



Shangri-La
Enriching Lives Together

Tuesday, March 7, 2017

RE: HB 2684

Dear Chair Keny-Guyer, Co-Chairs Olson and Sanchez, and Members of the Committee on Human Services and Housing:

My name is Karen Rutledge and I serve as the Chief Executive Officer of Shangri-La, a nonprofit human services organization supporting citizens with disabilities and disadvantages in the Willamette Valley and along Oregon's central coast.

Recent reports cite Oregon's rapid economic growth and change, resulting in strong recovery from our nation's economic downturn. With economic indicators such as rental prices, home ownership, and new business development, 3 Oregon cities were in the top 5 across the United States boasting the greatest measure of growth and change: Bend, Salem, and Portland¹. While this may come as a source of encouragement, as it should, it also raises questions and concerns if this growth is providing positive benefits for all Oregonians.

There is a sector of our population employed to provide ongoing care and support to others in their daily lives. This includes support to people with mental illness and/or intellectual/developmental disabilities, some of whom receive services through Shangri-La. The workforce that supports others to live full and inclusive community lives continue to be economically challenged, with wages that do not keep up with inflation nor adjust to changes in Oregon's minimum wage. Funding contracts with state and local entities for these services do not have Cost of Living increases built into them, which requires ongoing legislative intervention.

Direct Support Professional (DSP) workers do far more than deliver attendant care. For instance, many are delegated by nurses to deliver medical care and perform work like a Certified Nursing Assistant (CNA). Despite doing similar work, their wage is far less than a CNA or other similar positions. This link demonstrates the wage disparity: http://www.payscale.com/research/US/Job=Direct_Support_Professional/Hourly_Rate

Please know that Shangri-La fully supports and continuously advocates for additional funding to support wage increases for DSP's; however, House Bill 2684, as written, would impose an unfunded mandate and includes other factors that raise concerns.

CONNECT WITH US

Salem
4080 Reed Rd S
Suite #150
Salem, OR 97302
503-581-1732

West Salem
Youth and Family Services
1661 Edgewater St NW
Suite #200
Salem, OR 97304
503-967-6318

Eugene
2001 Franklin Blvd
Suite #3
Eugene, OR 97403
541-344-1121

Florence
85188 Hwy 101 S
PO Box 158
Florence, OR 97439
541-997-8028

Newport
141 NW 11th St
Newport, OR 97365
541-265-4015

WWW.SHANGRILAOREGON.ORG

To elaborate, this bill would impose unnecessary regulatory oversight, which will only pose additional costs of already strained budgets of both the state and provider agencies. Posing additional costs would only further impede the ability to provide wage increases that DSP's need and deserve.

The following outlines Shangri-La's position on HB 2684, including justifications:

- Shangri-La supports a \$15 wage for staff, but only if amendments are made ensuring that contracting state agencies modify the rate methodology and make provisions in the 2017-19 biennial budget to fund the wage increase, and avoid additional unfunded mandates for organizations like Shangri-La.
 - ***Amend Sections 2 and 3, specifying financial provision by the State, through changes to the rate methodology, to account for the wage increase.***
- Shangri-La submits to annual audits and adheres to generally accepted accounting principles for nonprofit agencies. Our organization is known for its good financial stewardship, including but not limited to the direct benefit provided to employees.
 - ***Oppose Section 3, which would require additional and unnecessary financial regulatory oversight, but does not make any provision for additional staffing costs this would require, again, resulting in another unfunded mandate. Also, ambiguous, this section does not clearly outline what would be required.***
- Currently, provider agencies engage in a thorough evaluation process through state licensing every two years. Regular monitoring by county case managers through site visits provide additional oversight and transparency. Furthermore, stringent rules requiring criminal history checks and restricting people with convictions of many types of crimes from working in the programs are already in place.
 - ***Oppose changes to ORS 443.400 to 443.455, which increase civil penalties and place a heavier burden for background screening, which providers already address with stringent screening currently in place.***
 - ***Oppose Section 10 and 12, which would impose unnecessary increases for licensing fees for 5 bed residential programs and would change licensing timelines from two years to one.***
- Shangri-La staffing ratios adhere to existing Oregon Administrative Rules, ensuring the needs of the residents are sufficiently addressed.
 - ***Oppose Section 9, which amends ORS443.450, directing the Director of Human Services, to adopt rules requiring the facility or home to employ staff sufficient to meet the needs of the residents of the facility or home. This section makes no provision for the Department of Human Services to make changes to their rate setting methodology, therefore, creating yet another unfunded mandate.***

In summary, as much as I want to fully embrace legislation that would provide a much needed and deserved wage to DSPs, this bill has a number of concerns that need to be resolved.

Thank you, again, for the opportunity to share pertinent facts enabling you to make a well-informed decision. Please do not hesitate to reach out with clarifying questions or to request additional information to aid you in your decision-making process.

Respectfully,



Karen Rutledge
Chief Executive Officer
Karen.rutledge@shangrila-or.org

ⁱ http://www.oregonlive.com/pacific-northwest-news/index.ssf/2017/02/oregon_cities_top_list_of_rapi.html