SKILLS

Support Services For People With Disabilities

Testimony of Kristin Overton, Chesterville ME
Executive Director of SKILLS, Inc., headquartered in St. Albans, ME

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*

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 Kristin Overton and I am the Executive Director of SKILLS, Inc. and also a Board Member of MACSP, an Advisory Council Member of the Essential Care and Support Workforce Partnership, and an Advisory Council Member of the United Way of Kennebec Valley's IMPACT2032 Project. SKILLS is a non-profit organization in central Maine, serving people with intellectual and developmental disabilities for more than 60 years. I appreciate the opportunity to come before both Committees to provide testimony on the supplemental budget.

I am here today with a plea to restore and allocate the funding needed for January 1, 2025, MaineCare service rate cost of living adjustments 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.* I'm deeply concerned about the recent budgetary suspension of the cost-of-living adjustment (COLA) for MaineCare rates. This decision has a crippling impact on Mainers at a time when people are financially struggling already. The suspension of COLA puts Maine's vital service system at significant risk, especially as the costs of living and minimum wage continue to rise.

SKILLS provides more than 110 people with 24/7 residential support, in-home or community support, and employment supports under Sections 21, 29, and 97-F. We have 18 locations across Somerset, Northern Kennebec, and Southern Penobscot counties and our purpose is simple – to ensure that people with disabilities have the same things we all want – a safe place to live, people who care about them, and the opportunity to live, work, and belong in their community of choice. We employ 142 individuals, 126 of whom provide services as direct support workers. Our almost singular source of income (more than 96%) is MaineCare. I would love to have other funding streams to balance our agency finances and to be able to absorb the impacts of increased costs, however, there are no other funding sources of significance for the support services that we provide. Medicare, private and commercial insurance, and long-term care insurance do not pay for the services we provide; only MaineCare does. With a trim and lean operating structure, our business operations rely on a level of predictability and the assurances provided by the Department and in statutory requirements. The cost of living adjustment (COLA) is one of these.

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While we wait for the Rate Reform process to address the adequacy of the rates for the rate study initiated in February 2024, we are still in a pay-related staffing crisis in rural central Maine and our most vulnerable adults suffer for it. The average tenure of our employees is 4.9 years, and shrinking. 2 years ago, our average tenure was closer to 7 years and our turnover rate was 23% - still too high for our liking – but it has skyrocketed over the past 2 years to 52%. In the past year, we've had to hire 85 people for a net gain of 13. The number one reason why employees choose to leave is pay followed closely by the job not being what they expected and/ or work/life balance and burnout. A very quick scan of the labor market in our area reveals many employers offering substantially higher starting rates of pay. To make matters worse, those higher-paying jobs do not come with the responsibility of supporting and providing care for a human being who needs that support to survive and thrive. It is easy to see why our recruitment and retention efforts fall short over and over.

The elimination of the COLA is on the backs of our direct support workers. There is no mechanism for us to increase wages and offset those increases with other revenue sources. Because of the COLA system implemented these past several years, we've been able to increase our starting wage by $2.78/ hour to the current, $16.78 while maintaining a 33% benefit rate which includes health insurance at no cost for the employee. Our employees are working hard and exhausted; we still maintain approximately 20-30 full time openings at any given time and in the past year, 90 of the 126 direct care employees worked a total of 23,500 overtime hours.

In October, we closely watched the Consumer Price Index outlined in the Minimum Wage statute for the August year over year change to be announced. Since the beginning of summer, we had 3 employees whose cars were repossessed, 1 employee requested an emergency loan to prevent eviction, 1 employee requested an emergency loan to prevent her electricity being shut off, we had loaned a vehicle to 2 different employees while they saved enough money for repairs to their own vehicles, 1 employee was couch surfing while looking for a place to live, and another was living without electricity for more than 30 days. People were seriously struggling and we didn't feel that we could wait until after winter hit in earnest and after the Holidays to provide a pay raise to our employees on the State's timeline. We had budgeted a 2.54% COLA, the amount provided the previous year and that we believed was in the State budget, and when we saw that the CPI was 3.5%, we felt it would be safe to provide a 2% increase in good faith of the Rate Reform System because in that same time period our health insurance had increased by 14%.

The Maine Paid Family Medical Leave program has added an additional burden on our employees, effectively reducing their pay by 0.5%, and on our organization, by adding a 0.5% increase to our payroll budget. The previously-promised COLA is needed now more than ever. Please appropriate the necessary funding for the January 1, 2025 COLA for all MaineCare rates in the supplemental budget; people's lives are at stake.

Thank you for your consideration. I would be happy to answer any questions you may have.

Respectfully Submitted,

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