



# **Kerstin Sjoberg, Executive Director of Disability Rights Ohio**

## **Interested Party Testimony on House Bill 33**

### **House Finance Subcommittee on Health and Human Services**

#### **March 15, 2023**

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Chair Carruthers, Ranking Member Liston, and members of the House Finance Subcommittee on Health and Human Services, thank you for the opportunity to provide interested party testimony on House Bill 33 (HB 33) the state's biennial budget. My name is Kerstin Sjoberg and I am the Executive Director of Disability Rights Ohio (DRO).

DRO is the state's designated protection and advocacy system with the mission to advocated for an equitable Ohio for people with disabilities. DRO would like to thank members of the subcommittee for their care and consideration of this budget and listening to the stories they have heard from disabled advocates across the state.

This budget addresses one of the largest issues facing disabled Ohioans, the direct care workforce crisis. DRO applauds Governor DeWine for proposing historic increases to raise wages for this essential workforce. These investments are critically needed to support disabled Ohioans ensuring they can live independently in their communities. The home and community-based service (HCBS) system has been historically underfunded and now more than ever there is a critical need to ensure individuals can access care in their homes.

This testimony will address six (6) components of HB 33:

- 1) **The need to increase wages for direct care workers;**
- 2) **Drawing the full federal match for vocational rehabilitation;**
- 3) **Requiring county boards of developmental disabilities to appoint at least one person eligible for services;**
- 4) **Needed investments for the centers for independent living;**
- 5) **Investing in students transitioning out of high school and into the workforce;**
- 6) **Expanding access to non-coercive community-based mental health services; and**
- 7) **The creation of the new Department of Children and Youth.**

## I. Direct Care Worker Wages

Many people with disabilities rely on direct care workers to live independently in their homes and communities; however, this workforce is significantly underpaid, and it is difficult for individuals to find providers. As of 2021 direct care workers made an average of \$12.61 per hour.<sup>1</sup> Currently, this workforce is disproportionately made up of women who are Black, Indigenous, and people of color (BIPOC). Specifically, BIPOC individuals make up 18% of Ohio's population, but 42% of direct care workers are BIPOC individuals and a large portion of the workforce relies on other state programs for assistance living.<sup>2</sup> In 2020, 48% of the direct care workforce was earning less than 200% of the poverty level and 36% lacked access to affordable housing.<sup>3</sup> Continuing to underpay this essential workforce while other industries pay a higher wage is a serious issue. These low wages are a key part of the direct care workforce crisis we now face, where many individuals with disabilities cannot find or keep providers, families are overwhelmed, and many go without care at all. To fix this problem, wages need to be increased, long-term sustainability of wage growth needs to be ensured, and benefits should be provided to direct care workers.

- **Direct care worker wages must be increased**

DRO applauds Governor DeWine's proposal through HB 33 to increase wages for direct care workers to \$16 per hour. This is a great foundation, but more investments need to be made. Disabled advocates and caregivers are advocating for base wages of at least \$20/hour to ensure disabled Ohioans have the support they need to live independently in their communities. In addition, in order to prevent exacerbating problems, the wage increase should be applied across all service systems – Medicaid, Aging, and Developmental Disabilities. Currently, wages differ across systems leading to direct care workers to leave one system for another.

Low wages for direct care workers push individuals into other competing industries that pay significantly higher wages. For instance, retail workers make an average of \$15.35 an hour, office clerks make an average of \$18.75 an hour, and recently, COSTCO employees began making at least \$17 an hour.<sup>4</sup> And, although the direct care workforce continues to be underpaid, demand for this workforce grows. Specifically, the Bureau of Labor Statistics anticipates the need for this workforce will increase by 25% from 2021 to 2031.<sup>5</sup> If the state does not make the necessary investments to support these individuals, they will continue to leave the workforce and put added pressure to an already stressed home and community-based service system forcing people with disabilities into unnecessary institutionalization.

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1 PHI Workforce Data Center. Ohio Data. <https://www.phinational.org/policy-research/workforce-data-center/#states=39&var=Wage+Trends>

2 *Ibid*

3 *Ibid*

4 United States Department of Labor. Bureau of Labor Statistics. Occupational Employment and Wage Statistics. May 2021.

[https://www.bls.gov/oes/current/oes\\_nat.htmn](https://www.bls.gov/oes/current/oes_nat.htmn)

5 United States Department of Labor. Bureau of Labor Statistics. Occupational Outlook Handbook. Home Health and Personal Care Aides.

<https://www.bls.gov/ooh/healthcare/home-health-aides-and-personal-care-aides.ht>

- **Long-term sustainable wage growth is essential to support direct care workers**

HB 33 does not have a mechanism to increase direct care wages outside of the biennial budget process. Currently, nursing homes go through a rebasing process every two years so they receive appropriate compensation for their staff based on economic indicators.

A similar structure is needed for direct care workers. For example, the Ohio Department of Medicaid, in collaboration with the Departments of Aging and Developmental Disabilities, could establish a process to tie wages to market indicators, specifically inflation, cost-of-living, and cost of providing services for provider agencies.

In addition to establishing a mechanism to review and increase wages outside of the legislative process, additional oversight is needed to ensure increase in rates actually raise wages for direct care workers. Previously, rates have increased but growth in wages has been minimal. With the state investing a historic amount of GRF into this service system, there should be consideration for the establishment of a direct care worker commission that would include a majority of members appointed to be disabled Ohioans eligible for long term services and supports. This commission would also be able to make recommendations to the legislature and state agencies on additional support that could be provided to ensure a robust direct care workforce.

- **Healthcare, training, and other paid benefits are necessary for a high-quality direct care workforce**

As mentioned before, much of the direct care workforce relies on public assistance. Increasing wages would also mean these workers would reach the benefit cliff and come off of public assistance programs. That need not be a deterrent to increase wages, instead, this can be remedied by ensuring direct care workers are able to access paid benefits. As of 2020 48% of home care workers received health insurance through Medicaid and only 36% through employer health insurance. Rate increases that include funding to provide agencies with the ability to purchase group health insurance plans will ensure these essential workers do not go without care. Access to these benefit programs also will ensure Ohio is attracting a high-quality workforce so that disabled Ohioans can access the care they need to live independently in their homes and communities.

Finally, the state has an obligation to build out these systems and support people with disabilities in their communities. The Americans with Disabilities Act, the landmark civil rights legislation for people with disabilities, and as affirmed by *Olmstead v. L.C.*, mandates individuals have the right to live in the most integrated setting appropriate to their needs. This is not possible if people with disabilities do not have access to direct support workers. For Ohio to meet this obligation it is critical they support direct care workers and provide additional funding to support increases in wages. Otherwise, inequities will be exacerbated and people with disabilities will continue to be unnecessarily institutionalized.

## **II. Increased funding to pull the full federal match for vocation rehabilitation services is necessary to ensure disabled Ohioans can obtain and retain employment**

HB 33 proposes pulling the full federal match for vocational rehabilitation funding. For every \$1 Ohio spends in vocational rehabilitation funding we receive \$3.69 in federal matching dollars...

Ohio is able to claim about \$152M each year. This historic investment will mean more disabled Ohioans are able to obtain and retain employment in their communities. Disabled Ohioans need support to enter the workforce and for a population with a lower participation rate (21.3% compared to 65.4% of non-disabled people) and higher unemployment rate (7.6% compared to 3.5% for non-disabled people), this additional funding and support is critical.<sup>6</sup> As we continue to unwind from the public health emergency, supports for employment are necessary especially as a larger percentage of disabled Ohioans lost their jobs during the pandemic than their non-disabled peers.

### **III. Requiring county boards of developmental disabilities to appoint those eligible for services to the board is an important step to increase disabled representation in the state**

The Department of Developmental Disabilities is proposing county boards of developmental disabilities appoint at least one individual who is eligible to receive services be appointed to the local board. Right now, only a few boards have already appointed eligible individuals to serve. Changing the language in the Ohio Revised Code to require this appointment is a fundamental shift in how Ohio will provide services. Disabled Ohioans should be at the decision-making table, especially when those decisions are about services affecting them. This provision is a clear step towards equitable policies for disabled Ohioans.

### **IV. Needed investments to the line item for centers for independent living to \$1,500,000**

Centers for Independent Living (CILs) provide independent living services for people with disabilities. CILs work to support community living and independence for disabled Ohioans based on the belief that all people can live with dignity, make their own choices, and participate fully in society. Currently, CILs receive \$500,000 from the state of Ohio, this is significantly lower than states in the region. For instance, Michigan CILs receives \$4,300,000 from the state while Indiana CILs receive \$2,462,384. There are currently 38 counties in Ohio that do not have access to all CIL services, many of which are rural counties. A \$1,500,000 investment into the Centers for Independent Living will help a larger reach by the CILs and an expansion of services across the state.

### **V. Investing in students transitioning out of high school and into the workforce is an essential component that ensures independence**

The proposed budget enhances investments to the Ohio Transition Support Partnership, a program that increases the availability of vocational rehabilitation counselors for students with disabilities. Transition services are necessary to ensure students with disabilities can enter the workforce after high school. Currently, there are 43 counselors who partner with local education agencies to serve students throughout the state. The increased funding in this program through HB 33 will expand the number of counselors who can work with students with disabilities and help them transition into employment after graduating high school.

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<sup>6</sup> United States Department of Labor. Bureau of Labor Statistics. Persons with a Disability: Labor Force Characteristics Summary. February 23, 2023. [https://www.bls.gov/news.release/disabl.nr0.htm#:~:text=The%20unemployment%20rate%20for%20persons%20without%20a%20disability%20decreased%20by,a%20disability%20\(7.4%20percent\).](https://www.bls.gov/news.release/disabl.nr0.htm#:~:text=The%20unemployment%20rate%20for%20persons%20without%20a%20disability%20decreased%20by,a%20disability%20(7.4%20percent).)

**VI. Expanded access to non-coercive community-based services in the mental health system are critically needed**

This budget proposes significant investments into Ohio's mental health system, a system that has historically been underfunded. Since the deinstitutionalization movement, Ohio has not lived up to the promise of the Mental Health Act of 1988. This budget is a step to ensure Ohioans are able to access non-coercive community-based services and supports. Specifically, the Ohio Department of Mental Health and Addiction Services is proposing increasing financial assistance for those most at-risk for institutionalization, reducing inpatient treatment for youth in behavioral health crisis, increasing coordinated treatment within communities to reduce the number of hospitalizations and incarcerations, among several other provisions.

**VII. Establishing the Department of Children and Youth could ensure quality services are being provided to foster-care youth in community-based settings**

HB 33 creates the new Ohio Department of Children and Youth, shifting various services across multiple state agencies into one unified state agency. The focus of the new department will be adoption, child welfare, and foster care. Additionally, the new department is proposing increased investments in early childhood mental health initiatives, multi-system youth services, and the Ohio Family Children First Council. Foster care youth are a critically underserved population in the state of Ohio. Streamlining services under one department has the potential to ensure this population can access necessary services in community-based settings.

DRO applauds Governor DeWine for his proposed investments into Ohio's home and community-based service system through HB 33. These investments provide a foundation to ensure disabled Ohioans can live and work independently in their homes and communities. DRO also applauds this committee for your time and careful consideration of the incredible need to increase wages for the direct care workforce. DRO looks forward to continuing to work with members of the committee as the bill advances through the legislative process.

Thank you again for opportunity to provide interested party testimony in consideration of HB 33, I am happy to take any questions.