

**Subject** PCA/CFSS labor agreement between the state of Minnesota and SEIU Healthcare Minnesota and Iowa

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### Overview

This bill includes the language and appropriations necessary to enact the provisions of the labor agreement between the state of Minnesota and SEIU Healthcare Minnesota and Iowa for individual providers of direct support services.

The direct support services include the personal care assistance (PCA) choice program, community first services and supports (CFSS) budget model, and consumer-directed community supports (CDCS) and extended state plan PCA services available under the medical assistance (MA) home and community-based waivers and the alternative care program.

### Summary

| Section | Description |
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| 1 | <p><b>Minnesota caregiver defined contribution retirement fund trust.</b></p> <p>Amends § 179A.54, by adding subd. 12. Authorizes the state and an exclusive representative to establish a joint labor and management trust, referred to as the Minnesota Caregiver Defined Contribution Retirement Trust Fund, for the exclusive purpose of creating, implementing, and administering a retirement plan for individual providers of direct support services who are represented by the exclusive representative. Requires the state to make financial contributions to the trust pursuant to a collective bargaining agreement. Specifies uses of the state financial contributions. Requires a board of trustees to jointly control the trust. Prohibits the trust from being an agent of either the state or the exclusive representative. Allows a third-party administrator, financial management institution, other appropriate entity, or any combination thereof to provide certain services to the board of trustees. Authorizes the state to purchase liability insurance for members of the board of trustees appointed by the governor. Prohibits financial contributions to or</p> |
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| Section | Description  |
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|         | participation in the management or administration of the trust from being considered an unfair labor practice.<br><br>Provides a July 1, 2025, effective date.   |
| 2       | <b>Enhanced rate.</b><br>Amends § 256B.0659, subd. 17a. Effective January 1, 2026, or upon federal approval, whichever is later, increases the PCA enhanced rate (from 107.5 percent to 112.5 percent) paid for services provided to persons who qualify for ten or more hours of PCA services per day when provided by a PCA who meets certain criteria.<br><br>Provides an immediate effective date.   |
| 3       | <b>Enhanced rate.</b><br>Amends § 256B.85, subd. 7a. Effective January 1, 2026, or upon federal approval, whichever is later, increases the CFSS enhanced rate (from 107.5 percent to 112.5 percent) paid for services provided to persons who qualify for ten or more hours of CFSS services per day when provided by a support worker who meets certain criteria.<br><br>Makes this section effective the day following federal approval.  |
| 4       | <b>Determination of CFSS service authorization amount.</b><br>Amends § 256B.85, subd. 8. Effective January 1, 2026, or upon federal approval, whichever is later, modifies the information on which the CFSS service budget for budget model participation is based.<br><br>Provides an immediate effective date.  |
| 5       | <b>Support workers requirements.</b><br>Amends § 256B.85, subd. 16. Effective January 1, 2026, or upon federal approval, whichever is later, allows CFSS to qualify for an enhanced budget if the support worker providing the services meets specified criteria.<br><br>Makes this section effective the day following federal approval.  |
| 6       | <b>Payment rates; component values.</b><br>Amends § 256B.851, subd. 5. Effective January 1, 2026, or upon federal approval, whichever is later, modifies CFSS implementation components and worker retention components. Effective January 1, 2027, or upon federal approval, whichever is later, establishes CFSS implementation components for support workers who meet specified criteria related to number of hours of PCA services provided.<br><br>Provides an immediate effective date. |

| Section | Description   |
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| 7       | <p data-bbox="318 264 786 296"><b>Payment rates; rate determination.</b></p> <p data-bbox="318 310 1425 499">Amends § 256B.851, subd. 6. Includes PCA provider agency claims in the requirement to incorporate the worker retention component. Requires the commissioner to increase the CFSS budget model authorization for CFSS participant-employers employing individual providers who meet specified criteria and to determine the amount and method of the authorization increase.</p> <p data-bbox="318 537 1403 646">Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner to notify the revisor of statutes when federal approval is obtained.</p>   |
| 8       | <p data-bbox="318 688 1122 720"><b>Budget increase for consumer-directed community supports.</b></p> <p data-bbox="318 737 1395 846">Effective January 1, 2026, or upon federal approval, whichever is later, requires the commissioner to increase CDCS budgets under the home and community-based waivers and alternative care program by 0.13 percent.</p> <p data-bbox="318 884 808 915">Provides an immediate effective date.</p>  |
| 9       | <p data-bbox="318 957 1256 989"><b>Enhanced budget increase for consumer-directed community supports.</b></p> <p data-bbox="318 1005 1425 1157">Effective January 1, 2026, or upon federal approval, whichever is later, requires the commissioner to increase the CDCS budget exception percentage under the home and community-based waivers and alternative care program from 7.5 percent to 12.5 percent.</p> <p data-bbox="318 1194 808 1224">Provides an immediate effective date.</p>  |
| 10      | <p data-bbox="318 1266 1297 1335"><b>Stipend payments to SEIU Healthcare Minnesota and Iowa bargaining unit members.</b></p> <p data-bbox="318 1352 1425 1696">Requires the commissioner to issue stipend payments to collective bargaining unit members as required by the labor agreements between the state of Minnesota and SEIU Healthcare Minnesota and Iowa. Defines the term “subtraction” for purposes of this section. Specifies the amount of the stipend payments received by collective bargaining unit members is a subtraction and is excluded from income for purposes of determining income eligibility for property tax refunds. Prohibits stipend payments from being considered income, assets, or personal property for purposes of determining or recertifying eligibility for various economic assistance, housing assistance, child care assistance, and health care programs.</p> <p data-bbox="318 1734 808 1759">Provides an immediate effective date.</p> |

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| 11-14 | <b>Appropriations.</b> |
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Appropriates various amounts in fiscal years 2026 and 2027 from the general fund to the commissioner of human services for:

- health care cost stipends;
- training stipends;
- an orientation program; and
- the Minnesota caregiver defined contribution retirement fund trust.



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