

KERN REGIONAL CENTER

*Striving to Achieve Equality,
Independence and Empowerment*



**VENDOR ADVISORY
TIME SENSITIVE INFORMATION**

Date: Wednesday, December 18, 2019
To: ALL Vendors/Service Providers
From: Suzanne Toothman, Program Manager, Community Services 
RE: California Minimum Wage Increase

This is to inform you that effective January 1, 2020, due to the implementation of Senate Bill (SB) 3, the minimum wage in California will increase from \$12.00 to \$13.00 per hour for employers with 26 or more employees and from \$11.00 to \$12.00 per hour for employers with 25 or less employees. As authorized by the current State budget and Welfare and Institutions (W&I) Code sections 4681.6(b), 4691.6(f) and (g), and 4691.9(b), many vendors will either receive, or be eligible to request, a rate increase if necessary to adjust employees' pay to comply with the new minimum wage. This letter contains information on the types of vendors that are affected and what process used to make necessary rate adjustments.

The Department of Developmental Services (DDS) is reviewing rates for providers with Rates set by DDS, and you will need to go to their website.

Vendors must submit actual wage and mandated employer cost information for affected employees only and total program units of service provided for the period of July, August, and September 2019, or an applicable period of up to three (3) months. The Department will provide regional centers a copy of all letters sent to service providers in response to rate adjustment requests.

Vendors may begin submitting requests to the Department, with a copy to the vendoring regional center. However, all rate adjustment requests must be received by the Department no later than March 1, 2020.

General information about the increase in minimum wage, as well as detailed instructions and a workbook for submitting rate adjustment requests to the Department, can be found at the following website: www.dds.ca.gov/minwage/

For those services where rates are established between the regional center and the provider (i.e. median or negotiated rates), the Regional Center may consider making a rate adjustment.

You are receiving this letter because you have a negotiated or median rate for your service and you may be eligible for a rate adjustment if you have staff currently earning less than \$13.00 per hour if you have 26 or more employees or staff currently earning less than \$12.00 if you have 25 or less employees.

In order to help us document the process and rationale for granting a rate adjustment, *Vendors must complete a rate calculation page for each applicable vendor number and provide copies of your payroll registry from July, August, and September 2018, or an applicable period of up to (3) months by **March 1, 2020**.* You will find the excel Worksheet on the Service Provider page of the KRC web site (www.kernrc.org). Calculation forms and/or payroll registries received after the deadline will not be processed.

Once the adjusted rate is confirmed, we will send a Payment Agreement Form (PAF) with the new rate, which will be effective January 1, 2020.

**If you have questions please contact
KRC Fiscal Monitor, Tammie T. Inman
(661) 852-3305 or email her at tinman@kernrc.org**