
2020 CEA Budget Request

Ensure Service Providers Receive COLAs that Keep Pace with Rising Costs

ACTION NEEDED:

Correct an oversight in the 2019-2020 budget and include a 2.9% COLA increase to Employment and Day Program Providers in the Developmental Disabilities Administration (DDA) Budget.

BACKGROUND:

Provider COLAs were included in the 2019-2021 biennial budget for many providers of services to people with intellectual disabilities. The intent was to help agencies providing critical services to people with intellectual disabilities *keep pace* with rising labor costs due to minimum wage increases and the increased costs of doing business. Unfortunately, Employment and Day Program providers were left out of that cost of living adjustment even though they are experiencing the same labor and cost pressures.

In 2008, DDA restructured the provider rate system and set rates based on a comprehensive cost study by the Division of Vocational Rehabilitation. Over the last 12 years, cost of living increases totaled only 5.5%. However, during that same 12-year period, the Consumer Price Index (the cost of doing business) has risen 23.2% and the minimum wage has risen 48.6%. Providers also face a further 12.5% increase in the minimum wage on January 1st, 2020 and annual increases thereafter based on the CPI.

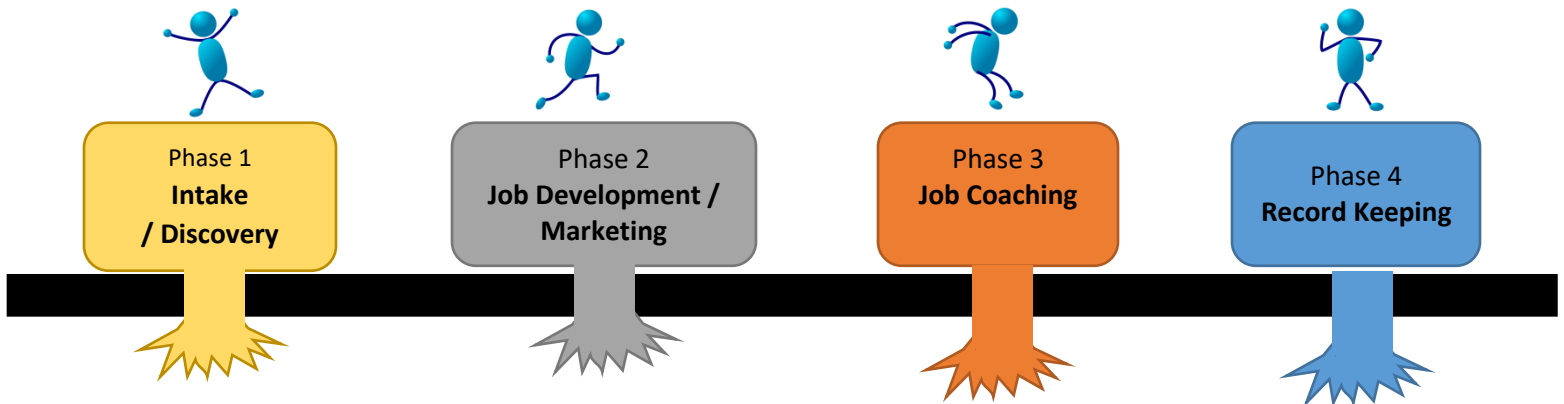
Key Talking Points

Urge your local legislator to support a 2.9% cost of living adjustment for Employment and Day Program providers to offset increased costs of doing business.

- People with Intellectual Disabilities deserve to have high quality services. Qualified staff are key to high quality services. Competitive wages help us retain staff, which is critical to delivering quality services.
- The minimum wage will rise from \$12.00/hr. to \$13.50/hr. in January 2020, which is a 12.5% increase.
- Providers continue to experience increased uncompensated regulatory requirements associated with the delivery of services.
- Under the current reimbursement structure many provider costs are directly not reimbursed, i.e., transportation costs and staff time transporting clients, required staff training, client absences/no shows, etc.
- The Consumer Price Index (CPI) has risen 2.9 % for non-farm payroll for the last 12-month period according to the Bureau of Labor Statistics.

COSTS BREAKDOWN IN INDIVIDUAL SUPPORTED EMPLOYMENT

WHAT IS VISIBLE ACTIVITIES THAT ARE BILLABLE



WHAT IS NOT AS VISIBLE ACTIVITIES THAT ARE NOT BILLABLE AND THEREFORE MUST BE INCLUDED IN THE HOURLY RATE ABOVE

- **Benefits – Employee**
 - Medical, Dental, Vision, Employee Assistance Program (EAP), Retirement, PPO, Vacation, Holiday, Sick Time, Paid Family Medical Leave (PFMLA), and Unemployment.
- **Taxes –**
 - Employer Paid Social Security, Medicare, Labor and Industries and Use Taxes.
- **Insurance Coverage –**
 - Organizational Liability, Fidelity, Bonds and Community Based Assessment Coverage.
- **Organizational Requirements –**
 - CARF or other 3rd party accreditation fees, County Site Visits and Business Licenses.
- **Occupancy –**
 - Rent, Mortgages and Utilities (electric, water, sewer and garbage).
- **Staff Education/Training –**
 - Seminars, Conferences, CESP fees, Required Trainings and Travel Costs.
- **Salaries/Indirect –**
 - Fiscal, Administration, Fund Development and Employee Supports/Events.
- **Marketing –**
 - Business Cards, Brochures, Reports, Surveys, Trade Shows, Transition Fairs, Advertisement, Promotions and Labor.
- **Professional Services –**
 - Client Database fees, Human Resources, Payroll, Annual Fiscal Audits, Copier Leases, Accounting Software, Legal Fees, Consultants, Advisors, Facilitators, Planners and other technical experts in a variety of realms.
- **Information Technology (IT) –**
 - Network and Software Support & Maintenance, System Upgrades, IT Security, Backups, User Support and Hardware Purchases.
- **Communication –**
 - Cell Phones, Data Calling Plans, Land Lines, Internet Fees and Postage.
- **Mileage /Travel Costs –**
 - Mileage Reimbursements, tolls and parking fees.
- **Office and Operating Supplies –**
 - Items used periodically and/or on a regular basis such as paper, pens, toner and ink.