is paid out to them as wages. Said another way, there is no excess at Merrick to cover the difference between a special minimum wage and the state's minimum wage.

We've also heard that \$47M is being appropriated in the next biennium for DHS to subsidize the difference between the special minimum wage of all 5,321 workers and some wage not specified; and this does not include their bureaucratic costs to administer such a program. There are no details on how this funding will be calculated, distributed, or tracked; so why haven't the proponents explained why they want you to just give \$47M to DHS? Mostly because they are clueless and also because they have an insidious and heartless endgame in mind. They are confident there won't be a \$17B excess in the next biennium and so this fund would not be approved in the 2026 session which syncs nicely with their objective to end special minimum wages by 8/1/26. So, while they may buy 2 years of increasing wages, they will "pull the rug out" from these workers in 2026 when all these jobs disappear.

The special minimum wage 14c certificate and processes are complex and difficult for most to fully understand. What is simple to understand is that these nearly 6,000 people with I/DD and their families have made an informed choice twice each year since 2016 to earn a special minimum wage and I call on you to honor that choice.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Wayne Barker". The signature is stylized and cursive.

John Wayne Barker
Executive Director
Merrick, Inc.