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## FY19 Budget Fact Sheet Why New Jersey Must Enact a Living Wage for Direct Support Professionals

**What is a Direct Support Professional (DSP)?**—Direct Support Professionals provide the necessary supports that enable New Jersey residents with intellectual and development disabilities (I/DD) to live successfully as integrated members of their communities. DSPs meet medical, behavioral and personal health needs, teach workplace, social and everyday living skills, and comply with complex regulations, training and reporting requirements.

**What is the Problem?**—The average starting salary of a DSP is only **\$10.50 per hour**, leading many DSPs to rely on public assistance and/or work multiple jobs to get by. Wages are also contributing to a nearly 44% turnover rate and 20% vacancy rate in the field that's putting the service delivery system in crisis. In a recent survey of DSPs in New Jersey, more than 90% cited low wages as their greatest workforce challenge.

With limited funding to pay DSPs, individuals with I/DD, their families and provider agencies must often search for weeks or months to hire qualified people, only to have them move on after a short while. The cost associated with such turnover is in the thousands, but the human impact is far worse. People with I/DD have more success with consistent care, which is challenging to achieve when staff changes so often. If nothing is done to address DSP wages, the short supply of staff will worsen, leaving individuals with I/DD without the critical services they need to survive.

**What can NJ do to fix the problem?**—To ensure a fully-staffed delivery system in NJ for individuals with I/DD, DSPs must be paid a living wage of \$16.75. To get here, State funding is needed to raise DSP salaries by \$1.25 for the next five years.

**What is needed in FY2019 to move DSPs to a Living Wage?**—The Division of Developmental Disabilities service delivery system is moving from contract reimbursement to a fee-for-service system. In the new system, a person with I/DD is assigned an individual budget and every service delivered to a person with I/DD is assigned a corresponding rate and community providers will bill Medicaid directly.

- Rates tied to DSP services and individual budgets must be increased to facilitate a DSP wage increase.
- The State must appropriate \$36 million in state dollars that would generate a \$36 million match from Medicaid, resulting in a total of \$72 million to increase DDD's funding for services delivered by DSPs.
- This appropriation will result in the first **\$1.25 an hour wage increase** for Direct Support Professionals, getting DSPs closer to the living wage they deserve.