

State Needs High-Quality Data to Meet Marylanders' Home Care Needs

Position Statement in Support of Senate Bill 230

Given before the Senate Finance Committee

Home care workers are a vital part of the social infrastructure that keeps Maryland going. These workers provide essential services to aging Marylanders and Marylanders with disabilities. They provide long-term care in the community, rather than in residential facilities, which brings many documented benefits. But today we face a severe and growing labor shortage in the industry. The state's current system based on private home care agencies is an important contributor to this shortage, in part because the jobs the agencies offer do not provide competitive wages and working conditions. This system also produces fragmented and incomplete data, limiting the state's ability to accurately assess the state of the home care workforce. **The Maryland Center on Economic Policy supports Senate Bill 230** because it would systematize the state's data on the home care workforce, and help to strengthen that workforce in the long term.

Maryland already has a serious shortage of home care workers.ⁱ Without a significant influx of new workers into the industry, this shortage will only grow in coming years as our state's population continues to age. Maryland's 65+ population grew by 18% from 2015 to 2021, while the 20–64 population increased by only 0.2%. By 2030, our 65+ population is projected to grow by another 29% as the 20–64 population slightly declines.ⁱⁱ At this rate, we will be increasingly unable to meet the need for home care as time goes on.

Policymakers cannot make good decisions without high-quality information. Our current, fragmented home care system does not produce the kind of complete, systematic workforce data needed to manage Marylanders' growing home care needs effectively. We have made limited progress on this front recently, as lawmakers in 2022 enacted legislation requiring home care agencies to report to the state the number of workers they classify as employees and the number they classify as independent contractors. However, the bill that ultimately passed was significantly weaker than the one originally introduced, requiring only aggregate rather than individual data and omitting data related to wages and benefits. These job quality data are vital for state agencies, as the current home care labor shortage is due in large part to poor wages, benefits, and working conditions.

Simply put, we cannot secure a robust home care workforce if the industry does not offer decent jobs, and policymakers cannot assess either the state of the workforce or the impact of poor job quality without high-quality data. The data required under Senate Bill 230 would be a major step in the right direction.

The data requirements in Senate Bill 230 are designed to avoid undue burdens on either agencies or workers. All information the bill requires should already be present in agencies' human resources systems, meaning that they

do not need to collect any additional information. Furthermore, the bill includes privacy protections to ensure that workers are not required to disclose personal information if it would expose them to safety risks.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 230.

Equity Impact Analysis: Senate Bill 230

Bill summary

Senate Bill 230 would require the Maryland Department of Health to maintain a comprehensive registry of home care workers employed by residential service agencies, and would require agencies to provide these data.

The bill prohibits the collection of data on workers who have experienced domestic violence, rape, sexual assault, or stalking.

The bill requires the department to provide data to a labor union or similar employee organization on request.

Background

Maryland currently has a significant shortage of home care workers.ⁱⁱⁱ If current trends continue, this shortage is likely to grow in coming years as our state's population continues to age. Maryland's 65+ population grew by 18% from 2015 to 2021, while the 20–64 population increased by only 0.2%. By 2030, our 65+ population is projected to grow by another 29% as the 20–64 population slightly declines.^{iv}

Poor wages, and working conditions are one important contributor to the home care labor shortage. As of 2021, a typical home care worker took home only \$14.08 per hour in 2021. For any workers misclassified as independent contractors, the resulting tax responsibilities make this equivalent to an employee wage of \$12.91 per hour.

Equity Implications

The data required under Senate Bill 230 would strengthen the state's ability to meet Marylanders' growing home care needs. This is especially important for Marylanders with disabilities, who are a major population served by home care workers.

To the extent that policymakers use these data to improve wages, benefits, and working conditions, Senate Bill 230 will also benefit home care workers, a group that disproportionately includes workers who face structural barriers in our economy:

- 63% of home care workers in Maryland are Black, and 76% are workers of color.
- 80% of home care workers in Maryland are women, and 60% are women of color.
- 43% of home care workers in Maryland were born outside the United States.
- Home care workers in Maryland typically took home only \$14.08 per hour in 2021.^v For a misclassified worker, this is equivalent to \$12.91 paid to an employee.

Impact

Senate Bill 230 would likely **improve disability, racial, gender, and economic equity** in Maryland.

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- i “The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia,” PHI, 2018, <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>
- ii MDCEP analysis of U.S. Census Bureau Population Estimates and Maryland Department of Planning population projections.
- iii “The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia,” PHI, 2018, <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>
- iv MDCEP analysis of U.S. Census Bureau Population Estimates and Maryland Department of Planning population projections.
- v Bureau of Labor Statistics, May 2021 Occupational Employment and Wage Statistics for Maryland