



Testimony for in support of LB601

March 22, 2023

Matt Kasik, Chief Executive Officer -Region V Services

Chairman Clements and members of the Appropriations Committee, my name is Matt Kasik (M-a-t-t K-a-s-i-k). I am the CEO of Region V Services. We are one of six service delivery regions established in the early 1970s. Region V Services is a non-profit, political subdivision. We have 16 county commissioners that serve on our board, making us a public entity. Today, we are Nebraska's largest community-based DD provider, supporting 750 individuals with developmental disabilities in southeast Nebraska.

I would like to share my gratitude regarding the provider rate increases that were appropriated last year. To underscore how important they were, Region V would have posted a \$3.1 million annual loss if these increases did not pass. My organization was not alone, as other providers were experiencing significant losses as well. Simply put, these increases helped providers keep crucial services available. The work this committee did prevented catastrophe and helped the system avoid collapse. You should all be very proud of the fact that you stepped up and ensured that Nebraska's most vulnerable citizens were taken care of.

I share this today so that you know just how dire the situation was last year. It's equally important to know that these increases did not solve every problem. We continue to struggle with staffing, much like other businesses, but the difference is that our work doesn't stop. We cannot close. We live alongside individuals with disabilities which is a 24/7 commitment.

The new funds appropriated last session amounted to \$7.3 million in new revenue for Region V Services. Most of this increase, roughly \$5.2 million, went to increased wages and benefits for employees. Region V Services employs 770 people, 90% of which are Direct Support Professionals (DSPs). A DSP provides direct care to the individuals that we support and are the backbone of all provider organizations. As a result, we brought wages for this role up as high as feasibly possible.

Despite increases, Region V still lags the market. One unlikely competitor is the state of Nebraska at the Beatrice State Developmental Center (BSDC). Direct support staff there earn significantly more per hour than what any community-based provider can pay staff. Region V operates a location in Beatrice, so we see this firsthand. For comparison, Region V's hourly wages start as high as \$16.08 per hour for someone who has relevant experience. Our maximum rate is \$19.96 per hour.

The average BSDC employee earns \$21.44 per hour on their first day.

The two roles are very similar: both positions require the same education and work experience and the only difference in the jobs is the setting. Still, we are losing staff to the BSDC and cannot compete with rates as they are set. We have even lost staff from our Fairbury location which is 37 miles away.

This disparity in wages began in November 2021 with good reason. Staffing levels were low and something needed to happen to attract workers to support residents of the BSDC. At that time, base wages increased by 28%, a \$3.00 per hour shift differential was added for every hour amounting to an additional 22% increase. All told, wages went up 48%.

LB601 is requesting an increase of 8.7% to provider rates. It goes a step further in continuing to improve the system for those with disabilities. While we have not yet matched the increase comparable at BSDC of 48%, this increase will go a long way towards improving lives.

I would like to thank Senator Dungan for his dedication to Nebraskans with disabilities and for introducing LB601. I am available for any questions. Thank you.