



Caroline Center

Committed to Women • Committed to Work

**HB 652: Department of Health – Residential Service Agencies - Compliance with State Labor Laws Hearing before the Health and Government Operations, February 18, 2021
Position: SUPPORT**

Caroline Center is a nonprofit workforce development organization serving unemployed and underemployed women in Baltimore. We provide an empowering education and highly effective career skills training program, inspired by the School Sisters of Notre Dame. Our courses include holistic training for Certified Nursing Assistants (CNA)/Geriatric Nursing Assistants (GNA), and Certified Pharmacy Technicians. Caroline Center supports HB 652, which would help ensure that CNA/GNAs and other direct care workers have decent jobs that respect their rights as workers.

Job quality in the healthcare sector influences career decisions. Women attend Caroline Center because they want to work in healthcare. While between 70% and 80% of Caroline Center CNA/GNAs are working shortly after graduating, a number of them end up never joining, or joining and quickly leaving the healthcare sector, because the wages and benefits for jobs in other industries are often better. Recently, one of our star CNA/GNAs took a warehouse job at Amazon, even though she wants a career in healthcare, because Amazon offered \$16.15 per hour with benefits.

Working for a Residential Service Agency could be a good option for many CNA/GNAs – if their rights are respected. There can be more flexibility in scheduling, which helps women with children, and some direct care workers prefer the one-on-one relationships that the work entails. Unfortunately, because so many RSAs misclassify their workers as independent contractors, the appeal of these jobs is diminished, and many workers opt for other employers who do provide benefits, overtime, and other protections.

In addition to lost wages and the lack of benefits, graduates sometimes experience tax consequences from working for RSAs. They did not know that they were classified as independent contractors, or that their agencies were not withholding taxes, until they were notified by the Maryland Comptroller or the IRS. As a result, they ended up owing self-employment taxes, but lacking the funds to pay them.

HB 652's goal to provide RSAs with accurate information will improve the job quality of direct care workers. I recently spoke with a Caroline Center CNA/GNA who, having learned that she was supposed to be paid for travel time, approached the RSA she works for, and told them about the requirement. The agency representative did not know that direct care workers should be paid for travel time. Once informed, they changed their policy. The CNA/GNA received back pay and ongoing pay for travel time.

For the foregoing reasons, Caroline Center SUPPORTS HB 652 and urges a FAVORABLE report. Should you have any questions, please call Karen Hammer at 410-916-4175.

Sponsored by The School Sisters of Notre Dame