

March 6, 2019



## SB 210

*Providing KPERS membership to certain direct support positions in community developmental disability organizations upon completion of a two-year training period.*

Arrowhead West, Inc. has been providing community-based services to people with Intellectual and Developmental Disabilities for over 40 years. We serve 14 counties in southwestern Kansas from Dodge City to Wichita. The last several years it has been a real struggle to recruit and maintain a qualified work force.

- Arrowhead West, Inc. was part of a small group of non-governmental organizations that provide services for people with IDD who were invited to join KPERS in the 1990s, because we were providing those services on behalf of the state (quasi-governmental).
- Joining KPERS at that time was not a difficult financial decision, because the cost was very low, new employees did not join the system until after their first year, and employee turnover was much less than it is today.
- Since that time, the cost of KPERS has skyrocketed for both the organizations and their employees. While KPERS was a positive recruiting tool 10 or 20 years ago, telling prospective employees that 6% of their pay is being automatically withheld from their first day for a retirement plan has become a barrier to hiring.
- Since the 1990s, the number of providers of these types of services has increased substantially, although the newer providers are not members of KPERS. Having a few of the providers that were providing services in the 1990s funding a KPERS program, and also expecting prospective employees to pay 6% of their pay, creates a challenge for member organizations to compete with non-member organizations when it comes to hiring from a limited pool of applicants.
- Any savings realized by postponing enrolling new hires into the system during the training period could help fund wages, and hopefully decrease position turnover and enhance our ability to hire new direct care employees. For instance- a new staff person making \$10 an hour starting pay would be able to keep that wage instead of receiving \$9.40 an hour actual take home pay.

- We are also about 20 to 30 “trainee” employees short due to vacancies we cannot fill.

Arrowhead West, Inc. Employee Turnover 2001 to 2018		
2018	89/197	45%
2017	67/199	34%
2016	64/203	32%
2015	72/198*	36%
2014	71/210	34%
2013	98/216	45%
2012	93/229	41%
2011	80/231	35%
2010	79/237	33%
2009	77/247	31%
2008	93/206	45%
2007	96/217	44%
2006	123/227	54%
2005	123/221	56%
2004	137/227	60%
2003	120/221	54%
2002	110/244	45%
2001	120/235	51%

Please consider approval of this bill. It will help organizations such as ours to recruit and retain direct care employees.

Sincerely,

*Lori Pendergast*

Lori Pendergast, President