

PROVIDERS' COUNCIL

July 31, 2017

To: Senator Jennifer L. Flanagan, Chair
Representative Kay Khan, Chair
Joint Committee on Children, Families and Persons with Disabilities

From: Bill Yelenak, Vice President of Public Policy & Development

Re: Testimony in support of House 116 and Senate 42, *An act relative to creating a loan repayment program for direct care human service workers.*

Chairwoman Flanagan, Chairwoman Khan and members of the Joint Committee on Children, Families and Persons with Disabilities, thank you for the opportunity to present testimony today in support of House Bill 116 and Senate Bill 42, legislation that would allow low-paid direct care workers in the community-based human services sector to receive assistance repaying student loans and help human services organizations recruit and retain employees.

As you know, the Providers' Council is a statewide association of home- and community-based human services organizations that provide an array of services to one in ten Massachusetts residents on behalf of the Commonwealth. The Council has, for several sessions, proposed legislation that would create a loan repayment program for direct care workers. As graduates from colleges and universities are carrying more debt now than ever before, we believe this bill is of critical importance to maintaining a strong workforce and a thriving state.

The human services workforce

Earlier this year, the Council – in partnership with the UMass Donahue Institute and UMass Dartmouth – published *Who Will Care? The Workforce Crisis in Human Services*. The study noted that the human services workforce grew from 98,000 jobs in 2003 to nearly 164,000 jobs in 2014 – an increase of 67 percent. While we expect to add another 25,000 jobs to the 164,000-person human services workforce by 2024, the prime working age population in Massachusetts will decrease by nearly 40,000 over the same period. We expect this will create an even greater workforce crisis in our growing field.

The Council has a long history of working with UMass to publish reports on the human services workforce. A prior report – *Help Wanted 2* – indicated that 80 percent of human services agencies surveyed reported direct care and support positions routinely have the most turnover. The report listed “*The lack of affordable higher education for direct service workers and the burden of student loan debt carried by younger workers*” as two major items that contributed to recruitment and retention difficulties in the sector.

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The rising need for services over the next decade – combined with the high number of direct care position vacancies – will create an inability to serve clients, delays in services and treatment disruptions, according to the *Who Will Care?* report. It suggests a loan repayment program for human service workers could help attract and retain members of the workforce.

As you will hear from staff accompanying us today, these are issues with which workers throughout the sector continue to struggle. Some receive modest wage increases, but the cost of education continues to skyrocket. While a loan repayment program would have a small cost to the Commonwealth, it would greatly improve the ability of our low-paid workforce to remain in the sector and pay back their student loans. A more educated and stable workforce providing a continuity of care would greatly improve the conditions of the one-in-ten residents of the Commonwealth who turn to our sector for essential care.

In addition, the population of Commonwealth residents with autism, behavioral health and addiction issues and/or intense medical needs is increasing. As people live longer and require more services, our sector must be better staffed and educated to meet the critical needs of these individuals. A better-educated workforce that remains in the human services sector will help clients and consumers throughout the state.

The student loan debt crisis

Student loan debt is not only a major issue in Massachusetts, but also across the country. Recent statistics regarding the size of the debt and students' inability to pay it back are becoming increasingly alarming. According to the *Project on Student Debt*, there are 44.2 million student loan borrowers with outstanding loans today. They also stated that the total outstanding student loan debt is estimated to be more than \$1.29 trillion.

In fact, a recent study showed that 68 percent of 2015 graduates have student loan debt with the average graduate owing more than \$30,000 in student loans; even adjusted for inflation, this is more than twice the amount borrowers had to pay back just two decades earlier. Massachusetts graduates have an average debt of \$31,466, ranking seventh highest in the nation.

Four University of Massachusetts campuses – Amherst, Boston, Dartmouth and Lowell – reported the average debt of their graduates at between \$28,368 and \$31,958. At UMass Dartmouth, a staggering 85 percent of students had some type of student loan debt when they graduated. With graduates needing to pay back sizeable sums – and tuition and/or fees continuing to increase every year – student loan debt will be a major issue across our state and nation for many years to come.

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Anecdotally, those in our workforce have tens of thousands of dollars or more in student loan debt; you will hear from some of them today. Our sector's workers often have to make tough choices between paying their loans and supporting their families.

A solution: a loan repayment program

The Providers' Council is proposing to amend Section 16 of Chapter 6A by inserting a new section that would create a loan repayment program for low-paid full-time human services workers who make less than \$45,000 per year.

Workers would be eligible to receive up to \$150/month (up to \$1,800/year) for a period not to exceed 48 months. The program would help defray repayment costs incurred from student loans by graduates having – from an accredited higher education program – a certificate, an undergraduate degree or a graduate degree once they have maintained 12 consecutive months of employment in human services at a minimum of 35 hours per week.

The Providers' Council is seeking \$3 million for the initial funding of this program. While there is a cost associated with this legislation, the true cost to those we serve on behalf of the Commonwealth is incalculable. Workers who often leave the sector due to the low pay and mounting costs will receive financial assistance paying back a student loan. This supports them remaining in the field and thereby, it provides a continuity of care for individuals with disabilities, women and children, our state's elders and others needing essential supports. This program would help pay the student loans of our educated, talented staff and strengthen services provided to residents of Massachusetts.

With \$3 million in funding, we estimate nearly 1,700 direct care workers could participate in this program's initial year. We propose EOHHS administering the program with guidelines from the Department of Education.

Conclusion

We thank you for the opportunity to share why these bills would help the sector combat historic problems with the recruitment and retention of employees while providing continuity of care for our most vulnerable residents.

The Providers' Council appreciated this committee's favorable report of this legislation in past legislative sessions. With student loan debt now more massive than ever before, we hope you will again give this bill a favorable report and urge your colleagues to help make it a reality.

We are happy to discuss this bill with you further and answer any questions you may have. Thank you for your continued support of human services.