

Testimony in support of LD 1718, An Act to Encourage Participation in Maine's Essential Support Workforce Through Access to Higher Education

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May 2, 2023

Senator Curry, Representative Roberts, and members of the Committee on Innovation, Development, Economic Advancement and Business, thank you for the opportunity to testify before you today. My name is Arthur Phillips, and I am an analyst at the Maine Center for Economic Policy (MECEP). I am testifying in support of LD 1718 because this proposal represents a straightforward opportunity to reward essential support workers and attract more workers into this critically important field.

In recent years, lawmakers have made significant investments in Maine's essential support workforce. Following the 2019 Commission to Study Long-term Care Workforce Issues, a law was passed to require the labor portion of MaineCare reimbursement for direct care services be at 125 percent of the minimum wage. The state also invested state and federal funds to shore up nursing homes, residential care facilities, and to provide bonuses to help retain workers. Despite these efforts, however, employment among essential support workers remains well below its pre-pandemic levels: one recent estimate suggested Maine lost more than 4,000 workers in between 2019 and 2022, while projecting demand to grow significantly over the next decade. LD 1718 is a straightforward opportunity to continue making direct care jobs more attractive.

Last week, my organization published a report looking at the economic costs of the direct care workforce shortage. Some highlights from that report include the following:

- Our collective failure to adequately support direct care workers is keeping more than 8,000 people out of Maine's labor force.
- Maine is missing out on over \$1 billion per year in additional economic activity as a result of people dropping out of the labor force due to direct care challenges.
- Undervaluing care work imposes significant public costs on our state, as low wages lead more direct care workers to rely on public assistance programs, and fewer workers are contributing taxes. These combine to cost our state and federal budgets more than \$70 million each year.
- Direct care workforce shortages place undue strains on our health care system. In March 2023, Maine Medical Center had about 50 people under its care who were approved for discharge but could not find an alternative care setting; Northern Light Health noted that over a nearly six-month period, the cost of delayed discharges across the system's hospitals totaled \$13.6 million and amounted to approximately \$63,000 per person.

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LD 1718 will not solve all these issues, but it will help. For the benefit of our direct care workers, the consumers they serve, and our shared economic prosperity, we think this proposal is a solid step in the right direction. We urge you to support LD 1718.