October 8, 2025

*To:* Senator Jacob Oliveira, Chair
Representative Paul McMurtry, Chair
Joint Committee on Labor and Workforce Development

*From*: Bill Yelenak, President/CEO

*Re*: Testimony in support of House Bill 2104 and Senate Bill 1325, *An Act relative to meeting human service demand by modernizing incentives for the direct care workforce*

Chairman Oliveira, Chairman McMurtry and members of the Joint Committee on Labor and Workforce Development, thank you for the opportunity to present testimony today in support of House Bill 2104 and Senate Bill 1325, legislation that would ensure direct care workers in the community-based human services sector receive a livable wage.

The Providers’ Council is the state’s largest association of private, community-based human services organizations that provide an array of services to hundreds of thousands of residents on behalf of the Commonwealth. These range from services to women and children, our elderly who need support, children and adults with intellectual and developmental disabilities (including those on the autism spectrum), people with opioid or alcohol addiction, individuals and families experiencing homelessness, our veterans, people with mental health needs and others needing support and protection.

Our sector is experiencing extremely high turnover and considerable challenges in recruiting talent. As a result of vacancies, some programs are unable to run at full capacity and residents needing support remain on wait lists. As the workforce crisis in the human services sector continues to worsen, it is imperative that rates of reimbursement allow community-based human services providers to pay fair and competitive wages to their staff members – relative to what the Commonwealth pays state employees holding similar job titles and performing similar work – to attract workers to the sector.

**The human services workforce**

Thanks to support from you and your legislative colleagues during the FY ’25 budget debate, EOHHS was mandated to create a report that outlines the pay gap between community-based human services workers and state workers with similar roles. The data shows a troubling trend, as state positions are paid significantly more than community-based positions with similar roles.

When the Commonwealth sets rates for human services programs as mandated by Chapter 257 of the Acts of 2008, it creates model budgets that indicate benchmark salaries for each position. The state uses external data from the Bureau of Labor Statistics to help set these rates, and **it currently uses the 53rd percentile of Massachusetts state-specific data to determine these benchmark salaries**.

For example, recent Chapter 257 rates propose paying a Direct Care I staff member $20.79/hour or approximately $43,248 annually. Yet the report published by EOHHS indicates the state pays its “Developmental Services Worker I” – an equivalent position – an average of $23.51/hour or about $48,900 annually. This is a difference of more than 13 percent.

The state “Developmental Services Worker III” and the community-based sector’s Direct Care III roles see a similar disparity, as state employees in this position make an average of $31.25 an hour while those in the community-based sector make an average of $27.03 – a difference of more than 15 percent.

It’s important to note how Chapter 257 rates work. The state is currently using benchmarks released by the Bureau of Labor Statistics in spring of 2024 that has data from May 2023. The BLS’ Occupational Employment and Wage Statistics produces estimates by combining six panels of data collected over a three-year period. So at least some data being used in these calculations would be from 2020. Additionally, EOHHS rate hearings happening in Q4 2025 will be for rates effective January 1, 2026, which means they won’t receive another rate hearing until Q4 2027 for rates to be effective January 1, 2028.

Again, rates being set by EOHHS this fall use at least some data gathered in 2020 and will be in effect until the start of 2028 – the 53rd percentile is insufficient to keep up with inflationary adjustments, cost of living increases, and other factors.

If the state instead used the 75th percentile of the BLS data published in spring 2024 with data from May 2023, it would benchmark a Direct Care I salary in the community-based human services sector to $24.22 and a Direct Care III salary to $32.26 an hour. **This would reduce the pay disparity today for DC I and DC III workers to about 3 percent.** Further, the salaries would be almost equivalent the following year, as state workers often receive annual increases, while human services workers only receive a cost-of-living increase every two years.

With the state paying 13 to 15 percent more on average for direct care roles, it becomes increasingly difficult for community-based organizations to recruit and retain workers. State employees already receive other benefits as a result of their employment, including health insurance through the Group Insurance Commission that is often more affordable than private plans and access to a pension plan for retirement. But community-based human services workers and their counterparts working at state-operated programs shouldn’t be paid a different salary for performing similar jobs.

Direct care workers are often one of the most difficult positions to recruit for in the community-based human services sector. We have published numerous studies over the years with the University of Massachusetts Donahue Institute detailing vacancies in the direct care workforce and our workforce crisis.

We’re concerned, too, from a social justice perspective. Nearly eight out of 10 workers in our sector are women and 36 percent are people of color. In all other sectors in Massachusetts, women make up 43 percent of employment and people of color make up 25 percent of the workforce. Unfortunately, our workforce does not receive a wage commensurate with their experience and job roles.

Our inability to recruit and retain workers can put lives and families at risk. Lack of fair pay in our sector increases turnover and vacancy rates. These can often cause Massachusetts residents who need assistance or services to remain stuck on waiting lists. In an effort to ensure a high-quality, consistent level of care in the sector, the state must eliminate this existing pay disparity that creates a two-tiered system of care between state and community-based workers, as we all have the goal of providing essential services to our state’s residents. It is also a system that, inadvertently, perpetuates racial and gender inequality.

**BLS 75th percentile data & tax and fringe benefits**

Should the pay disparity that we have illustrated continue, providers in the community-based sector will continue to have immense difficulty recruiting human services staff and retaining quality employees. In turn, this will mean less continuity of care for vulnerable residents in our care. If organizations cannot recruit or retain staff sufficiently, programs may need to be reduced or closed, and essential services will stop being delivered.

The bill before you today, proposes that effective July 1, 2025, the Executive Office of Health and Human Services shall begin an 8-month planning process to address human services wage rate through a methodology that will justify the use of the 75th percentile of the Bureau of Labor Statistics. This bill only impacts direct care staff at organizations and would not increase salaries of executive level or other positions.

The employer's portion of fringe benefits and payroll taxes will also be benchmarked to changes in the same costs in comparable sectors.

**Conclusion**

Thank you for the opportunity to speak in support of these bills and discuss why we must eliminate this growing pay disparity. These bills will help the sector combat historic problems with the recruitment and retention of employees while providing continuity of care for all residents in need and, particularly, our most vulnerable residents.

The Providers’ Council would appreciate a favorable report on this important legislation. This bill is essential to allowing us to provide high-quality care to residents throughout the Commonwealth as the legislature rightfully expects.

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.