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LOCAL

In historic shift, Minnesota pushes to abolish subminimum wages for people with disabilities

More than 4,000 Minnesotans with disabilities earn less than the minimum wage — often in mundane jobs with little hope for advancement

By Chris Serres (<https://www.startribune.com/chris-serres/6370536/>) Star Tribune |

MARCH 12, 2023 — 3:30PM

Todd Beck once thought he would spend his entire career sorting through metal garbage at a warehouse-like center in northern Minnesota where he was paid based on how quickly he emptied barrels of discarded tin.

But his life took a dramatic turn a few years ago when staff at the Lake County Developmental Achievement Center for adults with disabilities asked about his dreams for the future. Beck, who has an intellectual disability, opened up about his desire for more rewarding work in the community, something that better fits his social personality.

Now, with help from employment specialists, Beck has become something of a celebrity in his hometown of Two Harbors. He earns more than \$12 an hour stocking the shelves and the cooler at the local Holiday gas station, where residents know him by his first name and regularly invite him to dinner. "Before, I didn't know what was out there," said Beck, who is 49. "I love everything about my work now."

Beck is among hundreds of Minnesotans with disabilities who are reaping the benefits of a historic shift from segregated workplaces that pay people less than the minimum wage, a model of employment that long has been decried as [outdated and discriminatory](https://www.usccr.gov/files/2020/2020-09-17-Subminimum-Wages-Report.pdf). (<http://chrome-extension://bdfcnmeidppjeaggnmidamkiddifkdib/viewer.html?file=https://www.usccr.gov/files/2020/2020-09-17-Subminimum-Wages-Report.pdf>).

[A bill introduced \(https://www.revisor.mn.gov/bills/bill.php?view=chrono&f=HF2513&y=2023&ssn=0&b=house\)](https://www.revisor.mn.gov/bills/bill.php?view=chrono&f=HF2513&y=2023&ssn=0&b=house) this month would abolish subminimum wages for people with disabilities by August 2025, while providing millions of dollars to assist centers in helping people find jobs in the mainstream workforce. If enacted, the legislation would unleash dramatic changes at about [70 day and employment centers \(https://www.dol.gov/agencies/whd/workers-with-disabilities/section-14c/certificate-holders\)](https://www.dol.gov/agencies/whd/workers-with-disabilities/section-14c/certificate-holders) — also known as "sheltered workshops" — across the state that benefit from a special loophole in federal labor law that allows them to pay disabled workers below the federal minimum wage.

Despite efforts to expand employment options for people with disabilities, Minnesota has the third highest number of workers earning subminimum wages in the nation — behind California and Pennsylvania — and the highest as a percentage of the population. From 4,000 to 4,800 Minnesotans earned subminimum wages in 2022, according to [a recent legislative report \(http://chrome-extension://bdfcnmeidppjeaggnmidamkiddifkdib/viewer.html?file=https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-8397-ENG\)](https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-8397-ENG) by a state task force.

Many of these workers are stuck in menial jobs, such as sorting garbage or packing boxes, and are paid based on their productivity. This piece-rate system often amounts to just cents per hour.

"Fundamentally, this is a civil rights issue," said Natasha Merz, assistant commissioner at the Department of Human Services (DHS), which supports the shift away from subminimum wage work. "Work is one of the main ways that humans create community ... and if we only rely on service models that have the tendency to isolate and segregate people, then we're cutting off their opportunity to be fully contributing members of society."



DAVID JOLLES, STAR TRIBUNE

At the start of his job shift at Pizza Hut, Josh Brady, 28, prepares for his task of counting out and bagging boneless chicken wings as his

The practice of paying subminimum wages began in the Great Depression when there were few employment options for people with disabilities. But in recent years, the practice has come to be seen as exploitative and a violation of civil rights under the landmark [Americans with Disabilities Act \(https://www.google.com/search?q=americans+with+disabilities+act&rlz=1C1GCEB_enUS866US866&oq=Americans+with+Disabilities+Act+&aqs=chrome.0.0i271j0i512j69i57j0i512j46i8_0of1990](https://www.google.com/search?q=americans+with+disabilities+act&rlz=1C1GCEB_enUS866US866&oq=Americans+with+Disabilities+Act+&aqs=chrome.0.0i271j0i512j69i57j0i512j46i8_0of1990). A Star Tribune investigation (<https://www.startribune.com/a-matter-of-dignity-a-five-day-special-report/339820912/>) in 2015 found that many of those in Minnesota's workshops spend years toiling in poverty, with little opportunity for advancement or interaction with the broader community.

State policy has perpetuated subminimum wage work by funneling tens of millions of dollars annually in Medicaid funds toward scores of sheltered workshops, also known as center-based work. In the last fiscal year, the state Department of Human Services spent \$41 million in facility-based employment supports, or about \$5,500 per person served, according to the agency's most recent data.

For years, disability rights activists have called for the elimination of subminimum wage work, though measures have stalled amid fears that it would lead to the closure of day support centers. In many communities, these centers are bustling hubs of activity that provide the stability of routine, where people with a range of disabilities receive therapy and participate in group projects.

Some Minnesota disability employment agencies say fears of shuttered centers are exaggerated and that it's possible for workshops to shift away from subminimum wage work while maintaining robust support services for people who want them.

[Lifeworks Services \(https://www.lifeworks.org/\)](https://www.lifeworks.org/), a Richfield-based nonprofit and one of the state's largest disability service providers, moved away from piece-rate work in the spring of 2017, dropping its [special labor certificate \(https://www.dol.gov/agencies/whd/workers-with-disabilities/section-14c/certificate-holders\)](https://www.dol.gov/agencies/whd/workers-with-disabilities/section-14c/certificate-holders). The provider asked clients about their career aspirations and then asked the 17 businesses that partner with the agency to pay a competitive wage. All but two of the businesses agreed.

The results of the multi-pronged effort have been "a beautiful thing," according to Lifeworks President Gertrude Matemba-Mutasa.

Since the change, Lifeworks has helped find more than 1,000 new jobs paying at or above minimum wage in integrated employment settings. Instead of spending hours stuffing envelopes or packing boxes, adults with disabilities are working as retail clerks, veterinary assistants and auto technicians — jobs where they interact more with the community, the agency said.

"We really wanted to get rid of that phenomenon of low expectations," Matemba-Mutasa said.

Kirk Langsjoen, who has a developmental disability, is among those who have benefited from this dramatic shift. Five years ago, he was paid based on the number of labels he was able to stick on coffee bags per hour. His pay fluctuated wildly based on conditions that were outside of his control, such as the speed of his coworkers. At times, he made as little as \$20 for a four-hour shift.

His employer, Peace Coffee, has a contract with Lifeworks. And when the nonprofit shifted away from piece-rate work, Peace Coffee agreed to retain Langsjoen in the same job at more than \$10 an hour. "I personally feel that piece rate is discriminatory," said Langsjoen, 40. "There is a job out there for everybody, and we shouldn't be judging people based on their disability."

Employment in subminimum wage jobs has been ebbing for the past decade, driven by changing societal attitudes and laws. In 2014, Congress overwhelmingly passed legislation, known as the [Workforce Innovation and Opportunity Act \(https://www.dol.gov/agencies/eta/wioa\)](https://www.dol.gov/agencies/eta/wioa), requiring that young people be evaluated for regular work in the community before being steered to subminimum-wage labor. Nationally, the number of people working for employers authorized to pay the lower wage has fallen from nearly 300,000 in 2010 to 122,000 in 2019. Most earn less than \$3.50 an hour, according to [a recent federal report \(https://www.dol.gov/agencies/eta/wioa\)](https://www.dol.gov/agencies/eta/wioa).

"I don't want my son growing up in a world where being treated as less-than full human beings is accepted," said Larissa Beck, who has an 11-year-old son with autism and is director of community living at [a nonprofit \(https://www.reachforresources.org/about/staff/\)](https://www.reachforresources.org/about/staff/) that helps adults with disabilities find mainstream work. She is not related to Todd Beck.

For Josh Brady, 28, who is blind and has a cognitive disability, finding a competitive-wage has been life changing. After high school, he was assigned to a work crew composed of other adults with disabilities that sorted clothes at a discount store. Yet Brady, who is unusually sensitive to noise and commotion, said he found the job "a little scary and very difficult." The pay was so low — less than \$1 per shift — that he doesn't recall getting a paycheck.

Last March, with the help of a state vocational rehabilitation program, Brady landed a job that pays nearly \$12 an hour at a Pizza Hut in Hopkins. On a recent afternoon, he made his way through the restaurant with his guide cane and immediately went to work sorting chicken wings and other food for the dinner rush

Now, with the money saved from his new job, Brady can take trips on his own to see his relatives in Illinois and has plans to visit Disney World this spring. "I can go places — anywhere!" Brady said. "It feels really good to have a job."

As for Beck, he continues to sort metal for recycling at the Lake County DAC most days, where he has built close friendships over 25 years there. Yet his morale improved significantly when he began his better-paying job at the Holiday station. He's even thinking about the next step. A lifetime sports fan and assistant football coach with a talent for remembering statistics, Beck can imagine himself as a play-by-play announcer.

"It really makes me happy just knowing..." he said, his voice trailing off as he searched for the right words. "Just knowing that I have options."

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