



AGENCY OF HUMAN SERVICES

DEPARTMENT OF DISABILITIES, AGING AND INDEPENDENT LIVING

DEVELOPMENTAL DISABILITIES SERVICES DIVISION

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To: DA/SSA Developmental Services Directors and Business Managers
Transition II Executive Director and Business Manager

From: Jennifer Garabedian, Director, DDS
Jeff Nunemaker, Assistant Director

Re: FY 23 Collective Bargaining Agreement Increase Instructions

Date: June 27, 2022

For Fiscal Year 2023, the Department will provide additional funds for Developmental Disabilities Services to cover the cost of increased wages to comply with the Collective Bargaining Agreement (CBA) for Independent Direct Support Providers. Below are the instructions for adjusting individual HCBS budgets related to these increases.

The Employer Tax rate will not change; it remains at 11.38%.

The Collective Bargaining Agreement (CBA) for Independent Direct Support Providers who are hired by individuals, families and shared living providers again increases the minimum hourly and daily rates and is effective with the first pay period in July (starting July 3, 2022). This memo provides specific instructions for Developmental Disabilities Services Agencies and Transition-II to comply with CBA.

All independent direct support providers who are employed by a service recipient, shared living provider or surrogate must be paid a minimum of \$13.44 an hour for all hourly services or \$215.04 a day when providing daily respite, starting with the pay period from 7/3/22 - 7/16/22. Authorized pay rates that are lower than these minimums must be raised to these rates. The total new minimum rates with the 11.38% employer taxes are: \$14.96 an hour or \$239.51 for daily respite.

DAIL will provide additional funds to provider agencies in their beginning FY23 DDS HCBS allocation. We believe that this will be adequate to cover the increased costs of paying the minimum authorized rates.

Licensing and Protection

Adult Services

Vocational Rehabilitation

Developmental Disabilities Services

Blind and Visually Impaired

The next steps include the following:

1. ARIS will send information to all employers in their Employer Spending Report mailing describing the need to pay at least the minimum of \$13.44 an hour or \$215.04/day and budget for the 11.38% employer taxes.
2. Each agency must review every individual consumer budget that includes independent direct support provider funding (e.g., for respite, in-home support, community support, employment)
3. Each agency must determine the current hourly or daily rate that it has authorized for each service provided by independent direct support providers for each consumer. The rates should be inclusive of the wages and 11.38% employer taxes (FICA, UI, WC, and Sick Leave) but not any infrastructure costs or program administration. Please note that these rates may not be the same as the current rates that employers choose to pay their providers, as employers are free to pay actual rates that are higher or lower than the authorized rates as long as they manage within their Authorized Funding Limits and meet the current minimums required by the CBA. Starting 7/3/22, employers must pay a wage of at least \$13.44/hour for all hourly services and \$215.04/day for daily respite.
4. The new agency authorized rates for services should be adjusted as follows:

Current authorized wage	Current rate with 11.38% employer taxes	New CBA minimum wage	New rate with 11.38% employer taxes
\$12.80/hour	14.26/hour	13.44/hour	\$14.96
\$204.80/day	228.11/day	\$215.04/day	\$239.51/day

5. With the employer taxes included, the minimum rates must be \$14.96 an hour or \$239.51 per day. It is up to the discretion of the employer whether to pay above the minimums required. No additional funds will be added for those already authorized above the new minimums.
6. The agency needs to calculate the amount of additional funds needed to increase the authorized rates to the rates as described above. These amounts should be added to the appropriate line items in individual consumer budgets.
7. The agency must complete the attached Excel template to include the following information:
 - the consumers' names.
 - the budget service line items to be increased, tab 1 is for hourly services (including hourly respite), tab 2 is for daily respite.
 - the current authorized hourly or daily employee wage rates on the current FY19 DS HCBS spreadsheet, inclusive of employer taxes; and the number of hours per week and days per year for daily respite. (Note: if the current spreadsheet includes a rate that is below \$14.96 per hour or \$239.51 per day, please adjust the hours or days such that those minimums are met before submitting the request for increased funds. Please also indicate when sending your spreadsheet whether infrastructure costs were deducted from service lines.)

- the spreadsheet will calculate the amount of funds needed to bring the wages into compliance with the minimum wages established by the CBA (including the employer taxes).

This information is needed to determine your agency's funding needs for compliance with the CBA.

8. Please upload this data into the secure FTP site for the business office by 7/15/2022. Please notify Joanne Herring, Hilary Conant, and Jeff Nunemaker by e-mail when this task has occurred.

9. DAIL will review the spreadsheets submitted and determine the final amount to be allocated. DAIL will inform each agency of its increased allocation after the above steps have been completed.

These calculations are based on the agency authorized rates rather than actual wages paid by employers. Some employers have chosen to pay a rate that is lower than the agency authorized rate to access more hours of service. If that rate is lower than the agency authorized rate, the employer will be required to raise the rates to the agency authorized rate. The cost of this raise comes from the person's existing AFL. In these instances, the employer will have to adjust the hours of service to accommodate this within the existing budget. This is not considered a reduction of a previously authorized service, and additional funding shall not be added to increase hours in these situations. Funds should only be added to specific budget items to increase from the agency authorized rate and the new required minimum rates. In other words, new funding should only be added to increase from the current minimum rate of \$12.80 to \$13.44 per hour and from the current minimum rate of \$204.80 per day to \$215.04 for daily respite.

Thanks for your cooperation with this task. Please contact Jeff Nunemaker at DDSD with any questions.

cc: Monica White
Stuart Schurr
Bill Kelly
Jim Euber