

February 26, 2025

Chair Joe Schomacker
2nd Floor Centennial Office Building
St. Paul, MN 55155

Dear Chair Schomacker:

As unions that represent nursing home workers across the state, we write to oppose HF500 which would eliminate the Nursing Home Workforce Standards Board (NHWSB). The nursing home sector faces a workforce crisis that long pre-dates the COVID-19 pandemic. This crisis will not be solved unless we provide for a broad-based increase in basic wages and benefits. By providing for time-and-a-half on holidays and setting industry wide minimum wages, the Board is already taking steps to lift worker wages and draw more workers into the industry. The legislature should not put these hard won gains at risk.

Higher wages and benefits like these only happen when we give workers a seat at the table and the ability to help set minimum standards for their industry. We think this crisis has been caused in part by the lack of adequate opportunities for workers to have a say in setting industry workforce standards. In 2022, the Minnesota AFL-CIO adopted a convention resolution in support of Labor Standards Boards. By establishing the Nursing Home Workforce Standards Board, Minnesota took a nationally recognized role to give more workers a greater voice over their standards of work. Simply adding new money to the current system won't produce the systemic changes we need to fix the problem. Creating the Board with the power to set standards gave workers the tools they needed to help fix their industry.

Members from all of our unions joined non-union nursing home workers in the robust public input process that the Board used to adopt its new standards. Workers around the state spoke out for the holiday pay and minimum wages that this bill would eliminate. Please vote no on this bill.

Sincerely yours,

AFSCME Council 5
AFSCME Council 65
SEIU Healthcare MN & IA
UFCW Local 1189
USW District 11

February 26, 2025

Dear Members of the Human Services Committee:

On behalf of the underlined organizations, we collectively support Representative Zeleznikar's House File 500, a repeal of the Nursing Home Workforce Standards Board (NHWSB).

The NHWSB was enacted into session law Chapter 53, Article 3 under Minnesota Statutes Chapter 181. The Board was provided with broad authority from the legislature to impart rules and mandates on nursing home facilities without a financial appropriation. This authority was managed through expedited rulemaking. With expedited rulemaking the Board could bypass public hearing obligations, ignore requests for a statements of need and reasonableness of the promulgated rules, and ignore the perspective of nursing home operators.

An analysis by the Board and the Department of Human Services provided an inaccurate estimate of the costs which would be placed on nursing facilities. As a result, the required appropriation being reported to the legislature is a significant understatement of the actual costs – another cost that providers will have to absorb at the time while waiting two years for Medicaid rates to reflect the impact.

Nursing home operators are already stretched thin, adding another line of credit is not an option for some facilities.

Additionally, the Holiday Pay Rule was published in the December 9, 2024 edition of the State Register for an effective date of January 1, 2025. This afforded operators just three weeks to become compliant, with the first holiday being January 1, 2025 according to the Holiday Pay Rule.

It is our opinion that the Board's statutory construction is inherently flawed and merits urgent, significant legislative remedy. House File 500 is an opportunity to bring that process back under the authority of the legislature.

Please support House File 500.

Signed,



Feb. 26, 2025

TO: Human Services Finance Committee

CC: Rep. Natalie Zeleznikar, Rep. Paul Torkelson

RE: HF500



Mr. Chair and members of the Committee:

My name is Candas Schouvieller, and I am the Administrator and C Candas Schouvieller EO of Oak Hills Living Center in New Ulm, Minnesota. Thank you for the opportunity to testify today in support of HF500.

Oak Hills is a senior living community that provides both nursing home, assisted living, short-term rehab, and home care. We have deep roots in our town and a commitment to serving the New Ulm community. Oak Hills is a stand-alone non-profit organization. We are community owned and are one of the few independently owned facilities left in Minnesota.

Oak Hills has worked extremely hard to build a talented team of staff. We have very committed and dedicated staff that have many years of experience and service with Oak Hills. We have high satisfaction surveys showing that we continue to invest in our staff and residents.

I support HF500 because this Board has not taken my concerns, nor those of my peers, into account. We invited the Nursing Home Workforce Standards Board to our facility for a tour and meeting in 2024. I thought we had a respectful conversation about the role of the state in funding wages and the need for access to care in rural communities. Imagine my surprise and disappointment to see rules finalized with such little regard for nursing homes and communities like ours. Three weeks. That's all the time they thought we deserved to implement a new mandate.

We estimate the costs of these mandates to be at least \$723,320 per year, and there is simply no way to make that math work without funding from the Legislature. These unfunded mandates would have a detrimental impact on our operations and would cause us to either completely drain our reserves or take out a loan to fund this deficit until we start seeing increased reimbursement rates 18 months down the road.

My plea is simple: listen to your local nursing home. We cannot absorb these costs on our own. Do not allow these mandates to go into effect without upfront funding to pay for them.

Respectfully,

Candas Schouvieller

Candas Schouvieller, LHNA, LHSE
Administrator, Oak Hills Living Center



February 26, 2025

Testimony of David Madland
Center for American Progress Action Fund
Written testimony in opposition to HF 500, repealing the Nursing Home Workforce Standards Board

To the members of the Minnesota House Human Services Finance and Policy Committee:

My name is David Madland. I am a senior fellow at the Center for American Progress Action Fund, a progressive education and advocacy organization dedicated to improving the lives of Americans.

I have researched and written extensively about labor and employment policies, including standards boards, a policy that is featured in my most recent book, *Re-Union: How Bold Labor Reforms Can Repair, Revitalize, and Reunite the United States*, published by Cornell University Press.

I want to explain why I oppose HF 500, repealing the Nursing Home Workforce Standards Board.

The Nursing Home Workforce Standards Board is a promising policy for nursing home workers and employers in Minnesota and can help address some of the challenges the industry and workers face, including staffing shortages, low wages and poor job quality. The board has already taken significant steps to improve the nursing home industry by raising wages and developing trainings.¹

Workforce standards boards are a type of standard-setting body that can go by a number of names, including industry councils, workers boards, and wage boards.² However, what unites them is that they bring together representatives from the workforce and their employers in an official capacity, along with government representatives, to help set and

¹ David Madland, "Industry Standards Boards Are Delivering Results for Workers, Employers, and Their Communities," (Washington, DC: Center for American Progress, 2024), available at <https://www.americanprogress.org/article/industry-standards-boards-are-delivering-results-for-workers-employers-and-their-communities/>

² Kate Andrias, David Madland, and Malkie Wall, "Workers' Boards: A Brief Overview," Center for American Progress, December 11, 2019, available at <https://www.americanprogress.org/article/workers-boards-brief-overview/>.

enforce workplace standards that cover all workers in a particular industry and geography—for example, domestic workers in Seattle or farm workers in New York.³

Standard-setting bodies can benefit both workers and employers, as well as the public. These boards can help workers come together and gain a stronger voice to advocate for themselves and help push an industry forward. Employers, meanwhile, gain a forum to discuss issues with workers and other firms in their industry; and raising standards across an industry creates a level playing field for all firms in the industry. This ensures fair competition and makes it more likely that these gains for workers will be sustainable.

These councils or boards create a forum for workers, employers and the government to discuss a range of workplace issues such as wages, working hours, and other working conditions. Workers have significant insights into working conditions, and standards boards take advantage of that expertise by giving them as strong a voice as employers. By engaging in discussions about overlapping issues, and their enforcement, workers, management, and the government can often arrive at holistic solutions more effectively than can legislation that targets single issues.

The process of workers exercising their rights and pushing for higher standards can help unify workers and drive the industry ahead. Engaged and organized workers are also critical to effectively enforcing minimum standards. Workers and their representatives know from their day-to-day experience whether the standards they establish are being upheld, helping improve compliance.⁴ Furthermore, empowered workers are essential to ensuring that workers are actually able to come forward to report violations and ensure compliance.

As standards boards raise wages and standards for all workers, they can also help close racial and gender pay gaps as well as address geographic imbalances. Measurable standards that apply industrywide ensure that all workers, regardless of race, gender, or disability status, earn fair wages under better conditions, reducing opportunities for discrimination.⁵

Compared with setting standards on an employer-by-employer basis, worker standards boards promote similar compensation for similar work. This encourages firms to compete based on productivity and innovation rather than low compensation.⁶ It also creates a

³ Kate Andrias, David Madland, and Malkie Wall, “Workers’ Boards: Frequently Asked Questions,” Center for American Progress, December 11, 2019, available at <https://www.americanprogress.org/article/workers-boards-frequently-asked-questions/>.

⁴ Janice Fine and Jennifer Gordon, “Strengthening Labor Standards Enforcement through Partnerships with Workers’ Organization,” *Politics & Society* Vol. 38 (Issue 4) (2010): pp. 552 – 585, available at <https://journals.sagepub.com/doi/10.1177/0032329210381240>.

⁵ David Madland and Alex Rowell, “Combating Pay Gaps with Unions and Expanded Collective Bargaining” (Washington, DC: Center for American Progress Action Fund, 2018), available at <https://www.americanprogressaction.org/article/combating-pay-gaps-unions-expanded-collective-bargaining/>.

⁶ David Madland, “How to Promote Sectoral Bargaining in the United States” (Washington, DC: Center for American Progress Action Fund, 2019), available at <https://www.americanprogressaction.org/article/promote-sectoral-bargaining-united-states/>.

level playing field and ensures that high-road firms that provide good wages and benefits are not undercut by low-road companies.

Standards boards have proven successful in cities and states throughout the country. A handful of states—most notably, New York and California—have had wage board laws on their books for nearly a century.⁷ In fact, in 2015, the state of New York used its law to convene a board to raise wages for fast-food workers.⁸ Since 2018, industry standards boards or similar bodies have been adopted by six states (California, Colorado, Michigan, Minnesota, New York, and Nevada) and three cities (Seattle, Detroit, and Philadelphia).⁹ The bodies have already proven effective at raising pay and other standards, building worker power, and creating coalitions to improve industries.¹⁰

Minnesota's Nursing Home Workforce Standards Board is helping build a new participatory model to improve nursing home work in Minnesota. Repealing it would be a mistake.

⁷ New York Labor Law, §655, available at <https://law.justia.com/codes/new-york/2012/lab/article-19/655/>; California Labor Code, §§1171-1207, available at https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=LAB&division=2.&title=&part=4.&chapter=1.&article.

⁸ Order of New York Labor Commissioner on the Report and Recommendations of the 2015 Fast Food Wage Board, September 2015, available at <https://www.governor.ny.gov/sites/default/files/atoms/files/FastFood-Wage-Order.pdf>. See also David Cooper, "Raising the New York state minimum wage to \$15 by July 2021 would lift wages for 3.2 million workers" (Washington, DC: Economic Policy Institute, 2016), available at <https://www.epi.org/publication/raising-new-york-state-minimum-wage-to-15/>.

⁹ David Madland, "Industry Standards Boards Are Delivering Results for Workers, Employers, and Their Communities," (Washington, DC: Center for American Progress, 2024), available at <https://www.americanprogress.org/article/industry-standards-boards-are-delivering-results-for-workers-employers-and-their-communities/>.

¹⁰ Ibid.