



The Campaign to **STRENGTHEN
HUMAN SERVICES**
*IMPROVE CARE • RETAIN QUALITY STAFF
ENHANCE ECONOMIC IMPACT*

November 15, 2024

Her Excellency Maura Healey
Governor of the Commonwealth of Massachusetts
Massachusetts State House, 24 Beacon St.
Office of the Governor, Room 280
Boston, MA 02133

Re: Fiscal Year 2026 Healey-Driscoll Administration Budget

Dear Governor Healey:

We are writing on behalf of *The Collaborative*, composed of the Association for Behavioral Healthcare (ABH), the Association of Developmental Disabilities Providers (ADDP), the Children's League of Massachusetts (CLM) and the Providers' Council. Our joint membership provides critical safety net services to hundreds of thousands of residents of the Commonwealth. These include people with intellectual and developmental disabilities and brain injuries; behavioral health needs including behavioral health disorders; those experiencing poverty, homelessness, and food instability; vocational rehabilitation and justice-involved individuals; and children, adults, and families in need of care, support, and protection from violence or abuse.

We thank you for your commitment to the human services sector, which encompasses more than 160,000 jobs and is essential to the social infrastructure of the Commonwealth. We urge you to ensure that your FY26 budget request continues to support the human services industry that is so vital to the people that we serve. To that end, we have two specific requests:

First, we request that the Commonwealth continue to work towards adequate wages for the human services workforce. Our goal continues to be that the Executive Office of Health and Human Services establish salary benchmarks for job titles based on the 75th percentile of the applicable wage reported by the Bureau of Labor Statistics (BLS). This change is essential, because the current methodology for setting rates lags inflation and does not adequately reflect the market salaries for the vital work performed by employees in our sector.

We are very appreciative of the efforts by EOHHS in the past year to increase salary benchmarks above the median Bureau of Labor Statistics benchmarks for Massachusetts employees. Increasing the wages of direct care staff above the 60th percentile last year (using the May 2022 BLS benchmark) was a particularly important step towards setting competitive wages for these

staff positions. However, with the implementation this year of updated MA BLS benchmarks, the benchmark wage level for direct care staff was reverted to the 53rd percentile.

As an interim step to the 75th percentile, we strongly advocate **for the FY26 budget to support a return to using the 63rd percentile for direct care staff** – representing an hourly wage of \$22.35 – and for **increasing all human services wages to that 63rd percentile benchmark**. This would have the biggest impact on nursing and clinical positions and also ensure competitive salaries for other critical roles.

Our second request is with respect to the calculation of tax and fringe rates for human service purchase-of-service contracts. Historically, these rates have been based not on the actual cost for an efficient provider of human services, but on the Commonwealth's tax and fringe expenses for state employees, excluding retirement and terminal leave. The failure to include retirement costs in the calculation deprives human services workers of important benefits that would assist them in a dignified retirement and eliminates a critical recruitment and retention tool for human service employers.

Moreover, the Commonwealth's methodology is not adjusted for the fact that the Massachusetts Group Insurance Commission has enormous purchasing power and can negotiate far more favorable premiums than individual providers. This is particularly problematic in the current fiscal year. While the overall tax and fringe rate for state employees declined from 45.81 percent to 45.05 percent – less than 2 percent overall – our human services programs saw a tax and fringe reduction from 27.38 percent to 24.97 percent – effectively a cut in tax and fringe of almost 9 percent. This decrease results in a cut in rates for human service providers and their employees that removes tens of millions of dollars from the community-based human services sector. **We request that EOHHS ensure the tax and fringe rate for providers does not decrease from year-to-year to ensure rates are not moving backwards due to fluctuations, and we ask that an equitable consideration for retirement expenses be added to the calculation.**

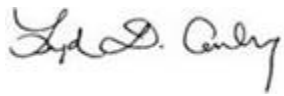
We are grateful that your administration has recognized how important it is to prioritize livable wages for human service employees. The Commonwealth's ability to staff its social services network with qualified employees is central to providing the quality care that so many of our neighbors rely upon. Inadequate wages lead to high turnover and difficulty filling critical positions. Currently, it is not uncommon to see vacancy rates in our member organizations at levels of 30 percent or more for certain positions. These staffing shortages are especially acute for direct care and clinician roles. Wage rates for clinicians, as just one example, continue to fall far short of market salaries, and as a result have some of the highest vacancies in the Commonwealth. The overall staffing situation threatens service disruptions, unsuitable placements, and the possibility that individuals' service needs will increase rather than be ameliorated.

The primary solution to this dilemma is clear – wages for human services workers providing critical safety net services should be based on the 75th percentile of the MA BLS. A well-trained, educated workforce that can provide consistent, quality care will strengthen Massachusetts as a whole and allow us to ensure our friends, family and neighbors are safe and secure.

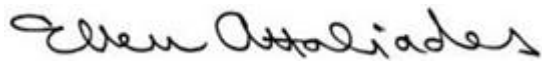
Finally, addressing wage disparities in the human services sector is a social justice issue. The human service workforce is disproportionately comprised of women and people of color, and the Commonwealth should compensate these employees equitably.

We appreciate your consideration of this request, and we look forward to continuing the conversation with you in the future.

Sincerely,



Lydia Conley
President/CEO
Association for Behavioral Healthcare



Ellen Attaliades
President/CEO
Association of Developmental Disabilities
Providers



Rachel Gwaltney
Executive Director
Children's League of Massachusetts



Bill Yelenak
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Providers' Council

Cc: Kate Walsh, Secretary, Executive Office of Health and Human Services
Matthew Gorzkowicz, Secretary, Executive Office for Administration and Finance