



LD 209 An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025

Testimony of Mark Eves, Executive Director

Neither for nor Against

January 23, 2025

Good afternoon, Senator Rotundo, Senator Ingwersen, Representative Gattine, Representative Meyer, and esteemed members of both the Appropriations and Financial Affairs and Health and Human Services Committees. My name is Mark Eves. I am the Executive Director of Woodfords Family Services. I also serve on the MACSP Board and Chair the legislative committee. I appreciate the opportunity to come before the Committee to provide testimony on the supplemental budget.

I am here today to ask for your support to amend LD 209 to restore and allocate the funding needed for the January 1, 2025 MaineCare service rate Cost of Living Adjustments (COLA) in the supplemental budget, LD 209 *An Act to Make Supplemental Appropriations and Allocations from the General Fund, and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025*.

Woodfords Family Services is a nonprofit social service organization that provides residential, clinical, educational, and family support programs to individuals with intellectual and developmental disabilities across the state. We serve children and adults in 15 of 16 counties, with the majority of our consumers in York, Cumberland, Androscoggin, and Kennebec counties. Founded in 1967, Woodfords currently provides direct services to approximately 1,500 consumers and training services to hundreds of professionals and caregivers each year. We employ 450 staff and have more than 200 contracted Shared Living and Therapeutic Foster Care providers.

We are deeply concerned about the proposed suspension of the COLA for MaineCare rates in Sections 13, 21, 28, 29, and 65. Impacted services under these MaineCare sections that Woodfords provides include Special Purpose PreK and K-5 Schools and School-Based Services we provide in partnership with over 40 school districts, as well as our Home and Community Based Services. In total 84% of our workforce are employed in programs impacted by the previously enacted COLA.

When the MaineCare COLA was approved in the last budget cycle, Woodfords, in good faith, provided our staff and contracted providers with an annual Cost of Living wage increase for the current budget year and have budgeted to do the same for the upcoming fiscal year, which begins on July 1, 2025. The decision to eliminate the legislative mandated COLA enacted just last year severely impacts our ability to provide these Cost of Living increases to our already underpaid staff. The suspension of COLA puts our services at significant risk. If the COLA provision is suspended, Woodfords estimates a loss of over \$425,000 this fiscal year in anticipated wages for direct care staff that have already been budgeted.

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Woodfords FAMILY SERVICES

The loss of the promised COLA increase is compounded by a variety of factors that already make providing adequate wages to staff challenging.

- **Overtime Hours:** Turnover rates are 40% annually in some of our lowest-paid direct care positions, requiring Woodfords to pay overtime to maintain required staffing levels. This is not unique to Woodfords, but a challenge across the industry. The MaineCare rate does not take into account the likelihood of overtime wages.
- **Increased Employee Benefit Costs:** Woodfords and agencies in our industry, and across the state, are facing significantly rising benefit costs including health and other insurance, Paid Family and Medical Leave and more. While we try to absorb as much of these increases as we can, we have to pass much of these costs on to employees, resulting in a net decrease in take home pay, most acutely impacting direct care workers.

As a result, Woodfords is faced with very difficult decisions regarding the future of service delivery that will only be made more severe with the suspension of the COLA. The most significant is the impact to our Residential Program. We have currently budgeted a \$300,000 loss in this program for the current fiscal year. Increasing costs of operations along with the proposed elimination of the COLA has prompted the agency to consider closing certain homes and either reducing the size of the program or consolidating living accommodations to reduce cost. This is not a decision we entertain lightly, as we know it will have a negative impact on the adults we serve who may lose their current home, lose connection with the staff who support them, and lose the natural supports and relationships they have created in their communities. This is just an example of one of the many programs that would be impacted by the suspension of the COLA as proposed.

Please maintain the previously passed COLA increase for all MaineCare rates in the supplemental budget. It is critical to the short and long term sustainability of these vital programs for some of our most vulnerable citizens across the State of Maine.

Thank you for your time and consideration of my testimony. Please contact me with any questions you may have.

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