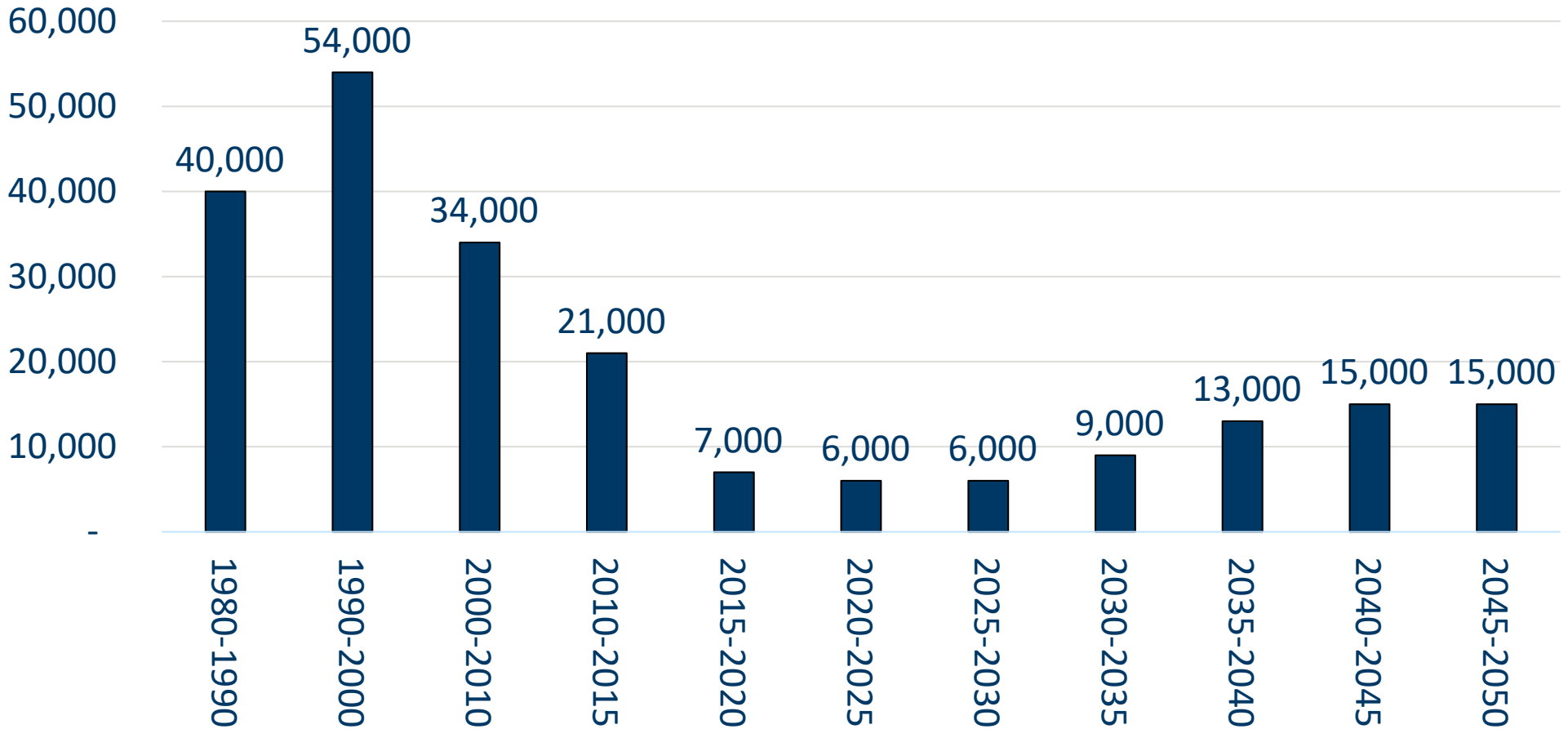




Caring Professions Workforce

Minnesota's labor force growth is projected to slow further between 2015 and 2030



Source: U.S. Census Bureau (1980—2015) & MN State Demographic Center Projections (2015-2045)

Caring Professions Workforce Support

- The “Caring Professions” are all those frontline workers we applauded throughout the pandemic:
 - Nursing Homes/Assisted Living
 - Group Homes for People with Disabilities
 - Behavioral Health Services
 - Home-based Care Services
 - Childcare
 - Healthcare
- They represent 15% of the entire Minnesota workforce, a higher % than other states. DHS likes to say we support 1.7 million Minnesotans in some way every year, which would mean that 15% of the MN workforce serves at least 30% of the MN population.

Caring Professions Workforce Support

- The average wage in the Caring Professions is about 30% below the average MN wage while the average MN wage has risen 4.3% over the past year as employers compete for workers.
- While all of Minnesota will suffer from a workforce shortage over the next 4 decades, the prevailing wage in this sector makes it particularly vulnerable.

- Also an equity issue:

	Childcare Workers	Nursing Assistants
% BIPOC	19%	46%
% Female	95%	87%
% on Medical Assistance	19%	27%
% on SNAP Food Benefits	7%	21%

Caring Professions Workforce Support

- It is also true that the white, American, post-World War II population was the first in the history of the planet to send its elders, people with disabilities, and family members with behavioral health issues to live with 24/7 staff – because it could afford to.
- Even if we could afford it going forward, we can't staff 24/7 congregate care for so much of our population, any more than other countries can.
- Developments like Amazon delivery, grocery and pharmacy delivery, and Uber transportation, make it more and more possible for people to remain in their own homes for as long as they need/want to.

Caring Professions Workforce Support

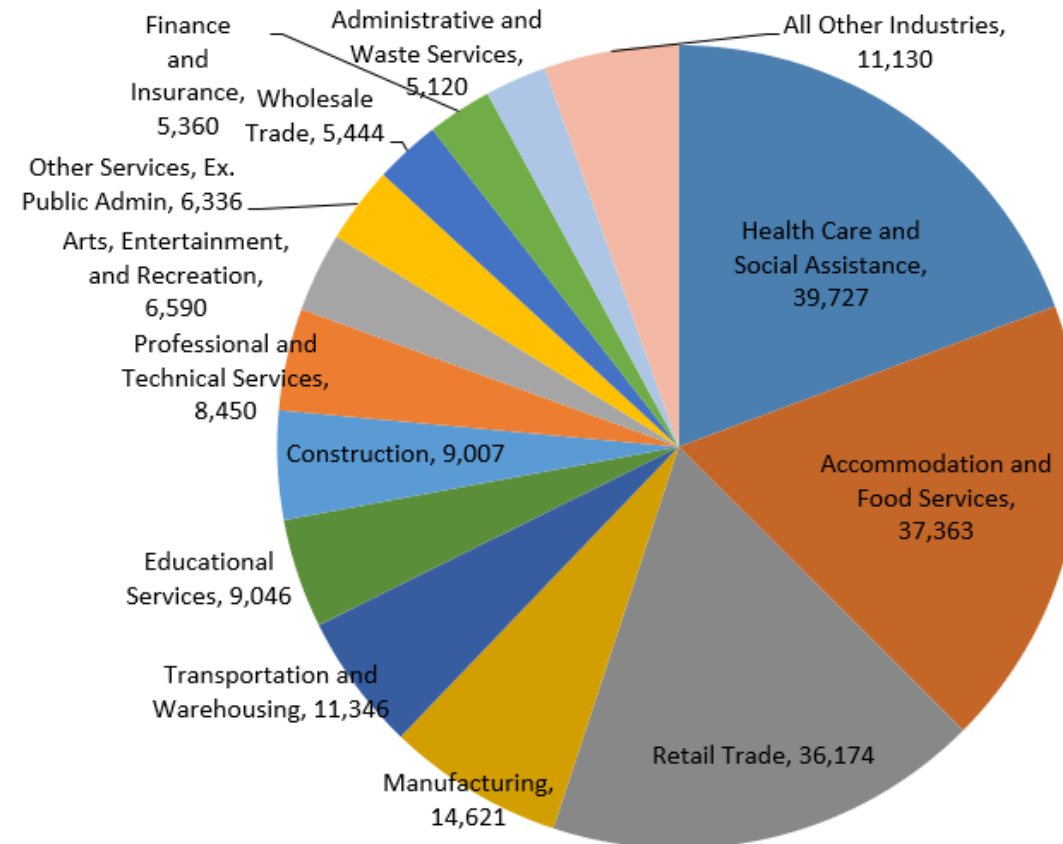
- So we will need new models, and the “Independence” package that passed in last sessions with the HHS Bill to support home care was the sort of investment we need.
- Still, it will take some years for new models to be established, and this sector will need a smooth ramp down, not a cliff.
- The McKinsey Report reviewed by the Council on Economic Expansion said that, as automation and home delivery reduce the need for retail sales, administrative, and production jobs, the fastest growing sector will be the Caring Professions with their required social skills that cannot be automated.

Unprecedented Job Vacancies

According to DEED's [Job Vacancy Survey Findings](#) in the second quarter of 2021:

Statewide, the Health Care & Social Assistance industry had nearly 40,000 job vacancies, a 66% increase over the year, when employers were already struggling to find qualified workers to serve on the frontlines in hospitals, nursing homes, and clinics.

At this level, about one in every five vacancies in the state is in Health Care & Social Assistance.



Bills Passed in 2021 Session

Key provisions that impacted the caring professions include:

	FY22/23	FY24/25
PCA Rate Framework	\$98 million	\$143 million
CCAP Rate Increase	\$102 million	\$140 million
Early DWRS Rate Increase	\$70 million	
HCBS Workforce Development Grants	\$6 million	\$6 million
Provider Capacity Grants for Underserved Communities	\$16 million	\$9 million
TOTAL	<u>\$590 million</u>	

Governor's/Federal Resources to Nursing Facilities

Description	Time Period	State	Federal	Other	Total	Source
Staffing for Four Hospital Decompression sites (MDH)	10/29/21 - 6/30/23		9,060		9,060	CRF & ARPA
Waive nursing facilities' repayment of federal grants and loans received during 2020	3/15/20 to 9/30/20	45,000			45,000	GF
Nursing Facility Emergency Grants for Additional Staffing (DHS)	12/1/21 - 6/30/23		50,000		50,000	ARPA
Emergency 12A Medicaid Funding for Nursing Facilities in Emergencies (DHS)	1/1/22 – 3/31/22	13,071	17,829		30,900	12A.10
Temporary Interim FY 2022 Medicaid Payment Rates (DHS)	1/1/22 – approx. 5/31/22					Budget neutral – Early increased payment

Governor's/Federal Resources to Other Providers

Description	Time Period	State	Federal	Other	Total	Source
Temporary Emergency Staffing Pool – COVID only response (DHS)	7/27/20 - 12/31/21		1,570		1,570	CRF
Emergency Staffing Pool – Hospital Supplemental Staffing (MDH)	1/15/22 - 6/30/23		30,000	10,000	40,000	ARPA and Hospitals' cost-share of \$10m (private dollars)
Emergency Funding to Address Staffing Shortage in Group Homes and Services Provided in a Recipient's Home	4/1/22 – 6/30/22	25,616	26,198		51,814	12A.10
Total Resources Across All Providers (thousands)		83,687	133,475	10,000	227,162	

Governor's Proposed Budget

Key provisions in the Governor's budget impacting the caring professions include:

	FY22/23	FY24/25
Workforce Incentive Fund (DHS)	\$115 million	
Healthcare Workforce Revitalization (MDH)	\$22 million	\$44 million
CCAP Rate Increase (DHS)	\$75 million	\$275 million
Child Care Stabilization Supports (DHS)	\$68 million	\$71 million
TOTAL	<u>\$670 million</u>	

Caring Professions Workforce Support

- Frankly, I think all of the proposals being discussed this session are just the beginning of a discussion we will have for years to come as the fewer entrants to our workforce will be with us for decades.
- I appreciate how our HHS legislators understand these issues and are working along with us to find the best possible solutions.
- I'm also eager to continue in dialogue with the providers of these services across the state as innovation in these services and in workforce retention usually starts on the frontlines.