



The Family Support Coalition of New Jersey

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March 11, 2016

Dear XXX,

(Sent to all Senate and Assembly Budget committee members)

Members of the Family Support Coalition of New Jersey (FSC) consist of families who care for a family member with an intellectual/developmental disability (I/DD) and provider agencies who serve this population in New Jersey. The FSC supports the power of families and individuals with disabilities to shape policies that impact their lives. The coalition is unique in that it unites families and the provider agencies whom provide critical services to individuals with I/DD in an effort to ensure the needs of families across New Jersey are met as optimally as possible within available resources. The Coalition addresses issues of individuals with I/DD across the lifespan in order to support families caring for a loved one living at home as well as individuals placed in a residential setting outside of the family home due to their own health issues and/or age-related challenges and can no longer provide needed care to maintain the health and safety of their family member. Thus, the Coalition continually educates members about the systems under the Department of Children and Families and the Division of Developmental Disabilities who serve this most vulnerable population. On behalf of our members please find comments below for your review and consideration in preparing the Fiscal Year 2017 budget.

As a parent of a 30 year old woman with significant I/DD and co-occurring medical issues and the FSC President, I would first like to thank Governor Christie and his administration for including funding that will further support and promote the advancement of community living for both youth and adults all individuals with I/DD. In regards to the proposed budget, we ask that the following budget items be maintained by the budget committees and legislature which will help to reduce the numbers of individuals with I/DD and their families waiting for in-home supports and/or for those in need of a residential placement (in some cases for up to 30 years): \$10 M to take people off of the Community Care Waiver waiting list; \$13.2 M for the Olmstead

program; \$5M for 500 new housing voucher; and \$41M for projected growth resulting from aging out, emergencies, and annualized expenses for previous placements.

Further, as the Division of Developmental Disabilities (DDD) moves to a fee for service system for adults with I/DD, providers face significant difficulties related to switching from a contract-based system. We would like to reinforce the need to keep the one-time contract adjustment for providers of \$10M for infrastructure costs that will be required to make this system transition. It is projected that these funds will provide a 1% adjustment for each provider in FY 2107.

An area not addressed in the proposed budget but is currently having a negative impact on individuals with I/DD and their families is the current direct support professional (DSP) workforce crisis. This group of professionals is the backbone of the service delivery system for all individuals with I/DD and their families whether providing a service within the family home or in an out of home residential placement.

A system can offer needed services, however, without an adequate and well-paid workforce to deliver direct hands-on tasks individuals with I/DD and their families cannot survive. As DDD switches to a fee for service system in which all eligible individuals with I/DD will have access to needed support services the system will need to grow at an unprecedented rate. Thus, not only are current needs unmet, but expansion of services to address the growing demand is limited by lack of a well-trained, motivated workforce. With no rate increases for the past 8 years, unprecedented turnover and vacancy rates have and continue to have significant costs in overtime, recruitment, and training for providers as well as families. One provider estimates that the cost of employee turnover for agencies in NJ is approximately \$6,500. It is disheartening that funds which should be benefiting individuals with I/DD in the form of needed supports and this group of professionals must be redirected to fund these gaps. The need to focus on filling positions instead of quality of care directly impacts the health and safety of individuals.

The average wage of a DSP in NJ is \$10.00/hour (average annual salary of \$24,257) forcing the majority to work two or more jobs in order to survive in New Jersey. It is not surprising that the National Employment Law Project estimates nearly 49 percent of personal care aides (title of DSPs from the Bureau of Labor Statistics as designated by DDD) must also rely on at least one form of government benefit to supplement poverty level wages, including Medicaid, SNAP, TANF, among other public assistance funds, the same assistance programs those they serve

must access to live. This is in stark contrast with their counterparts employed in Developmental Centers who earn \$40,350 for comparable positions. Some providers have been unable to provide a general salary increase to DSPs for eight years while Social Security Administration reports the median wage in the U.S. increased 11.7% during the seven year period through 2014.

As CMS promotes community-based living for this population and individuals with I/DD continue to move from institutional to community-based care far more is being required of DSPs. Community-based DSPs must have much greater levels of skill, judgment, and personal accountability while working with less direct supervision and access to resources in supporting individuals with increasingly greater levels of intellectual, behavioral, health, and functional impairments than ever before. Yet, we continue to not provide compensation rates which align with the outcomes expected. For more information and personal stories about the DSP workforce crisis, please visit the following website supported by the FSC:

<http://directsupportcrisis.org/>

Compounding the crisis, providers are also faced with changes at the federal level with the Department of Labor's (DOL) Overtime Rule and the Centers for Medicare and Medicaid Home and Community Based Final Rule. The DOL proposed overtime exemption rule change will require providers to pay overtime to anyone making less than \$50,000 vs the current threshold of \$28,000 or raise everyone's salary to \$50,000 to keep them exempt from overtime. Currently, there is no federal mandate to provide additional funding from CMS. As providers move to a fee for service system they have no means of increasing rates.

At an average wage of \$10.00/hour the majority of DSPs work 2 or more jobs in order to live in NJ. Thus, families and providers alike are experiencing a workforce crisis resulting in the inability to deliver essential supports to individuals with I/DD of all ages. We ask that this crisis be addressed by DHS in the allocation of funds to offer a living wage and other incentives to DSPs to remain in this field while attracting more to this job stream in an attempt to halt this growing emergency.

We appreciate your time and consideration in the items noted above. Please feel free to contact me for additional information or clarification on these issues.

Sincerely,

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