



Starkey, Inc., 4500 W. Maple, Wichita, KS 67209

Date: June 24, 2024

To: Representative Brenda Landwehr and Members of the Bob Bethell Joint Committee

From: Colin McKenney, CEO, Starkey, Inc.

Re: I/DD System Challenges and Capacity Concerns

Thank you for the opportunity to provide input about services for Kansans with intellectual and developmental disabilities, Madam Chair, and members of the Committee.

I have been the CEO of Starkey, Inc. in Wichita since 2012, and honestly can't remember a time when there were more system challenges at play that can impede our ability to help people with disabilities live fulfilling lives. It is strange to say that although we had more challenges than we could juggle during the COVID-19 pandemic, in many ways it was a simpler time because federal, state and local partners were all offering support with funding, regulatory relief, or needed supplies we couldn't find anywhere else. We never want to go through anything like the pandemic again, but at least it did show us that we do have the ability to work together to get through even the most difficult times.

If you aren't all that familiar with Kansas' service system for individuals with intellectual and developmental disabilities, you may have no idea what sort of system challenges I'm referring to. For the sake of brevity I won't summarize all the topics, but a top-ten list of system challenges that affect Starkey might include:

- Funding that doesn't increase to keep pace with the rising costs of providing vital services;
- Persons we serve who have lost their Medicaid eligibility;
- An ongoing inability to hire qualified workers;
- The extraordinary support needs of individuals with a dual diagnosis of an intellectual disability and mental illness;
- Changing expectations related to the federal HCBS final rule on service settings;
- Proposed changes related to conflict-free case management;
- Possible reduction of work options for individuals who don't want to seek competitive employment;
- The U.S. Department of Labor's proposed increases in the salary threshold;
- An almost complete lack of resources to fund the transportation we provide; and
- KDADS' plan to send letters to 800 people offering them services after a wait of more than a decade.

If I were to summarize the above topics, I might just say that **we can't continue to meet growing needs in a time of increasing regulations without access to the resources we need to make all of that happen.**

Although each of those topics has or will have a big impact here at Starkey, today I will just focus in on the last one. It is exciting that funding has finally been made available to offer services to such a large number of individuals who have been waiting so long, but it is also stressful as we think about our inability to grow to meet the needs of those who will be seeking services.

Starkey has renovated two homes over the past few years with the hope of hiring employees who will allow us to open those locations and meet the needs of more individuals. Even though we were able to hire dozens of new employees following the pay increase we implemented following the reimbursement rate increase in early 2022, we never got to a point where we could fill enough of our vacant positions to start thinking about hiring teams of additional employees to open new homes or programs.

As you can see from the attached graph, increasing our typical starting wage for direct-support positions to no less than \$15 per hour did have a big impact in 2022 and into 2023. Unfortunately the recent trend shows that those wages are no longer sufficient to allow us to hire and retain the employees we need in 2024. **Starkey currently has approximately 100 position vacancies, and the great majority of those are direct-support positions.** We have had to figure out how to adapt to staff shortages over the years, but that number of vacancies tests our limits.

Our services are required by many of the nearly 500 people we serve around the clock every day of the year. That means we can't just close early or shut down for a few days when staffing challenges become too great. We cover those position vacancies with extraordinary overtime hours, and those hours take a toll on the employees who work them and on our budget.

While we can tell those who will come to us seeking services that we simply don't have the capacity to expand our services at this time, they will undoubtedly wonder why we can't overextend ourselves just a little bit more to serve them. With all the funding limitations and competing challenges, we simply don't believe it would be safe to do that.

Being able to once again increase our wages in a significant way isn't a complete solution to the staffing and capacity challenges we face, but it is a necessary first step. We won't find the number of viable applicants we need to fill our vacancies with starting wages of \$15 or \$16 per hour. Someone who can pass all the required background checks, has a good driving record and can pass a substance screen could easily find a job that starts at \$17 to \$20 per hour in our area, and so being able to match that is our goal for the coming year.

We want to be able to serve those who have been waiting for so long, as well as those who are in crisis situations and need to access services immediately. We need your help to make that happen. Even though the pandemic is mostly just a bad memory at this point, getting through today's challenges will require the same sort of collaboration and understanding that helped us get through that crisis.

Please feel free to contact me if you would like additional details about any of the information I have shared today.

DSP Average Starting Wage

