

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 1194

# STATE OF NEW JERSEY

DATED: FEBRUARY 13, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1194.

This bill makes a FY 2020 supplemental appropriation of \$16.5 million for direct support professional (DSP) wage increase. These funds increase the existing appropriation of \$40 million, for a total FY 2020 appropriation of \$56.5 million. A DSP provides hands-on supports to people with intellectual and developmental disabilities (I/DD) and are the reason people with I/DD are able to live meaningful lives in the community. DSPs implement complex behavioral health plans, oversee and administer essential medical care, comply with regulations and reporting requirements, and serve as advocates, companions, mentors, and caregivers. Although the appropriation benefits DSPs providing services under provider contracts or fee-for-service agreements within several departments, the vast majority is ultimately allocated to the Division of Developmental Disabilities in the Department of Human Services.

At an average starting salary of \$12 per hour, DSP wages are not competitive, with an increasing number of retailers paying \$15 to \$18 per hour and New Jersey's minimum wage on a path to \$15 per hour for entry-level jobs that are far less demanding. To compound the issue, there is a growing DSP shortage that is threatening the safety and health of individuals with I/DD living in community-settings.

It is the sponsor's goal that this supplemental appropriation will provide the funding necessary in order for the DSP workforce to stay competitive and stable. According to the Coalition for a DSP Living Wage, these funds, along with a federal match of \$16.5 million, will result in a \$1.20 per hour increase for DSPs, which is needed to accommodate the impact of the State's minimum wage increase to \$11 per hour for most workers on January 1, 2020.

#### FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.