

**Utah State Legislature 2019 General Session, S.B. 2 Item 195**

*The Legislature intends that for all funding provided beginning in FY 2016 for Direct Care Staff Salary Increases, the Division of Services for People with Disabilities (DSPD) shall: 1) Direct funds to increase the salaries of direct care workers; 2) Increase only those rates which include a direct care service component, including respite; 3) Monitor providers to ensure that all funds appropriated are applied to direct care worker wages and that none of the funding goes to administrative functions or provider profits; 4) In conjunction with DSPD community providers, report to the Office of the Legislative Fiscal Analyst no later than September 1, 2019 regarding the implementation and status of increasing salaries for direct care workers.*

**Fiscal Years 2015, 2016, 2017, 2018**

The Division of Services for People with Disabilities (DSPD) received three direct support worker (DSW) wage increase appropriations during the 2015 & 2016 Utah State Legislature General Session. The first appropriation from the 2015 General Session was a one-time appropriation of \$1,250,000 GF for immediate implementation effective April 1, 2015. The second appropriation from the 2015 General Session was \$5,395,200 GF ongoing with implementation effective July 1, 2015. The first appropriation from the 2016 General Session was \$5,000,000 GF ongoing with implementation effective on July 1, 2016. During the 2017 Utah State Legislature General Session, DSPD received an additional appropriation resulting in \$2,000,000 ongoing General Fund for direct support workers. This appropriation was implemented effective July 1, 2017. Each of these appropriations were applied only to services with a direct care component, the implementations resulted in a 10.5 percent (FY15/FY16), an 8 percent (FY17), and a 3 percent rate increase to those identified services. The entirety of the appropriations were to be used for direct support staff wage increases and for no other contracted provider purpose.

**Fiscal Year 2019**

In the 2018 General Session, DSPD was appropriated \$1,500,000 ongoing General Fund for DSWs. The entirety of the appropriation was to be used for direct support staff wage increases and for no other contracted provider purpose. This appropriation increased rates by 2.1%.

Providers were required to report on the distribution of the increases to ensure 100 percent of the increase was going to direct support staff for each of the fiscal year appropriations (Table 2). For FY19, reports have been received from most (114/117; 97%) contracted providers offering services that are delivered by DSW staff up through March of 2019. As of August 26, 2019, those reports represent 100% percent of the additional funds received by providers up through the end of March 2018. There are three small providers that have not yet provided the required reports. DSPD is working to get their information.

For the providers that have reported revenues and wage information for DSW staff, \$3,196,348 (total dollars) more has been spent for wage and benefit increases than was received in additional revenue based on the appropriation provided during the 2018 General Session for the period up through March 31, 2018. Among the 114 reporting providers, 88 (77%) are at or above the appropriation in wage/tax/benefit increases. Those out of compliance will either need to be in compliance by the final FY19 Q4 report or will be required to pay back the difference to DSPD.

Audits performed on a sample of provider financial records show that the information being provided is accurate and can be supported by payroll information maintained by the providers. Audits will continue to be performed to ensure the veracity of financial reporting.

**Utah Department of Human Services  
 Division of Services for People with Disabilities  
 Direct Care Staff Increase Report  
 August 27, 2019**

Those providers that do not report will be required to pay back the additional revenue that was received as a result of the appropriations. Also, providers that do not use all of the funding received for increasing DSW wages will be required to pay back the difference to DSPD.

As a result of the 2018 legislative appropriation, providers have reported an increase in DSW wages. The ten largest DSPD providers represent 71% of the additional funds received as a result of the appropriation. Among these ten providers, starting wage has reportedly increased from \$8.03 to \$11.21 (Table 1). Average DSW wage is also reported to have increased from \$10.17 to \$14.09 as a result of the appropriations.

**Fiscal Year 2020**

During the 2019 Utah State Legislature General Session, DSPD received an additional appropriation resulting in \$850,000 ongoing general fund for direct support workers. This appropriation was implemented effective July 1, 2019 with a result of a .96% increase to all services with a direct care component. Providers will again be required to provide a report that demonstrates distribution of this appropriation to direct support workers. At the time of this writing, FY 2020 financial reporting is premature and has not yet been required of providers.

**Table 1. Reported average provider wage data from before and after legislative increase (among ten largest DSPD providers)**

Provider	Starting Wage			Average Wage		
	Baseline	Result	Difference	Baseline	Result	Difference
1	\$8.00	\$11.00	\$3.00	\$9.99	\$13.62	\$3.63
2	\$8.00	\$11.00	\$3.00	\$9.14	\$13.06	\$3.92
3	\$8.00	\$11.00	\$3.00	\$10.98	\$14.77	\$3.79
4	\$8.00	\$11.00	\$3.00	\$11.68	\$16.38	\$4.70
5	\$8.25	\$11.50	\$3.25	\$9.91	\$13.73	\$3.82
6	\$8.00	\$13.00	\$5.00	\$8.79	\$13.12	\$4.33
7	\$8.00	\$10.65	\$2.65	\$11.03	\$14.34	\$3.31
8	\$8.00	\$10.75	\$2.75	\$9.97	\$14.24	\$4.27
9	\$8.00	\$11.00	\$3.00	\$9.41	\$12.86	\$3.45
10	\$8.00	*		\$10.77	\$14.77	\$4.00
Average Baseline:		\$8.03	Average Baseline:		\$10.17	
Average Result:		\$11.21	Average Result:		\$14.09	
Average Difference:		\$3.18	Average Difference:		\$3.92	

Note: Baseline data is from the period January 1, 2014 - December 31, 2014  
 Result data is from the period January 1, 2019 - March 31, 2019 (except where noted)

\* Provider did not report starting wage

**Utah Department of Human Services**  
**Division of Services for People with Disabilities**  
**Direct Care Staff Increase Report**  
**August 27, 2019**

**Table 2.** Summary of legislative appropriations and implementation of salary increases.

Period	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Turnover Rate* (Based on calendar year)	80% (2014)		76% <b>(-4%)</b> (2015)		69% <b>(-7%)</b> (2016)		42%*** <b>(-27%)</b> (2017)		Data Unavailable				Data Unavailable											
General Fund Appropriation	\$1,250,000 <i>(one-time)</i>				\$5,395,200 <i>(ongoing)</i>				\$5,000,000 <i>(ongoing)</i>				\$2,000,000 <i>(ongoing)</i>				\$1,500,000 <i>(ongoing)</i>				\$850,000 <i>(ongoing)</i>			
Rate Increase Implemented	10.5% (Effective 4/1/2015)				8% (Effective 7/1/2016)				3% (Effective 7/1/2017)				2.1% (Effective 7/1/2018)				.96% (Effective 7/1/2019)							
Percent of appropriated funds reported by providers	100%				100%				100%				100%											
Net difference between appropriation and direct care staff increases (among reporting providers only)	<b>\$1,194,700</b> Total Dollars				<b>\$2,450,685</b> Total Dollars				<b>\$3,318,369</b> Total Dollars				<b>\$3,316,963</b> Total Dollars											
Amount recovered from providers unable to utilize the full rate increase for wages.	<b>\$12,500</b> General Fund				<b>\$8,225</b> General Fund				<b>\$4,035</b> General Fund															

\*National Core Indicators Staff Stability Survey

\*\*Preliminary figures, final report has not yet been published

\*\*\*In 2017, NCI changed their methodology in calculating turnover rates

Future reporting, data not yet available