

Committee Meeting

of

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS, AND HUMAN SERVICES COMMITTEE

"Testimony discussing issues related to compensation of direct care staff employed by community-based programs for persons with mental illness or developmental disabilities"

LOCATION: Committee Room 6
State House Annex
Trenton, New Jersey

DATE: February 8, 2001
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator C. Louis Bassano, Chairman
Senator Norman M. Robertson, Vice-Chairman
Senator Ronald L. Rice



ALSO PRESENT:

Irene M. McCarthy
Office of Legislative Services
Committee Aide

Robin Johnson
Senate Majority
Committee Aide

Freida Philips
Senate Democratic
Committee Aide

Meeting Recorded and Transcribed by
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SENATOR C. LOUIS BASSANO (Chairman): Can I have your attention?

Some of the other members are at other meetings. They will be coming in as we start.

What I would like to do is start by taking testimony. We're going to ask that each person limit their testimony to no more than five minutes and that, please, do not be repetitive. The purpose of today's meeting is just to take testimony. The Committee will then discuss the issue among themselves and decide if any action at all is going to be taken.

Let me start by bringing up Thomas Baffuto.

Mr. Baffuto is the Executive Director of The Arc of New Jersey.

Welcome.

T H O M A S B A F F U T O: Good morning, Chairperson Bassano.

Thank you for holding this hearing today to address the issue of salaries of direct care workers in human services.

I am Tom Baffuto, the Executive Director of The Arc of New Jersey and the Chairperson of the Direct Care Coalition.

I would like to thank you for the respect and support that you have shown individuals with disabilities, their families, and the people who support them.

The Direct Care Coalition consists of more than 500 private, nonprofit organizations in New Jersey caring for people with developmental disabilities and mental illness, as well as families and children who are at risk. For the past three years, the Coalition has been working towards strengthening

our direct care workforce through increases in the salaries of the workers who directly care for our consumers.

As noted in our white paper, which I believe was distributed up there, direct care staff provide the daily care, attention, support, and services to our state's most vulnerable citizens. Direct care staff provide stability and continuity of care for these individuals. They assist consumers with every area of their lives. They are, indeed, the backbone of the human services field. Unfortunately, these valuable staff members are severely underpaid.

Today, you will hear compelling testimony from direct care staff who are struggling because of these low wages, unable to afford daily necessities for themselves and their families. But it is not only direct care staff that are impacted tremendously by this salary issue. Today, you will also hear from parents who tell you of the relief they feel knowing that their children are in the capable, caring hands of their direct care staff and consumers who will tell you that it is these direct care staff that keep them motivated and provide the unconditional support necessary for their achievements. We need New Jersey to commit to our direct care professionals, just as they have committed to serving individuals with disabilities.

We are extremely grateful to Governor Whitman, who made a commitment to these workers by proposing a dollar-per-hour increase in her budget. This increase is a great start to this critical issue. This will get us almost halfway to minimum salary levels that are fair, competitive, and livable. We've included those minimum salary levels in -- as part of our white paper.

The Direct Care Coalition is committed to reaching these minimum salary levels and working with our Legislature to see to it that

reasonable increases occur on an annual basis so that once we address this problem, we will not fall behind again. We ask you, and the Committee, to support the Governor's budget proposal, increasing the salaries of direct care workers, and strengthening the lives that they touch.

In addition, we ask for your help to help us develop a long-term strategy to address this issue so that we don't fall behind again.

Again, I'd like to thank you for holding this hearing and allowing the Direct Care Coalition an opportunity to express our concerns.

Thank you.

SENATOR BASSANO: Thank you.

MS. McCARTHY (Committee Aide): Sister Katherine Kinnally and Robert Cheung.

SISTER KATHERINE KINNALLY: Good morning.

I'm Sister Katherine Kinnally. I'm the Executive Director of St. Peter's Village in Denville in Morris County. I'm also Board Secretary of the New Jersey Association of Children's Residential Facilities.

The Association, which represents 36 organizations, including over 70 residential treatment facilities, group homes, and specialized treatment programs for at-risk children and youth, appreciates this opportunity to present testimony to the Senate Senior Citizens, Veterans' Affairs, and Human Services Committee on the issue of salaries for direct care workers.

The over 800 children and youth who are served by our programs are unable to live at home because of physical and/or sexual abuse, neglect, or severe emotional and/or psychiatric problems -- either their own or their parents'.

Almost all of the children cared for in these programs are in the -- under the Division of Youth and Family Services' supervision. I have three of these young men with me today. I have Robert, who is our oldest resident, Michael, and Marcus, who's our youngest.

One of the ongoing challenges that all of our residential programs have faced is difficulty in finding and keeping staff. This is particularly true of entry-level positions. Salary levels are low, and the working hours are difficult, requiring evening and weekend hours and on-call responsibilities.

We've found that full-time staff workers have chosen other employment with higher salaries and more attractive working hours. Even those who have chosen to work in this field often leave after relatively short times to accept positions in the public sector which pay substantially more than private agencies.

While it's not able to change the working hours due to the 24-7-365 nature of residential facilities-- It is not only possible, but essential, to improve the level of compensation.

A survey taken by the Association in 1999-2000 revealed that the average starting salary for a child care worker with a bachelor's degree is \$9.50 an hour. In comparison, a bachelor's level child care worker in a State-run facility begins at \$13 an hour. There are only three State-run facilities for children. Those workers without bachelor's degrees had an average of \$8.65 an hour.

I have a 15-year-old resident right now who makes \$10 an hour shoveling manure at the horse farm down the street. What does that say to our staff?

The private child welfare community in New Jersey has primarily provided residential services for children requiring out-of-home placement for many years. This partnership of the State and private sector has generally been beneficial for all parties. Unfortunately, the State Department of Human Services has funded agencies based on this historical doctrine -- this historical data.

The rates that came under contract in the 1970s have basically received only the cost-of-living adjustments provided by the Legislature. Programs entering the contracting business in later years received contract rates that reflected the cost at that time. They also received COLAs. But given the inequity in the basic rate, programs providing the same services are funded at very wide rates.

Over time, it's become more important to maintain programs and attract staff. The relatively low salaries that the private sector agencies are able to provide, coupled with lower levels of benefits, has resulted in employees, especially those with families and young persons carrying a substantial number of student loans, finding it impossible to continue to work in residential child care programs. For many, they need to work second jobs and sometimes find themselves eligible for benefits such as food stamps and the government's children's health care insurance programs. It's unconscionable that full-time employees should need to depend on public assistance programs or be required to work second jobs to make ends meet.

The children served in residential programs are very vulnerable. Most of them are not orphans but rather children whose families have not been able to provide a stable, nurturing home environment. In many cases, these

parents suffer from substance abuse and mental illness. What our children need is a stable and safe environment where they can count on staff to provide the things that they were lacking in their homes. When turnover rates for workers reach levels exceeding 50 percent, this very sense of safety and stability is compromised.

I'd like to introduce you to Robert. Rob was with us at St. Peter's for four and a half years before he began college. He's now a freshman at Stevens Institute of Technology, where he made the dean's list for the past semester.

Last May, Rob received a small scholarship from the New Jersey Association of Children's Residential Facilities. At the presentation, he made such a moving speech, that we've asked him to share some of that with you today.

Rob.

R O B E R T C H E U N G: Good morning, Senators.

My name is Robert Cheung.

I have been under the care of the State since I was taken from my home due to an abusive situation. As a child, I grew up under the circumstances such as my-- It's easy to see that normality is something I do not have.

My first two years under direct care, I was moved from placements like foster care, hospitals, and group homes, etc. My promise was limited because of variations in my environment to a point that I was living in different homes every three months. Most kids my age don't even move from their house in the first 18 years of their life.

This consistent change was extremely detrimental to my recovery from the traumas which have occurred as a child. It wasn't until I was placed in St. Peter's Village where I was able to resolve some of these issues in the past -- I've had in the past.

St. Peter's was like most facilities. They have professional staff, the therapeutic staff, and the other people that have problems similar -- like me. The only difference that St. Peter's has against the other residential programs is that I was able to gain the necessary stability that allowed me to start over from the thorns in my past.

However, it is not an easy process. But through the dedication of the staff members at St. Peter's who refused to give up on me and refused to allow me to become another statistic-- Because of them, I'm able to stand before you to testify.

I'm here to testify that -- the dire situation to the people who gave back my life. People like me need stability in order to recover from the past. Stability of residents is stability of the staff that's taking care of us. But how can you ask any staff to do these -- while they can't even accommodate them -- own living costs of today's society.

Ironically, when I was working at a fast-food chain, I was making only a couple dollars more than -- a couple dollars less -- I'm sorry -- than the average staff's starting salaries. And my responsibility -- only make sure people that don't get onions on their number ones -- while their responsibility to give back life which has been torn apart because irresponsible parents and society itself--

We have to understand that residential care work is key to our recovery. To be bounced around facilities because we know we can't progress due to the lack of stability in our life is the same as the abusive home environment.

So today, I implore you, Senators, please help the people that is helping us. You will help us much greatly by helping them, because without them there will not be us.

Thank you.

SISTER KINNALLY: This year's proposed budget, which includes a \$1-per-hour increase for all direct care workers, goes a long way to alleviate the pay inequity that exists.

We ask your support for this budget, as well as request your assistance in fashioning a long-term solution for this salary issue.

We urge you to appoint a study commission or a similar entity which can develop an adequate method to resolve the wage issues and eliminate the annual round of begging for adequate funding, which has become the staple of the budget process. A long-term solution to this problem will be to the advantage of both the private and public sectors. It would be our privilege to work with you to fashion such a solution.

Thank you for your attention this morning. We look forward to your response.

SENATOR BASSANO: Thank you.

MS. McCARTHY: Daisy Horn from the New Jersey Association of Community Providers; Don Smitheman, Parent; Lionel Thompson, a direct care worker at the Arc; and Christine Franz, a consumer.

D A I S Y A. H O R N: Senator Bassano and members of the Committee, I want to thank you for holding this hearing this morning.

My name is Daisy Horn, and I'm the Executive Director of the New Jersey Association of Community Providers, and also a member of the Direct Care Coalition.

For more than 20 years, the mission of NJACP has been to assist our 118 member agencies as they provide quality supports and services for people with developmental disabilities. We advocate for a high standard of practice and professional competence in the human services field and among our community providers.

I want to acknowledge you, Senator Bassano, and the other members of the New Jersey Legislature, for their dedication and commitment to New Jersey's most vulnerable citizens. I am here today with a parent, consumer, and a direct care professional staff member to illustrate how the inadequate salaries of direct care staff impact on a variety of people.

Our member agencies are experiencing a constant and costly struggle with the recruitment and retention of direct care staff due to the drastically low wages provided through State-funded programs. A survey showed that New Jersey direct care salaries are not competitive with similar jobs or the salaries and benefits offered by fast-food and retail businesses. Staff vacancy rates in residential programs, as of December 31, were approximately 15 percent, with some agencies having vacancies of over 24 percent. This is true in day programs, as well.

In the field of developmental disabilities, direct care staff earn an average of \$8.75 per hour. This is not a livable wage in New Jersey.

Consequently, 19 funded group homes have been unable to open due to the lack of staff. We rely on a large, dedicated workforce, as we maintain a standard of quality that is renowned throughout the disability community.

We need New Jersey to commit to our direct care workers. We ask you, our legislators, to help us make their pay commensurate with our requirements of education, skills, and level of responsibilities. We need you to help us raise minimum salaries to be fair, competitive, and livable.

Thank you for listening to our concerns and joining with us in this most critical concern.

D O N A L D W. S M I T H E M A N: My name is Donald W. Smitheman. I reside in Cranford, and have for the past 44 years with my wife Doris.

We're the parents of four mentally retarded developmentally disabled children. All of our children are living in group homes or supervised apartments.

Our daughter went into a group home in December of 1977. Our sons followed at various times until July 1984, when our last son entered a group home. Today, our daughter and oldest son live in a supervised apartment. Our other two sons live in group homes.

In order to provide a base for a few comments I would like to make, I would like to add some further background on myself.

I've been active in efforts in support of the handicapped by serving on the boards and committees of two provider agencies and a board of a supportive workshop.

During my 36-year engineering career, I spent 30 of it in the management ranks, where I first had a responsibility of five people, eventually 450, and finally retirement.

I work with both provider agencies as a consultant in the area of planning of those management processes. I have continued my involvement, since my retirement, by working on special projects, which have resulted in the informational papers of parents' support activities and the internal process activities of provider agencies.

It is from these experiences of my family, my volunteer work, and my business career, that I base my comments on the subject of parents' concern with the current status of direct care services. There is a serious problem with the availability of direct care staff, which is rooted in the fact that the salaries are too low to attract and maintain adequate numbers of qualified staff.

In the past three months, I have had contact with provider agencies on a firsthand basis. And with the following comments or conditions that have arisen from each of these -- rooted in the fact of inadequate salaries of direct care staff--

Many agencies that I have contact with are planning not to open additional facilities, because there is not available staff to operate them, this in spite of the fact that the need continues to grow. This can also be seen in the bidding for proposals for new residential facilities. Few of these proposals are generating replies back to the State from current provider agencies within the state.

Two, a group home that I was familiar with, and took part in the preparation to bring on line over a year ago, has been delayed in its operation because of the availability of staff. This delay has made the people waiting for the services of that facility elongated beyond an already long period of time, when, in fact, the facility was available.

Three, current residential facilities are working at reduced staff levels for the lack of new hires. This results in reduced effectiveness of the program where staff, for example, is not available to provide transportation to recreational events when it's required to supervise those that would still remain and still to provide the transportation.

I've experienced an understaffing situation myself firsthand when I brought my son back to his group home after a dinner visit with my wife and myself. There had always been a minimum of two staff persons when I returned, but this night there was only one. There was a very capable young lady on. I knew that she had the experience, but I also knew what she had to do, and she was overworked.

As I drove home that night, I was concerned about this situation and wanted to know what I could do to resolve the cause of the problem. My being here today is part of my resolve to help improve a very serious funding and salary issue.

There's also a subissue of staffing problem. Standards are being compromised to bring people on -- those that were judged not suitable or capable to do the job are being reconsidered with the hope that they will work out. But the consequences of this close of one eye could, and probably will, be

disastrous, based upon my business experience of similar circumstances. It just never worked out -- violated your own entrance standards.

Most recently, I have heard, in this area, a statement that we might have to close facilities and use the staff from the closed facilities to support the remaining facilities. In the more than 40 years that I've been involved with the interest of the retarded, I have never heard any suggestions to go backwards and close needed facilities. Even the prospect of this thought is -- for me-- The salary issue has become the Achilles' heel of the direct care services. Without resolving equitably, it will be a major impact on many current programs and could be their demise.

In closing, I'd like to urge and request your endorsement of the wage increase that is before you for the direct care staff. It is most urgently needed and deserved.

I would like to add further, that the effort be initiated to resolve this salary issue within a more complete and equitable ongoing solution.

Thank you very much.

LIONEL THOMPSON JR.: Hello. My name is Lionel Thompson, and I'm an Employment Training Specialist for The Arc of New Jersey.

Good morning, Senator Bassano and members of the Committee.

My name is Lionel Thompson, and I'm an Employment Training Specialist for The Arc of New Jersey.

On behalf of all the direct care workers in the State of New Jersey, I would like to thank you for providing this opportunity to address the direct care salary issue. It is a very important issue to me and to the people I support every day.

My job is extremely rewarding. I love working one on one with individuals with developmental disabilities. Sometimes it is very difficult to stay in this occupation because of the low wages. This is the only downfall about my job, and this is why direct care salary increases are so essential.

For me, I believe that an increase in my salary will help ease the stress of providing for my family. I am a newlywed with a young child. Every bit counts.

As I stated before, I enjoy my job. Nothing gives me more pleasure than to assist consumers on their jobs and see the light that shines through their eyes and smile when they finally figure out their job tasks. It is a wonderful feeling when you can give someone a positive outlook on his or her life. It is overwhelming to know that every day I am making a difference in my consumers' lives. It is the best feeling in the world.

The purpose of my job is to help train those with developmental disabilities in competitive employment. These consumers move from individuals who are dependent on entitlements, to independent, contributing, taxpaying citizens. My job benefits the consumer, who feels good about himself and their job, the employer, who gets a dedicated, hardworking employee, and all members of the community.

I ask you to please help me, and others like me, who want to work in this field but also need to support a family.

In closing, I would like to once more say thank you for giving me this opportunity to speak before you today and ask you to please support the proposed increases in the budget to raise the salaries of direct care workers. It

will not only make a difference in my life, but the lives of the consumers I work with, my wife, and the little child that I have in my home.

Thank you.

C H R I S T I N E F R A N Z: Hello, everybody.

I'm Christine Franz, and I work at a day care center. And if it wasn't for people like Lionel, I wouldn't be able to do my job so successfully. They stay with you at the beginning, and once you know your job really well, then they fade out a little. But if you ever need them, then they can always come in if you call them.

And I work with two to three year olds. And some of the things I do is like break up little arguments and, you know, we serve them snacks, sing songs with them, and all kinds of good stuff like that.

MS. HORN: How long have you done that, Christine?

MS. FRANZ: I've been doing that for over-- I've been doing that for like 10 years -- I've been with Project Hire. And I really like it a lot.

SENATOR BASSANO: Anyone here have questions of the people that are before us? (no response)

We do thank you.

Before we have our next person testify, I was wondering if Mr. Baffuto would come back up for a second.

I apologize. I had a question, and perhaps you might be able to answer it for me.

In the statement that you read earlier, you stated in the last paragraph, right at the bottom, referring to the dollar-per-hour increase in the

budget being proposed by the Governor -- that this will get us almost halfway to minimum salary levels that are fair, competitive, and livable.

How did you draw that conclusion, and what do you consider to be fair, and what are you basing that on?

MR. BAFFUTO: We looked at what current individuals were earning in similar positions working in State-operated programs such as developmental centers, psychiatric hospitals. And looking at those wages that we've -- really been set for a while-- We thought if we could reach those minimum salaries of approximately \$22,000 -- I think is the lowest that we have on that white paper--

SENATOR BASSANO: Correct.

MR. BAFFUTO: --that that, in fact, would be a good jump, and people could, you know -- it would make a difference -- that people could live at that salary. We recognize, however, that those are minimum salaries that we were trying to reach.

Our other concern with that was if we just reach that salary and leave it there, we're going to be right smack in front of this Committee again in two or three years saying, "Hey, now we've fallen behind again." So not only do we need to reach those minimum salaries, but come up with an effective way to make certain that those salaries keep pace with the level of inflation.

SENATOR BASSANO: Well, I think, insofar as keeping pace, what you're going to have to do is to plead your case on a yearly basis to the Appropriations Committee and come before that Committee on a regular basis. What this Committee would like to do is work on some type of program

through a recommendation that in the next couple of years, we can get you up to the level that you're talking about.

In your testimony, you stated that this is almost half -- the dollar figure is almost half to the minimum salary level. What is the level that you would be looking for per hour?

MR. BAFFUTO: Well, we were looking at an annual salary, Senator, of \$22,000 a year. That would probably break down to between \$11 and \$12 an hour, I believe. This dollar an hour will get-- For instance, people working with individuals with developmental disabilities -- this will help them approach \$9.75 an hour. So that's-- We anticipate that's about halfway to where we need to be. So, following that theory, if we proceeded that with another dollar an hour in the next fiscal budget, that would get us close to those minimum salaries we were looking at.

SENATOR BASSANO: I appreciate that.

As I said, we will make a recommendation, in all probability, after this hearing in the form of some type of report, but you're going to have to, on a regular basis -- or other groups will have to appear before the Appropriations Committee and ask for increases as they're warranted. This Legislature does not have the power to pass a piece of legislation mandating what future legislatures are going to do in certain areas when it comes to dollars. We just don't have that authority. But we can pass a bill, the Governor could sign the bill, and the Legislature could ignore that law. Just so you understand how the process works.

MR. BAFFUTO: I think what we're looking -- is not only to reach that minimum goal, but strategize with yourself -- members of your Committee

-- to look at a long-term solution to this. And if that, in fact, is one of the recommendations, then that's okay, but we want to lay out what needs to happen over the long-term to assist these folks working with our most vulnerable citizens -- our direct care staff.

SENATOR BASSANO: I understand what you're saying.

MR. BAFFUTO: So any suggestions that you and the members of your Committee have, is really what we're reaching out to you for your help -- in assisting us as we plan for the future.

SENATOR BASSANO: Thank you.

MR. BAFFUTO: Thank you.

SENATOR BASSANO: Any questions, by the way?

SENATOR ROBERTSON: Actually, I do.

SENATOR BASSANO: Go ahead, Norm.

SENATOR ROBERTSON: It's understandable that problems are -- does this work -- that problems are created when the staff salaries are so low and you do have -- one does have a tendency to see higher vacancy rates, higher turnover, things of that nature. I take it New Jersey is probably not alone, given the nature of the industry and the service being provided, as we look at other states. Now, do other states have problems similar to this?

MR. BAFFUTO: Yes, as a matter of fact, they do. We're hearing from a number of states that are facing this similar situation. And states are responding, actually, very similar to what New Jersey's been doing. We heard from Illinois that they, in fact, also got a dollar-an-hour increase on their direct care salaries as part of a long-term strategy. So I think that you're seeing, throughout the country, folks like -- you know, the administration here in New

Jersey and our legislators are attacking the problem with real answers by providing the direct care salary increases that folks need.

SENATOR ROBERTSON: Well, one of the things that helped to bolster your request, I would think, is any examples of other states in which there were problems of the sort that have been addressed in some form or fashion and what difference it wound up making in the turnover of vacancy rates.

MR. BAFFUTO: I would be happy to provide that information to you and this Committee.

SENATOR ROBERTSON: Yeah, that would be very helpful, because I know when you're talking about minimum salaries, frequently, it's not merely a question of trying to ascertain something as subjective as what's a livable wage. And everybody has a different opinion about that. And certainly in northern New Jersey, especially, it takes quite a bit.

But it's also a question -- what are the wages paid in other areas? And the problem -- is as extensive as it might be, then they would have a tendency to produce a lower number than you might expect. So it probably would be useful to us if you could give us good examples of how this was dealt with elsewhere.

MR. BAFFUTO: The members of the Direct Care Coalition stand ready to provide you with any information that you need to look at the problem and work with us to develop a solution. So I'd be happy to gather that information for you.

SENATOR ROBERTSON: Terrific.

Thank you.

SENATOR BASSANO: Ron, any questions?

SENATOR RICE: No, I'm fine.

SENATOR BASSANO: Thank you.

MS. McCARTHY: Dr. Debra Wentz, Executive Director, New Jersey Mental Health Association.

D E B R A L. W E N T Z, Ph.D.: Hi.

SENATOR BASSANO: Is your red light on? (referring to PA microphone)

DR. WENTZ: No.

SENATOR BASSANO: There you go.

DR. WENTZ: Thank you very much.

Senator Bassano and members of this Committee, I'd like to thank you for your vision, understanding, compassion, and support for an issue that, despite its prevalence, has not achieved enough attention because of pervasive stigma, discrimination, and ignorance.

Disabilities, unfortunately, suffer from the same ignorance that leprosy and cancer have in the past. The time has come to change all of this, and therefore, I'm extremely grateful for this opportunity today to represent the mental health community at this hearing, as well as the direct care community.

My name is Debra Wentz, and I'm the Executive Director of the New Jersey Association of Mental Health Agencies. Our Association represents 125 freestanding and hospital-based community mental health centers throughout New Jersey, which employ 20,000 New Jersey residents.

Over the past several years, I have testified numerous times on behalf of the New Jersey Association of Mental Health Agencies with the same message: Community mental health workers' salaries need to be increased.

We strongly support the addition of new dollars for direct care salaries in the Fiscal Year State budget as a significant first step in the right direction to ensure that persons with mental illnesses, developmental disabilities, and children receive appropriate, meaningful, and consistent care from qualified staff. This \$1-per-hour increase equates to increasing the starting level for an entry-level direct care worker from \$18,000 to \$20,000. And as Mr. Baffuto pointed out, for the entry-level worker in -- at that level, that represents half of where they're trying to get to be competitive with both the governmental and private sector.

But I do want to point out that that's only one position that you're looking at. The positions that have been set forth in the Direct Care Salary Coalition's position range from the entry-level position of someone who is -- provides care, but perhaps doesn't have skilled training in other areas, to a very high-level clinical position, which has to supervise other clinicians, such as in our particular field, such as a supervisor of clinical mental health services who's a person who would have either a master's level or doctoral level plus years of training. And what we have recommended where they should be for their initial starting salary to be competitive in order that community providers would be able to attract those workers is \$38,000.

And so while the \$1-per-hour increase would represent a 5 and a half percent increase, which is a very welcome and appreciated and good increase, there's a lot more that will be necessary to close the gap than even,

you know, an additional dollar per hour. So I want to point that out. And I know that Mr. Baffuto has provided the Direct Care Salary Coalition's paper outlining all the positions-- I thought it was important to point that out so you would know that all direct care salary workers that we need to attract and retain in order to maintain a consistency need their gap to be closed, as well.

As everyone has pointed out, it's absolutely critical that additional increases will be needed in subsequent budgets to bring direct care workers' salaries up to market levels. And this will enable all of us to recruit and retain qualified staff.

In the past, there have been some questions about how raising salaries relates to the care of individuals with mental illness. Well, this year, more than ever before, on behalf of the providers in our Association that treat 750,000 incidences of mental illness annually, I can tell you with confidence that there is a direct link.

When individuals with mental illness are in crisis situations, situations in which they need professional help; situations that are beyond the control of people like you and me; situations in which they're having delusions, hallucinations, and feelings of paranoia, they need the work of our community care workers. I can tell you this personally: I'm not equipped to handle this myself.

When individuals with mental illness face this kind of crisis, they need help at the time they need it. And day in and day out, round the clock, on weekends, and on holidays, and on vacations, while we're having dinner with our families, and while we're turning in for the night, community care workers are there to help. Whether it's a member of a PACT team, which are

the Programs in Assertive Community Treatment teams -- the mobile, round-the-clock, multidisciplinary teams that provide treatment and support to the highest risk patients; whether it's a screener in an emergency room, a social worker or a case manager, there is almost always someone there to help. An individual with mental illness, who's experiencing paranoia and delusions, often comes to rely on a particular community care worker. Sometimes that worker is the only person that that individual will trust, the only person who can actually get that individual to agree to continue to receive treatment and support. Therefore, that's the only person who continuously encourages the individual to stay on the appropriate medication and receive the supportive services that keep that individual out of the hospital and able to function in the community.

So what's this have to do with salaries? Well, it has a lot to do with salaries. Unfortunately, community-based treatment staff, whose organizations have state contracts, have consistently received less compensation than similar government or private sector staff.

As a result, the community mental health system in particular experienced, on average, a 42 percent turnover of clinical staff in Fiscal Year 1999. That meant that if a staff -- if an organization had a staff of 10 on January 1, four of them will have left before the year was up, and that it took an average of seven months to replace each one.

These staff vacancies result in increased caseloads for the remaining staff, leading to increased stress, staff burnover, and still more turnover as staff seek more reasonable employment and better pay in New Jersey's full employment economy.

This means that an agency never has a full staff complement of trained professionals. The agency's constantly looking for replacement staff, while continuing to lose even more staff, training what staff it can find, and at the same time juggling its caseload.

In fact, some services, such as those with emergency workers who treat people with mental health crises, have experienced up to a 150 percent turnover. And they still have 30 to 40 percent vacancies. And the whole time that this staffing crisis is occurring, individuals with mental illness continue to need support and treatment. They continue to need someone to encourage them to stay on their medication. They continue to need someone to trust. Without the individuals on whom they've come to rely, persons with mental illness stop taking their medicine, they stop going for other necessary treatment, and they stop receiving services. The staffing crisis, due to the low salaries, hurts them, and in the long run, it hurts all people in New Jersey.

So I thank you for taking this issue seriously and making community care workers' pay commensurate with their education, skill, and levels of responsibility at every level of staffing. It's only fair, considering that the community mental health system has saved New Jersey taxpayers over \$1 billion annually on the cost of State and county psychiatric hospitals. In fact, community mental health providers have allowed the State to downsize to only 1800 State and county hospitals in 1999, a nearly 90 percent decrease from the 15,000 available in 1970.

In addition, although my Association fully supports new initiatives, such as the Children's System of Care and the reconfiguration of

Greystone, attention must be paid today to the staffing crisis that already exists.

With continued salary adjustments, the staff turnover and worker shortage will continue to proliferate with predictable results, which will be a significantly increased number of costly hospitalizations in county and State facilities and an increased number of persons with mental illness without support or treatment in our communities.

On behalf of all individuals with mental illness who rely on community care workers every day, I strongly encourage you to take this policy issue personally, as I have, and both to support this year's increase and to work on the long-term solution.

Thank you very much.

SENATOR BASSANO: Any questions?

SENATOR ROBERTSON: Mr. Chairman, just as the same advice that I had given Mr. Baffuto -- before -- which is that I'm sure you have the ability to pull together figures from different parts of the country. That would be very helpful in making the case, because you make a very compelling case to have this looked at in a long-term way. And that's exactly what we should be doing. And information of that sort will be very helpful.

DR. WENTZ: I appreciate that. We will certainly get that to you.

Thank you.

MS. McCARTHY: Dave D'Antonio from the New Jersey Psychiatric Rehabilitation Association.

D A V I D D' A N T O N I O: Good morning, Senator Bassano and members of the Committee. I want to thank you for listening to me this morning.

My name is Dave D'Antonio. I work at Bridgeway in Elizabeth.

People get into the field of mental health because they want to help others. And this is okay for a period of time. These people work in a highly demanding, stressful job, and at the end of the day they go home and face the financial stress that comes with making a salary that they know is just barely keeping up with the cost of living. And they start to think about the dream of owning a new car, buying a house, raising a family. They come to realize that they cannot do it on the salaries that we're paying.

This ultimately leads to burnout, and subsequently, they leave us to work for for-profit mental health agencies or they leave the field altogether, or other people work two jobs just to make ends meet until this, too, leads to exhaustion and eventually burnout.

And it's not just the low salary. It's the lack of things like ability to make overtime pay, the lack of disposable income to invest, or a pension plan that you could realistically use in retirement, and it's also the lack of recognition in a society that doesn't understand or reward their efforts.

As a director of a program, I am left to recruit new staff, which is becoming increasingly difficult in a time when there are so many opportunities for young people to enter careers where they can make money fast. I'm left to spend resources to train new staff and face the clients who oftentimes ask me when a beloved staff person leaves, "Why couldn't you get them to stay? Couldn't you just pay them more?"

I want to tell you about a client of mine named Tom. Tom is a 40-year-old married man with two teenage daughters. He has a mental illness. His mental illness, in his home, is not spoken about. He cannot tell anyone when he is not feeling well. It is considered daddy's little secret. He feels tremendous pain and loneliness when facing it.

One year ago, Tom found out that he had cancer. He had to have his chest cut open to remove a cancerous growth. He had to undergo chemotherapy and radiation therapy. He received tremendous support from his family throughout his treatment. He told me recently, "Dave, it was so much easier to deal with my cancer than it is to deal with my depression. It was an acceptable disease to my family and friends." This is what people with severe and persistent mental illness face on a daily basis.

Most of our society would like to forget these people or keep them hidden. The place where they can get acceptance, care, and compassion is in our programs from the direct care staff, who will go to any lengths to assist them. The true measure of your care and concern for another human being is the extent to which you are willing to go out of your way to help them in a time of need. Our staff has proven that they care.

One thing I would like you to take away from what I have to say today is that people with severe and persistent mental illness can return to roles as productive citizens with the support and assistance of highly trained, skilled, caring professionals. We cannot continue to do this in the year 2001 when we are paying salaries from the 1980s.

This is an opportunity for you to show that you care.

Thank you.

SENATOR BASSANO: Any questions? (no response)

MS. McCARTHY: Wayne Vivian, a consumer, and from the Mental Health Association of New Jersey.

WAYNE D. VIVIAN: Hi. My name is Wayne Vivian. I'm a mental health consumer.

Chairman Bassano and members of the Committee, thank you for hearing us today.

My name is Wayne Vivian, and I am the President of the Coalition of Mental Health Consumer Organizations, COMHCO, a New Jersey statewide organization of approximately 1000 members dedicated to furthering the cause of adults afflicted with serious and persistent mental illness through education, empowerment, and advocacy.

I am also Vice President of the Mental Health Association in New Jersey, a nonprofit statewide advocacy organization whose goal is to ensure that every adult and child with a mental illness receives prompt and quality care in the least restrictive setting as close to home as possible.

The Mental Health Association has been a member of the Direct Care Salary Coalition since its inception, because we believe that salaries in the nonprofit service community are jeopardizing the fulfillment of our mission. We believe that the low salaries are creating a crisis in care, one that we need your help to reverse.

The single most important element of a consumer's recovery is the creation of a trusting, therapeutic bond between themselves and their mental health worker. For any intervention to be successful, this bond must be established, which can only be developed and sustained over time. With direct

care staff forced to leave positions out of necessity because of low salaries, family concerns, and career development, consumers are never able to establish this critical bond of trust due to the lack of continuity in the relationship.

There is nothing more frustrating or devastating to a consumer's recovery than having to start over with a new clinician who may prescribe different medications and dosages or implement new therapeutic practices. Consumers are forced to retell their whole story over and over again to someone who may have a very different style, agenda, or goals from their previous psychiatrist or counselor. This scenario can set a consumer back, delay their attainment of self-sufficiency, and undermine their progress more than any other.

Many consumers have witnessed staff members deeply conflicted over their decisions to leave because of their loyalties to themselves, family obligation, and the consumers they serve. I have personally seen times where staff members have cried over the pain they felt about leaving the consumers they bonded with and achieved tremendous progress, only to see it all disintegrate after they've gone.

Other issues of great concern for consumers pertinent to staff retention due to low salaries is, the message the system is sending to them, that our lives and recoveries are only worth minimal investments of both financial and human resources. Many children and adult consumers come from seriously dysfunctional families. Oftentimes, consumers have been abandoned and abused, and their self-esteem has been severely damaged. When staff leaves suddenly, this message confirms our familiar feelings and validates our

views of the world, again making recovery that much more difficult and lengthy.

Recovery and productivity is very possible for mental health consumers. With the advancements in medications and other clinical interventions, consumers can now leave hospitals and institutions, live successfully in the community, and become working, contributing citizens, but we need to help to continue this reality. How can we get the help we need when consumers' needs go unmet because of inadequacies related to job turnover, when empty positions go unfilled, when salaries are too low to attract the best, most competent, and qualified professionals, and when there is not enough training and staff supervision because of heavy caseloads?

In conclusion, ultimately, everyone suffers when staff turnover is so high because of low salaries. Consumers, the community, and the system itself is severely stressed when community providers are unable to provide effective, innovative, state-of-the-art services because they are constantly struggling with the mundane task of keeping their agencies running day to day.

SENATOR BASSANO: Questions? (no response)

Thank you.

MR. VIVIAN: Thank you.

MS. McCARTHY: Regina Palo, National Alliance of Mentally Ill, from Essex County, New Jersey.

R E G I N A P A L O: Good morning.

Thank you, Senator Bassano and the Committee, for this opportunity to speak before you.

My name is Regina Palo. I'm a Volunteer Board Member of NAMI Essex, New Jersey. And I have a relative who has a mental disorder, schizophrenia.

For 18 years, I have advocated for better services in the mental health field. And in those 18 years -- have used services provided in the private, county, state, and community settings. Our NAMI Essex has a close relationship with the Mental Health Association of Essex County.

As advocates, we families were promised decent, humane care for our loved ones, only to find that for every step we take forward, somehow we step two steps backward. Better hospitals -- I don't think so. Better community housing -- some good, some promising, and many dismal and deplorable. We aging parents ache for the day when there will be structured, monitored, decent facilities for all this fragile population.

Since most of the mentally disabled live at home with their parents and the families, we understand all too well how difficult a task it is for caring for them on a daily basis. We are in awe of staff and hospitals and the communities -- those whose competence and compassion exceed our expectations. But because of the inexperience of many in the field, we have come to expect less than what our serious mentally ill deserve.

If you build a state-of-the-art hospital with staff receiving compensation comparable to other State employees, you will have competent, qualified employees. If you treat community health workers with equitable wages, you will not be subjected to rapid turnover, and the chronically mentally ill will benefit by the consistent services.

The rapid turnover in the community mental health field, and in hospitals, promises continued instability for patients who need time to develop trust in staff. How can we attract and keep good mental health workers if they can make more in the private sector? Compassion alone doesn't always pay the bills.

With the downsizing of hospitals, we families were promised better services in the community. When positions go unfilled, the system of continuing care breaks down. You are in the position to see that these workers are fairly compensated for their difficult and demanding jobs. We families live with faith that you'll keep the promises you made to us and our suffering loved ones.

Thank you very much.

SENATOR BASSANO: Any questions? (no response)

MS. McCARTHY: Dr. Kenneth Gill, New Jersey Psychiatric Rehabilitation Association.

K E N N E T H J. G I L L, Ph.D.: Thank you for the opportunity to testify at this special hearing on this very serious issue.

As the previous speakers mentioned, the proposed budget increase of a dollar per hour of direct care workers is an important first step. But I think it's a bit modest to think that another dollar per hour in the subsequent year will rectify the situation.

The truth is, the wages of these workers have been falling behind for a very, very long time. In the late 1980s, direct care workers with a bachelor's degree made \$18,000 a year. Today, they make about \$22,000 and \$23,000 a year. At the time, they hit parity with New Jersey teachers.

Currently, the gap is about \$10,000 to \$15,000 between teachers and direct care workers. These are direct care workers with bachelor's degrees. Not that teachers are so terrifically remunerated, it's just that they've gotten regular increases over the years. Most direct care workers are not represented by unions -- they're not organizing unions. So they're depending on the cost-of-living adjustment that the Department of Human Services gives the agencies they work for.

Now, the cost-of-living adjustment is something of a misnomer. It's usually about half of the actual increase of the cost of living. So for example, last year, when consumer prices increased 3.6 percent, the cost of living adjustment was 1.6 percent.

The situation is getting rather dire. Staff are eligible for the benefits they help to arrange for their consumers, especially staff with children are apparently eligible for the expanded children's coverage that's now offered by the State.

Staff looking into how -- agencies -- excuse me -- that were looking into finding supported apartments for people with disabilities-- Calculating the cost of that, the Supportive Housing Association of New Jersey found that the staff who provide those services couldn't afford those apartments that they're arranging for people with disabilities. So it's a dire situation.

A \$1-an-hour increase, probably for the next two consecutive years, would go a long way towards improving the situation. Also, a structural solution, where there was actually increases -- and I know there's a problem with the appropriation each year about that -- but that the increases actually approximated the consumer price index increase.

Just as a small comparison, in the last 10 years, the direct care workers' salaries went up 15.7 percent over 10 years. Compare that to government workers -- this is all government workers, not just New Jersey's government workers -- but all government workers-- The increase was 36 percent. Private sector workers -- the increase was 39 percent. The increase of the cost of living over that period of time was about the same -- about 36 percent.

So this is a cumulative effect of not getting these increases. And the impact it causes on the people served, as the point's been made-- Staff turnover rates are outrageous. I have references citing turnover in 18 months -- two years, but the reports being cited more recently are even -- the turnover is even quicker than that. And, of course, the staff are capable of leaving and going to new jobs. And that's precisely what they do.

These are people who start out very motivated, very intrinsically -- they're into rewards of doing a good job, as testified to earlier. But after awhile, they just can't afford to continue that good work.

So as the point's been made -- I guess I'll make it again -- that some kind of structural solution has to happen. Additional increases of a dollar an hour, perhaps for two years-- I think asking for one year was just too modest. And I also think that some mechanism for a cost-of-living adjustment, that actually is a cost-of-living adjustment, should be put into place.

SENATOR BASSANO: Any questions? (no response)

Thank you.

That concludes our testimony this morning. What I wanted to suggest, and I'll put this on the table again, is that this Committee consider

asking staff to draft up a report to be presented to the Governor's Office and to the Appropriations Committee making a recommendation that within the next year -- that both the Governor's Office and the Appropriations Committee consider an additional dollar increase in salaries for direct care staff.

I would further suggest that we point out, in that report, that these people should be kept on a par basis when it comes to salary increases, the same as some of our State employees, so that while these folks may not be represented at the bargaining table, they would normally enjoy the same increases, percentagewise, than some of the people who are working for the State.

I'd like to throw that out on the table and see what the rest of the Committee thinks about that idea.

If you have any comments, additions, etc.--

Norm, go ahead.

SENATOR ROBERTSON: Mr. Chairman, actually I have an addition.

First of all, let me thank you, Mr. Chairman, for holding these hearings. I think it's very enlightening, and it's an issue that needs to be brought to the forum, because we are dealing with a fragile population here. The sort of disruptions that do occur when you have a turnover situation, when you have a vacancy situation, can be devastating to any course of treatment, any course of care. We see that repeatedly -- and especially when we're in an era where a lot of people seem to feel, and rightly so in many respects-- But a lot of this care should be more community-based. We have

to make sure that we provide the infrastructure to the community-based providers of service. This is part of that.

So I congratulate you and thank you for having the hearings in the first place. And I entirely agree with your recommendation. But I also would add one thing. And that is that I think we should also respectfully request the Governor, through his executive department, to conduct its own report and salary survey and ask them to report back -- not report back to the Legislature, but to enlighten the Legislature as to its findings.

One of the things that's been brought out repeatedly in the hearing today is the need for some form of long-range solution. And at least by making a request of that sort, we will know that the executive branch is actually studying this matter in a manner where we are asking, "Well, what did you do about this, and what were your findings and so forth?" Theoretically, we could do it as a legislative panel, but I think it really helps the community that we're trying to serve more if it's done through the executive department.

So I would add, if I might, a request that the executive department also conduct its own salary survey and study of this matter and copy us in on their findings.

SENATOR BASSANO: Ronny.

SENATOR RICE: Now, I know that the issue is a serious one, and I know it needs to be addressed, and I think what the speakers are really indicating is that just as we have in the nursing crisis and home health care arena, the -- crisis here of human resources that are pretty much available, but are not going to really be attracted to the positions where they are needed because of salaries.

New Jersey, unfortunately, is a very expensive state to live in, and we need to address that some kind of way as life goes on. So I think the recommendations made are very appropriate for the time frame and also because of the transitioning of the executive branch with a new governor -- acting governor. Hopefully, he will see fit, between now and then, to make this a priority, in terms of whatever has to be done, with those of us in the Legislature working with him.

And so I would concur with the recommendations, Mr. Chairman.

SENATOR BASSANO: With that -- the Committee in agreement, staff will move forward and try to prepare a report to share with us. We would appreciate that.

As soon as that report is available, we will make it available to the rest of you. Hopefully, staff will give this priority, and we can get this to the Governor and to the Appropriations Committee as quickly as possible.

I do want to thank all of you for being here. I know, in some cases, this is the second time that you've testified on this issue. But sometimes it takes the squeaky wheel to get the grease. And maybe that's what we're doing here today.

But as a person who was an advocate for group homes, and still am, for many of the disabled, I want to make sure that that's not just brick and mortar, and that the services are provided and provided well. And that's what we're talking about today.

So we do thank you for your participation and for being here.

Have a good day.

(MEETING CONCLUDED)