
The Arc of NJ's Recommendations for Funding in the Department of Human Services in the FY22 Budget

Background:

1. Day program is an essential component of the service delivery system. In addition to skills building and habilitation for the individual with intellectual and developmental disabilities (I/DD), day program is also a critical service for families who depend on the program for their loved one. Now that the fee-for-service system is fully operational, it is clear that the rate for day program is not sufficient to cover the costs incurred by community providers. Governor Murphy's original FY21 Budget included funding to help address the day program rate, but due to the pandemic this funding was not included in the revised budget proposal or the spending plan that was ultimately signed into law.
2. Direct Support Professionals (DSPs) provide hands-on supports to individuals with disabilities. Examples of DSP support can include everything from bathing, toileting and feeding to community integration and independent living skills. People with I/DD depend on DSPs to receive services. The service delivery system is facing a workforce crisis, because of low wages, and this makes it very challenging to hire and retain staff.

Issues:

1. Prior to the COVID-19 health crisis, Governor Murphy's FY21 Budget included an appropriation of \$20 million, a mix of state and federal dollars, to better account for missed day program days. Currently, the day program rate does not include a vacancy rate and the goal of that funding was to recognize the fiscal impact that has on providers. As the impacts of COVID continue to affect everything we do, addressing the day program rate is needed now more than ever. In order to protect individuals with I/DD and the staff who support them, providers have made facility modifications, enhanced cleaning routines, and reduced capacity of their programs to ensure social distancing and other safety measures. Transportation of individuals to day programs is also negatively affected by COVID and modifications are required to keep people safe.
2. The Arc of New Jersey is grateful that funding was included in the FY21 Budget to increase wages for DSPs, however the need to raise wages for this workforce will continue each year as minimum wage is scheduled to go up every January through 2024. DSPs, who are especially critical during the pandemic, must be paid at a level that's in line with the importance of their work. Without proper compensation, the workforce crisis will only worsen the existing hiring and retention challenges as well as the provision of services which people with I/DD depend on. In addition, another minimum wage increase on January 1, 2022, means that without any action, the margin between the minimum wage

and DSP wages will grow even more narrow. We thank Governor Murphy and the Legislature for their support of an increase in FY21, but action is needed again to prevent detrimental harm to the service delivery system.

Position:

1. The FY22 Budget must reinstate the \$20 million in day program funding that was included in Governor Murphy's original FY21 Budget. The current day program rate does not account for the fiscal realities of participant absences as well as facility modifications and other necessary changes brought about by COVID. It is imperative that the rate reflect the cost of delivering day program services. The \$20 million appropriation will ensure day programs across the state remain viable for people with I/DD and their families who depend on these needed services.
2. The state must ensure a robust DSP workforce so that individuals with I/DD and their families have the support and assistance they require. As the service delivery system is already facing a DSP workforce crisis, if funds aren't appropriated to keep these staff ahead of minimum wage, it will make it impossible to find individuals who are willing to work in this field. With this in mind, \$46 million in state and federal dollars must be appropriated to increase wages for Direct Support Professionals so that salaries for these staff stay ahead of the state's rising minimum wage.