

Study: Private facilities for retarded paying workers far less than state

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Employees of privately ran facilities for retarded people make about 60 cents for each \$1 earned by their counterparts in state institutions, according to a study released Wednesday.

Two associations representing private programs seized on the findings as proof of a two-tiered discriminatory system that pays nonstate workers less than they could earn working for a fast-food outlet.

The report to the Minnesota Legislature by the Department of Employee Relations said the inferior pay and benefits offered by private residences and day programs results in higher turnover than in state regional treatment centers.

In a statement distributed at a news conference announcing the findings, John Clawson, lobbyist for the Minnesota Developmental Achievement Center Association, called the report "a bombshell." (Developmental achievement centers are nonresidential places for training in living skills.) "For the first time," Clawson said, "it has been clearly demonstrated that the Department of Human

Services is administering and encouraging an inequitable reimbursement system between the private and the public sector for providing identical services. The situation is intolerable."

Charles Schultz, deputy human services commissioner, said one reason for the difference is that state employees are unionized. The Legislature "either funds those (union) contracts or it doesn't," so it's "kind of a phony issue" to blame the department, he said.

"For every area where you can find that the public employee is paid higher, I can find one where the private sector is paid more," Schultz said. But he said the department is willing to work with private operators to try to alleviate wage disparities.

The report compared wages, benefits and turnover in regional centers with the same factors in intermediate care facilities, developmental achievement centers, semi-independent living units, group homes and rehabilitation centers. The department sets individual rates for intermediate care facilities on the basis of cost reports. It sets rules and sometimes imposes ceilings on rates, for the other facilities, but counties generally negotiate

contracts with individual providers.

Yesterday's report stokes the controversy over the department's plan to move all but 95 of the 1,400 retarded people in state regional centers into community group homes, including a new network of state-run homes. Many regional center employees would staff the new state group homes.

Pay disparity has been an issue during recent negotiations over the future of the regional center system. Representatives of private operators have raised the specter of unfair competition when the department opens 105 state-operated group homes, 38 day programs and 10 crisis homes.

Said Clawson: "Private providers cannot expect to hire and retain quality staff when the state-operated program down the street is paying nearly 40 percent higher wages with better benefits."

Aides and other paraprofessionals, by far the largest employee group, were paid a statewide average of \$6.35 an hour in the community facilities, the report said. Comparable regional center employees earned \$10.36.