

MEMORANDUM

TO: House Committee on Human Services & Housing

FROM: Jeff Carr, CEO, Albertina Kerr Centers

DATE: February 16, 2017

RE: Testimony in Support of HB 2728

Albertina Kerr Centers was established in 1907 and has been strengthening Oregon families and communities for nearly 110 years. Throughout our history we have focused on serving the most vulnerable and marginalized members of our community. Today, we provide programs and services to children and adults with developmental disabilities and mental health challenges.

We operate 48 group homes, day programs, and employment services for kids and adults with developmental disabilities throughout Western Oregon and employ over 800 people, of which almost 400 are Direct Support Professionals (DSPs) who make between \$11-\$14 per hour. They are the people who work every day on the frontlines to provide the kind of support necessary for kids and adults with developmental disabilities to live as independent and fulfilling lives as is possible.

Since arriving almost 8 months ago at Albertina Kerr, I have had the privilege of meeting and getting to know many of these people, and they have shared with me not only the challenges they face on the job every day, but also the difficulty they experience in their personal and family life due to the low wages they earn. Many of them are struggling with food security and being able to pay their rent consistently, and I found out we had one employee who was a single mother with five children who had lived for a period of time outside in a tent due to not being able to pay her rent.

I have included some charts and information related to DSPs as part of my testimony that highlight some of the workforce trends we have been experiencing over the last five years at Albertina Kerr. Our DSP turnover rate has increased from 25% to 61% and our vacancy rate has doubled from 7% to 14%. This translates into increased recruitment and training costs, and increases in overtime costs due to our need to have adequate staffing to support the people we serve. Finally, this also means that the stability of relationships between staff and the people we support, do not have the longevity and depth of relationships necessary to really effect change.

I have also attached a graph that depicts the cumulative rate increases from ODDS from FY 2009-10 to FY 2015-16, as well as the cumulative wage increases Albertina Kerr has provided our DSPs over this same period of time. While ODDS cumulative rates have increase 5.1% over this time, we have increased our wages by 22.6%. In addition to this, we pay 100% of medical, dental, & vision insurance for our employees, which presently costs \$498 per month per employee. These benefit costs have increased 46% over the same time frame.

I'm confident you all understand these numbers are just not sustainable and if something isn't done, the whole system of care in this State is going to crumble for people with developmental disabilities. When SACU offers wages for DSPs that range between \$32,184-\$45,408, we just cannot compete and keep our employees and it is an equity issue when our employees are doing the same work. I recognize you face difficult budgetary choices in this legislative session, but budgets are moral

documents that reflect our values as individuals and as a State. And how we care for and support the most vulnerable in our society is a reflection on all of us. Therefore, I urge you to support HB 2728 that will provide the kind of long-term wage stability necessary to ensure we are able to provide the kind of care for people with developmental disabilities that we can all be proud of in Oregon.

Thank you for letting us tell you our story and provide you with input.

Attached:

- **Albertina Kerr DSP Workforce Trends**
- **Albertina Kerr Cost Increase Charts w/DD Rate Changes**



DSP WORKFORCE TRENDS

Workforce at a glance:

396 Direct Support Professionals
Average Length of Service: 4.5 Years

65 Open DSP Positions
Median Wage: \$11.32 / hour

Overall Turnover

As less physically and emotionally taxing positions with better pay become available in an improving economy, more employees leave their work as DSPs.

In the one year period ended:	We experienced overall DSP turnover at the rate of:
11/15/2012	25%
11/15/2013	42%
11/15/2014	49%
11/15/2015	52%
11/15/2016	61%

Staff Vacancies

More employees leaving combined with more work options for our workers in the general market leave a growing number of open positions, resulting in increased overtime for staff and supervisors

As of	DSP Vacancy Rate
11/15/2012	7%
11/15/2013	10%
11/15/2014	12%
11/15/2015	10%
11/15/2016	14%

First Year Fall-out

As it becomes more and more difficult to find good staff, an increasing number of new hires fail to make one year of service or longer, leading to inflated recruitment, training, and overtime costs.

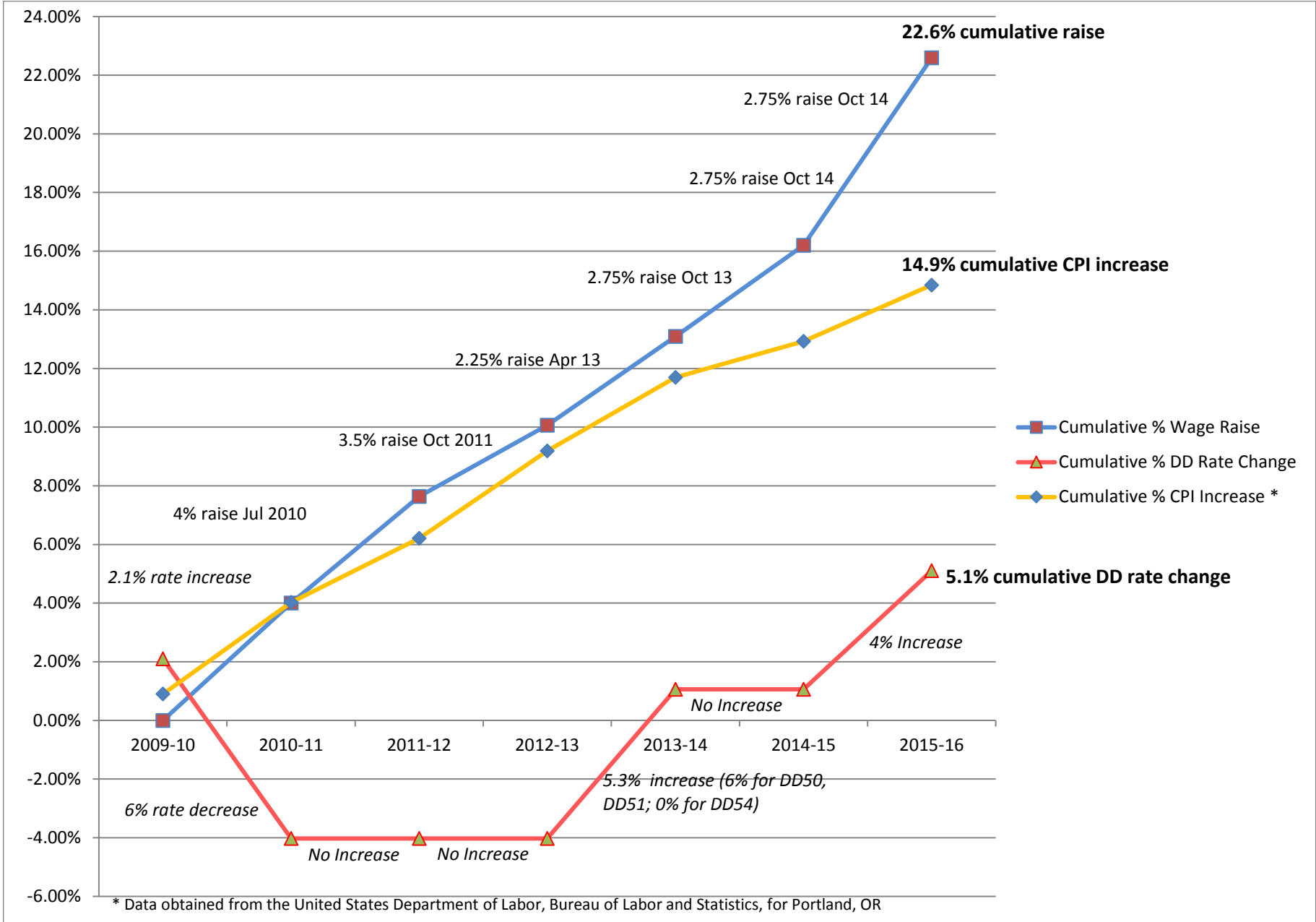
Employees hired in the one year period ending:	Ended employment before one year of service at the rate of:
11/15/2012	45%
11/15/2013	51%
11/15/2014	54%
11/15/2015	57%
11/15/2016	46% to date. (This cohort is still in their first year of employment, so this number will continue to grow.)

One-year Retention

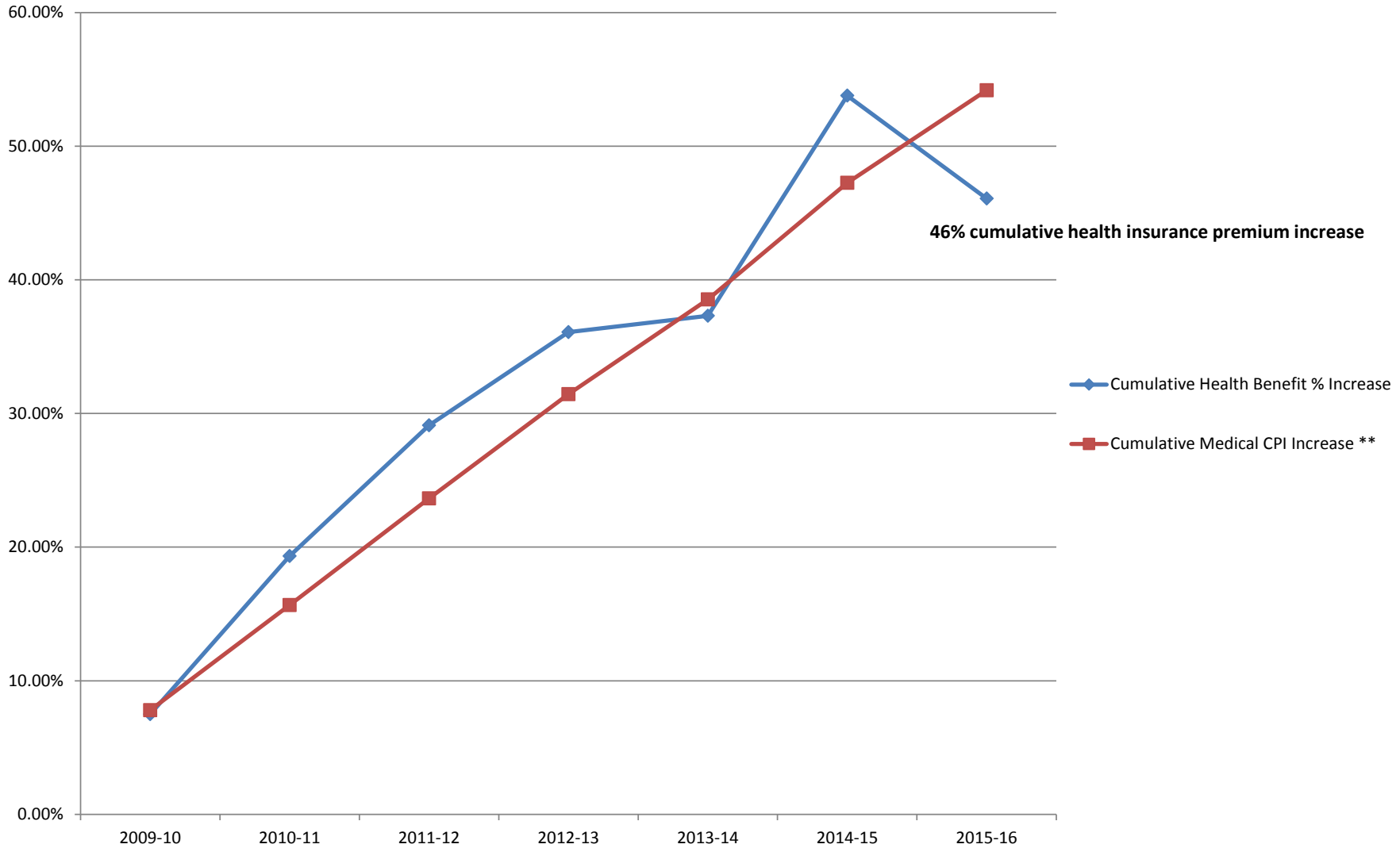
Higher turnover of long-term staff combined with vacant positions that turn over multiple times in the year leads to a lower likelihood that the person caring for someone we support has a long-term connection to them, to their care, or to our organization.

As of:	This many of our DSPs had one year of service or more with Kerr:
11/15/2012	72%
11/15/2013	71%
11/15/2014	66%
11/15/2015	69%
11/15/2016	66%

**Albertina Kerr Centers
Employee Wage Movement and DD Rate Changes
FY 2009-16**



Kerr's Health Insurance Benefit Costs



** Data obtained from the Milliman Medical Index