



Alliance for the Betterment of  
Citizens with Disabilities

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**Empowering People: Providers Shaping Policies**

The Case for an Across-the-Board Increase to DDD Community Providers in FY2025

The generous targeted DSP/Supervisor bonus and wage pass through of years past was an effective policy during COVID and the gradual ascension of the base wage; they provided an immediate infusion of cash, enabled agencies to stay ahead of the minimum wage, and pulled us through a world in transition. But our workforce issues are no longer as focused and acute. As a result, though we believe that this powerful policy in the time of COVID and a rising minimum was a success, today it is no longer an optimal use of limited resources. The continuation of this policy will exacerbate the following side effects:

- **Wage Compression.** The Legislature's add-on in the FY24 NJ Budget will inflate the January 1, 2024, DSP/Supervisors increase to 10% from the Governor's originally proposed 7%. <sup>1</sup> The add-on will also provide a one-time bonus this spring in the amount equal to approximately 1.5% of half a year's worth of wages. The pay of DSP/Supervisors will get much closer to that of managerial positions.
- **Employee Retention.** In addition to other essential direct services workers which include clinicians, drivers, and managers, support staff in finance, human resources, quality assurance and operations are excluded from the increase. The implied undervaluation of these employees by the state has forced agency executives to compensate by tapping into existing capital for what is essentially unfunded wage increases and finding other creative ways to ensure that this segment of their workforce is retained.
- **Employee Hiring.** DDD provider agencies are complex and sophisticated organizations not mom-and-pop operations. Finding and hiring necessary professionals like physical therapists, CDRS drivers, nurses, accountants, and COOs who have numerous employment opportunities in other industries has become significantly more challenging.
- **Disadvantage to Smaller Agencies.** Smaller agencies do not have the financial cushion to withstand what may result in yet another financial and operational blow.

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<sup>1</sup> Based on calculations made by representatives of ABCD's CFO/COO Forum.

- Minimal Effort. A guaranteed raise in a tight labor market incentivizes minimal effort by employees, jeopardizing service quality.
- Workforce Conflict. Wage pass-throughs do not account for the length and/or quality of work provided by the DSPs. Already, executives are getting pushback from the DSP workforce, that the policy is “Not fair that all of us get the same increase!” Naturally, agencies are free and do give DSPs seniority and merit-based pay hikes. But resources are limited. What an agency wants to do is often at odds with what they can do.
- Health and Safety. Capital improvement and repair can get pushed back to pay for immediate needs.

Continuation of this policy will also:

- Thwart Executive Staff. Over-prescriptive measures negatively impact a leader’s capacity to do their job, desire to stay in their job, and ability to engage executive talent.
- Reject the Communities Request. In the recent 5.5-hour DHS Budget Listening Session 16 of the 63 participants focused on IDD. Since speeches are limited to 3 minutes, one’s request must be prioritized and focused. The most asked for request was made by 10 of the 16 for a 6.5% across the board increase compared to the single request for a DSP targeted wage increase tying it for last place. Those who advocated in favor of the across-the-board increase, trade groups, agencies, and a parent; collectively employ thousands of staff, with tens of thousands of accumulated years of experience working for this community. Their voices must count for something.
- Overlook Support Coordination. A targeted wage pass through to DSPs/Supervisors will not impact the rate paid to support coordinators. As we know, high quality care coordination for our adult IDD population is too fundamentally important to do poorly. If we do not wish to revert to a weaker system, their rate must keep pace with costs so support coordinators receive salaries commensurate with the value, care, and professionalism they provide.

The irony of the bump up provided by an unstinting and steadfast legislature in FY’24 is not lost on us.

Moving forward. Let our talented executives determine where to best place additional resources in their organizations. Compared to the generous and successful targeted wage pass through of years past, an across-the-board increase is the next step to better enable agency executives to deliver on the expectations of the IDD community and the public at large, to provide strategic and operational leadership, manage services and support and guide employees.

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