



State of Connecticut
Department of Developmental Services

Dannel P. Malloy
Governor

Jordan A. Scheff
Commissioner

Peter Mason
Deputy Commissioner

To: DDS Qualified Private Providers

From: Scott McWilliams, Chief Fiscal Officer

CC: Jordan A. Scheff, Commissioner, Peter Mason, Deputy Commissioner, Regional Directors, Private ARDs, ARC of CT, CT Community Nonprofit Alliance, Inc.

Date: October 18, 2018

Subject: Policy Guidance on Implementation of Special Act 18-5

Special Act 18-5 allows the Office of Policy and Management (OPM) to allocate funds to increase the wages of certain employees of qualified private providers funded by the Department of Developmental Services (DDS). DDS has reviewed provider data submissions offered in response to our August 22, 2018 request for payroll information. Based on the preliminary submission and analysis, DDS and OPM are committed to the following policy guidance, effective January 1, 2019:

Wages

- All providers must pay a minimum wage of not less than \$14.75 per hour of work in support of DDS-funded programs.
- All providers must offer an increase in hourly wages for existing staff earning less than \$14.75 per hour. Wages must be increased to \$14.75 or by up to 5%, whichever is greater. Allocations will be calculated using the hourly wages submitted by providers for each position in this category.
- All providers may offer an increase of up to 5% of wages per hour of work in support of DDS-funded programs for staff currently earning \$14.75 to \$30 per hour. Allocations will be calculated using the percentage increase submitted by providers for each position in this category.
- Allocations will include funding for wage increases for all staff listed in provider submissions, including administrative, probationary, and overnight asleep staff.
- Allocations will include funding for vacant positions based on an average vacancy rate of 6% of regular wages, applied as the standard rate for all providers. In addition, allocations will include funding for the specific vacant positions reported for new DDS-funded programs opening in FY2019.

- Allocations will include wage increases associated with two thirds of the reported overtime wages. Funding for overtime wages was adjusted based on the assumption that funded vacancies will be filled, thereby reducing reliance on overtime.

Benefits

- Allocations will include an increase of 7.65% of total wage increases to cover additional FICA costs.
- Allocations for additional funding for increases in workers' compensation, unemployment insurance, health insurance, and employer contributions to defined contribution and defined benefit plans will be based on the information submitted by providers for each of these categories. If a provider failed to submit this information, allocations will be calculated using an average fringe rate.

DDS is now conducting detailed analysis using the policy guidance outlined above, to determine final allocations by provider. Providers will be notified of their allocations in the coming weeks.