

Comptroller Survey Concerning Wages of Direct Support Professionals

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In 2018, the General Assembly appropriated \$49 million in state funds and federal matching funds to increase the hourly wages of direct support professionals (DSPs) working under the home and community-based services (HCBS) waivers program administered by the Department of Intellectual and Developmental Disabilities. The appropriation amount was calculated to raise the average wage of DSPs to \$10. DSPs working under the waivers program provide support, training, supervision, and personal assistance to adults with disabilities on a daily basis.

The fiscal year 2019 appropriations act also directed the Comptroller's Office to conduct a survey of wages paid to DSPs employed by private provider agencies under the HCBS waivers to determine how the agencies used the increased funding. The Office of Research and Education Accountability (OREA), a division of the Comptroller's Office, sent a survey to 171 agencies and 157 (92 percent) responded. OREA then checked documentation to verify survey responses for a sample of the agencies (96 of 157, or 61 percent). According to the 2018 OREA survey, 16,365 DSPs were employed by the 157 agencies that responded to the survey.

Key Points

Survey results indicate the 2019 legislative appropriation has effectively increased the hourly wages of DSPs working under the HCBS waivers program in Tennessee. Survey results and provider documentation review indicate the statewide average hourly wage for DSPs working under the HCBS waiver increased from approximately \$9.77 to \$10.36 as a result of the 2019 legislative appropriation. OREA found no indication that any agency spent the increased funds intended for raising DSP wages on executive level salaries.

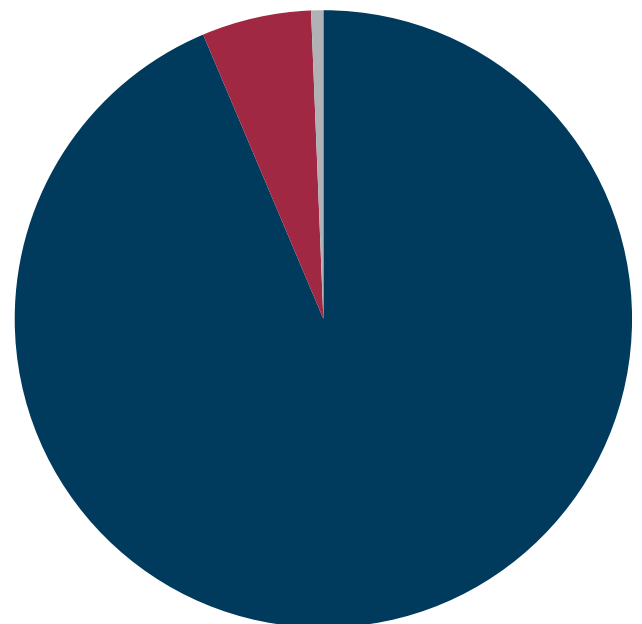
Of the 157 agencies responding to the survey, 147 agencies, which employ 97 percent of DSPs, spent the increase only toward DSP compensation (either wages, bonuses, or benefits). Of the remaining agencies, nine partially used the funds to increase DSP compensation, but also spent the increase on other items. One agency did not use the increase to raise DSP compensation, but already paid DSP hourly wages over \$20.

Before the 2019 rate increase, 55 agencies already paid DSPs an average hourly wage of \$10 per hour or more. After the increase, 112 agencies indicated that they paid an average hourly wage of \$10 or more – these agencies represent 72 percent of agencies that responded to the survey and employ nearly 10,000 of the state's DSPs who work under the HCBS waivers.

Many agencies chose to give bonuses to DSPs

because a portion of the legislative allocation was nonrecurring. Most of these agencies gave a combination of wage increases and bonuses. Some agencies chose to use recurring funds to give wage increases and nonrecurring funds for bonuses. Agencies explained they did not want to use the full amount of the legislative allocation for wage increases and risk having to scale back wages if the nonrecurring funds were not appropriated in the next fiscal year.

Based on agency survey responses, the number of agencies that spent the increase in funds from the DSP wage component to compensate DSPs through wage increases or bonuses



- Increased DSP compensation (147)
- Increased DSP compensation and other spending (9)
- Did not increase DSP compensation, but DSPs made over \$20 already (1)