



Budget Assumptions for iBudget Rate Increase

The following assumptions were used to calculate a funding request to increase direct care wages to \$11.00 per hour on average for certain iBudget Waiver Services within the Agency for Persons with Disabilities (APD).

- The increase is needed to raise Adult Day Training (ADT) and Personal Supports/ Companion average direct care wages from \$9.50 to \$11.00 per hour to reduce staff turnover and attract qualified applicants. The calculations also recognize 2019 efforts that brought Residential Habilitation wages up from \$10.00 and seek to increase this average wage to \$11.00 per hour as well.
- The calculations are based on expenditure data from the Home and Community Based Services Waiver Monthly Surplus-Deficit Report for Waiver Program Expenditures, FY 2018-19, dated July 20, 2019.
- The cost calculations include projected payroll wages and other employer costs for direct labor such as payroll taxes, Worker’s Compensation, and health insurance.
- The costs for each service were calculated by applying 60% direct labor and 28% employer costs for direct labor to the expenditures.
- The calculations do not reflect total expenditures for other program costs included in the iBudget rates and rate structure.
- The total cost for the request is \$88,345,566. The state General Revenue (GR) portion is calculated at \$35.3 million and \$53 million in federal Medicaid funding (40/60 split).

<u>Service</u> <u>s</u>	<u>Cost</u>	<u>GR</u>	<u>Trust</u>
- ADT	\$11,222,822	\$4,489,129	\$6,733,693
- Personal Supports / Companion	\$39,225,418	\$15,690,167	\$23,535,251
- Residential Habilitation	<u>\$37,897,326</u>	<u>\$15,158,930</u>	<u>\$22,738,396</u>
Total:	<u>\$88,345,566</u>	\$35,338,226	\$53,007,340

- Mathematical calculations are shown on Page 2.



Mathematical Calculations for FY 20-21 iBudget Rate Increases

Adult Day Training (ADT)

Wage Increase Request		\$9.50 to \$11.00 = 15.78% increase*
Annual Expenditures for Service	\$	92,604,878.00
Direct Care Payroll Costs (60%)	\$	55,562,926.80
Direct labor x ERC Costs (28%)	\$	<u>15,557,619.50</u>
Labor Costs	\$	<u>71,120,546.30</u>
*Wage Increase Cost at 15.78%	\$	11,222,822.21

Personal Supports / Companion

Wage Increase Request		\$9.50 to \$11.00 = 15.78% increase*
Annual Expenditures for Service	\$	323,667,703.00
Direct Care Payroll Costs (60%)	\$	194,200,621.80
Direct labor x ERC Costs (28%)	\$	<u>54,376,174.10</u>
Labor Costs	\$	<u>248,576,795.90</u>
*Wage Increase Cost at 15.78%	\$	39,225,418.39

Residential Habilitation (Res Hab)

Wage Increase Request		\$10.00 to \$11.00 = 10% increase*
Annual Expenditures for Services	\$	493,454,773.00
Direct Care Payroll Costs (60%)	\$	296,072,863.80
Direct labor x ERC Costs (28%)	\$	<u>82,900,401.86</u>
Labor Costs	\$	<u>378,973,265.66</u>
*Wage Increase Cost at 10%	\$	37,897,326.57

Total Cost	\$	<u>88,345,567.17</u>
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