

126 Sewall Street  
Augusta, Maine 04330-6822  
TTY/Voice: (207) 626-7058  
Fax: (207) 621-8148  
www.mejp.org



**Chris Hastedt**  
Senior Policy Advisor  
(207) 626-7058, ext. 203  
chastedt@mejp.org

**Testimony of Christine Hastedt, Maine Equal Justice in Support of LD 898 An Act To Provide Incentives to Unemployed Workers To Become Part of the Caregiver Workforce**

May 5, 2021

Good morning Senator Hickman, Representative Sylvester, and honorable members of the Joint Standing Committee on Labor and Housing, my name is Chris Hastedt and I am the Senior Policy Advisor at Maine Equal Justice (MEJ). We are a nonprofit civil legal aid organization working with and for people with low income to improve their economic security and wellbeing through policy change, education and legal representation. I am testifying today in support of LD 898 An Act To Provide Incentives to Unemployed Workers To Become Part of the Caregiver Workforce.

We are pleased to have the opportunity to speak in favor of this bill which would implement important recommendations of the Committee to Study Long Term Care Workforce Issues (OPLA, January 2020). This study found that direct care workers have high rates of reliance on public assistance programs given their low wages, yet they are often subject to the “cliff” effect—meaning that their eligibility for benefits varies along with their wages and hours with even temporary changes often causing to lose needed help. This report recommended that these workers be offered counsellors to help them better understand program eligibility rules so that they can better plan for these contingencies, along with learning what other assistance may be available to supplement their limited income. Importantly, it also directed the Department of Human Services to explore options for modifying public benefit program rules to provide greater flexibility to accommodate the variable hours and schedules inherent in this industry.

Over the years our legal services team has spoken with many direct care workers looking for help to prevent an eviction or put food on the table. Their stories have many common elements. They became caregivers because they have a passion for helping other people. But they often find that it’s a great deal of responsibility and takes its toll on body and spirit while not providing enough pay to make ends meet. In the end, the only choice for many is to leave the work they love to find something that will enable them to better support their families.

These are the stories that we hear, while at the same time we know that even before the pandemic Maine's acute shortage of direct care workers has left many older Mainers without the support they need to age at home—where they want to be.

This is the problem that LD 898 attempts to tackle, and at a time when many workers will be seeking employment/re-employment opportunities in high-demand fields as we emerge from COVID-19. Would these workers prefer a solution that provides them with a higher wage to support their families; one that recognizes the true value of the work they do? Yes, certainly. But despite the good bipartisan efforts that have incrementally increased wages for these workers over time, the fact remains that Maine is losing too many valuable and committed caregivers each month for lack of a sustainable wage. But until sustainable wages become a reality, the workers we talk to are immeasurably grateful for the assistance we help them find to make ends meet today.

Too often low-income working families trying to access safety net and work support programs for themselves and their families face a delivery system that is siloed, antiquated, irrational, and inefficient. While these supports are an essential lifeline for many Mainers, they aren't reaching many who need them most. LD 898 would remedy this problem for pilot program participants by assigning each a Career Center counselor to help them develop an individualized career plan and access the work and safety net services they need to successfully participate in their plan.

The so-called "benefit cliff" is also addressed in LD 898 by recognizing the flexibility that exists in certain public programs that allows them to target additional resources to increase the economic stability of direct care workers. For example, the Temporary Assistance for Needy Families Program (TANF) allows states the flexibility to "disregard" certain earnings in providing benefits to families with children. This means that a certain amount of earnings from direct care employment could be ignored in determining program eligibility and benefit amounts, resulting in additional monthly cash support for those workers along with help with child care, transportation and uniforms, all paid for with federal funds.

Similarly (or alternatively), additional food assistance could be made available to families with children from this same funding source. Certain child care subsidies could be prioritized for this workforce from the Child Care and Development Block Grant. Processes could be put in place to facilitate access to partial unemployment benefits for workers when their schedules are changed or hours reduced. And there may be opportunity to incentivize home care employers to provide higher wages, benefits, or training opportunities with higher reimbursement levels through the Medicaid Pay for Performance Program. Importantly, LD 898 provides for the opportunity to evaluate the impact this creative approach has on both workers and employers,

and could be used as a model for incentivizing and supporting people joining other in-demand sectors.

Finally, many direct care workers that we have worked with are interested in pursuing higher skills occupations in the health care industry. The career ladder provision in LD 898 provides a deliberate and supported pathway for them to pursue their aspirations for those high wage/high skilled jobs in an area of work that they remain committed to.

Thank you for the opportunity to testify in support of LD 898 which will provide needed support and resources to increase the economic stability of Maine's vital direct care workforce and gives us the tools to better recruit and retain workers so badly needed in this industry.

