



VENDOR ADVISORY
TIME SENSITIVE INFORMATION

Date: Friday, 5 January 2024
To: ALL Vendors/Service Providers
From: Enrique Roman, Director, Community Services
RE: California Minimum Wage Increase

This is to inform you that effective January 1, 2024, due to the implementation of Senate Bill (SB) 3, the minimum wage in California will increase to 16.00 per hour for all employers. 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 these necessary rate adjustments.

Please note that the rate adjustment effective January 1, 2024 (reflecting 50% of the difference between March 31, 2023, rates, and benchmark rate models) and the statewide minimum wage adjustment will be calculated separately. The adjustments are independent of each other and will be additive if a vendor qualifies for both.

The Department of Developmental Services (DDS) is reviewing rates for providers with Rates set by DDS (Community-Based Day Programs, In-Home Respite Agencies, and Work Activity Programs) 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 2023, or an applicable period of up to three (3) months from January through December 2023. 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, 2024**. 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/rc/vendor-provider/minimum-wage/.

For those services where rates are established between the regional center and the provider (i.e. median and 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 had staff earning less than \$16.00 per hour. To request a rate adjustment, providers of these services must submit to Kern Regional Center (KRC) information on only those costs necessary to increase mandated employer costs (e.g., Social Security, Medicare, and Workers' Compensation).

To 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 2023, or an applicable period of up to 3 months from January through December 2023 by **March 1, 2024**.* 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, 2024**.

Please note by April 30, 2024, regional centers must provide the Department information on all rate adjustments negotiated with vendors. The Department will follow up with regional centers on the process for reporting the needed information.

**If you have questions, please contact
KRC Fiscal Monitor, Nanci Kassas
(661) 873-4513 or email her at nanci.kassas@kernrc.org**

SB 3 MINIMUM WAGE 2024 RATE ADJUSTMENT - NEGOTIATED AND/OR MEDIAN RATE PROGRAMS
WORKSHEET INSTRUCTIONS

These instructions are for the Vendor Worksheet. After you read these instructions, please go to the "Vendor Worksheet" tab to begin. You will **ONLY** be able to fill-in and select from the shaded fields on this worksheet. The information you submit on this worksheet will be reviewed by the Kern Regional Center (KRC). If additional information is needed, KRC will contact you. After the review, KRC will respond to your request accordingly.

100% Traditional Services or Traditional/Alternative Services Mix Workbook

SECTION A: PROGRAM INFORMATION

- Row 1 Please enter the Service Provider Name.
- Row 2 Please enter the Vendor Number.
- Row 3 Please enter the three-digit Service Code.
- Row 4 Please enter the Staffing Ratio.
- Row 5 Please enter the number of Enrolled Consumers for the vendor number entered in Row 2 only.
- Row 6 Please list all other vendor numbers and service codes for the service provider entered in Row 1.
- Row 7 Please enter the dates for the beginning and end of a review period of 3 consecutive months from January through December 2023. If you have been recently vendored and have less than 3 months of payroll and billing data, please enter the dates for an applicable review period of up to 3 months from January through December 2023.
- Row 8 Please enter the current rate as established by KRC and select the Unit Type, either Daily or Hourly, from the drop-down list.
- Rows 9 & 10 Rate information will populate automatically here.
- Row 11 Select the Vendoring Regional Center from the drop-down list.
- Row 12-15 Select the User Regional Center(s), if applicable, from the drop-down list. If you need to list additional user regional centers, please add rows by clicking as instructed on the designated button.

SECTION B: EMPLOYEE WAGE INFORMATION

- Column A Please enter the name or initials of the employed staff who were paid during the review period, followed by their position title. For any employee/position who received two or more different hourly wages during the review period being reported, please list only the most current wage paid with the requested information in columns B through I. If additional rows are needed, please click on the designated button. PLEASE NOTE: Only employees of the vendor number and service code listed above in Rows 2 and 3 above are to be listed in Section B: Employee Wage Information.

DO NOT include staff who are providing these services that are funded by another source, such as through a contract with a school district. Also, **DO NOT** include wages paid to consumers while receiving these services or any worker who is paid through other sources such as contract funding. Additionally, **DO NOT** include supplemental staff hours that are spent with non-mobile consumers, these hours are reimbursed through the supplemental rate.

- Column B Please enter the Position Title of the Employee.
- Column C Please enter the current Hourly Wage paid to the employee(s) reported during the Review Period.
- Columns D - G Wage information will calculate automatically here.
- Column H Please enter the Workers' Compensation Insurance Employer Rate as a percentage.
- Column I Please enter your Total Unemployment Insurance contribution rate as a percentage, including the net Federal and State rates, and the Employment Training Tax. (Refer to your Form DE-2088 that you receive from the State of California Employment Development Department (EDD) for your contribution rates for Unemployment Insurance and Employment Training Tax.)

- Column J Wage information will calculate automatically here.
- Column K Please enter the actual Total Hours Worked or Paid During the Review Period by each of the reported employee(s).
- Column L The cost of the rate adjustment will calculate automatically here.
If less than a 3 month period, Section A Row 8, KRC will adjust the calculation as needed.

SECTION C: RATE ADJUSTMENT CALCULATION

- Row 1 Total wages, payroll taxes, workers' compensation, and other mandated employer costs will calculate automatically here.
- Row 2 Total Number of Units of Services Billed to KRC during the 3 month period will calculate automatically here.
- Rows 3 - 9 Please select the individual regional center(s) billed in the Review Period and enter the total units billed in the Review Period for the selected regional center(s). If you need to list additional regional centers, please click the designated button.
- Row 10 The rate change will calculate automatically here and populate Row 9 in Section A, Program Information.

Please review **ALL** the information you have entered on the worksheet, and specifically rows 8 - 10 in Section A, and row 10 in Section C. These rows should have calculated rate information based on the data you have entered. If there is an error message in these rows, you may need to re-enter the information in Sections B, and/or C.

Before submitting, please save your workbook using the vendor number in the title of the file. Failure to do so results in the submission of an empty workbook.

SB 3 MINIMUM WAGE 2024 RATE ADJUSTMENT - NEGOTIATED AND/OR MEDIAN RATE PROGRAMS
Effective January 1, 2024 - California Minimum Wage Increases to \$16.00 per hour.

SECTION A: PROGRAM INFORMATION (You will ONLY be able to fill-in and select from the shaded fields on this worksheet)

1	Service Provider Name	
2	Vendor Number	
3	Service Code	
4	Staffing Ratio	
5	Number of Enrolled Consumers	
6	Other Vendor Numbers and Services Codes	
7	Review Period Between January-December 2023: (Enter Beginning & End)	
8	Current Rate:	
9	Rate Adjustment:	#DIV/0!
10	New Rate:	
11	Select Vendoring Regional Center from Drop Down Menu	
12	Select User Regional Centers from Drop Down Menu	KRC
13	Select User Regional Centers	
14	Select User Regional Centers	
15	Select User Regional Centers	

SECTION B: EMPLOYEE WAGE INFORMATION

A		B		C	D	E	F	G	H	I	J	K	L
Name or Initials of Staff Employee(s)		Position Title		Current Hourly Wage	New Hourly Wage	Hourly Wage Change	Employer Social Security Tax @ 6.2%	Employer Medicare Tax @ 1.45%	Workers Compensation as a %	Unemploy. Insurance as a %	Wage Adj. Adjustment plus Mandated Payroll Costs	Hours Worked/ Paid During 3 Month Review Period	Cost of Rate Adjustment (3 Month Period)
Row #	(Please See Instructions for Listing Employees Receiving more)												
1	Staff 1			\$	\$	-	\$	-			\$	-	\$
2	Staff 2			\$	\$	-	\$	-			\$	-	\$
3	Staff 3			\$	\$	-	\$	-			\$	-	\$
4	Staff 4			\$	\$	-	\$	-			\$	-	\$
5	Staff 5			\$	\$	-	\$	-			\$	-	\$
6	Staff 6			\$	\$	-	\$	-			\$	-	\$
7	Staff 7			\$	\$	-	\$	-			\$	-	\$
8				\$	\$	-	\$	-			\$	-	\$
9				\$	\$	-	\$	-			\$	-	\$
10				\$	\$	-	\$	-			\$	-	\$
11				\$	\$	-	\$	-			\$	-	\$
12				\$	\$	-	\$	-			\$	-	\$
13				\$	\$	-	\$	-			\$	-	\$
14				\$	\$	-	\$	-			\$	-	\$
15				\$	\$	-	\$	-			\$	-	\$
16				\$	\$	-	\$	-			\$	-	\$
17				\$	\$	-	\$	-			\$	-	\$
18				\$	\$	-	\$	-			\$	-	\$
19				\$	\$	-	\$	-			\$	-	\$
20				\$	\$	-	\$	-			\$	-	\$
21				\$	\$	-	\$	-			\$	-	\$
22				\$	\$	-	\$	-			\$	-	\$
23				\$	\$	-	\$	-			\$	-	\$
24				\$	\$	-	\$	-			\$	-	\$
25				\$	\$	-	\$	-			\$	-	\$
26				\$	\$	-	\$	-			\$	-	\$
27				\$	\$	-	\$	-			\$	-	\$
28				\$	\$	-	\$	-			\$	-	\$
29				\$	\$	-	\$	-			\$	-	\$
30				\$	\$	-	\$	-			\$	-	\$
31				\$	\$	-	\$	-			\$	-	\$
Totals											\$	0.0	\$

SECTION C: RATE ADJUSTMENT CALCULATION

1		Total Cost of the Minimum Wage Adjustment for the Review Period:	0.0
2		Number of Units of Services Billed to all Regional Centers for the Review Period:	0.0
3	Select Regional Center from Drop Down Menu:	KRC	
4	Select Regional Center:	Enter Total No. of Units for Review Period	
5	Select Regional Center:	Enter Total No. of Units for Review Period	
6	Select Regional Center:	Enter Total No. of Units for Review Period	
7	Select Regional Center:	Enter Total No. of Units for Review Period	
8	Select Regional Center:	Enter Total No. of Units for Review Period	
9	Select Regional Center:	Enter Total No. of Units for Review Period	
10	Rate Change (Section C, Row 1: Total Cost of Minimum Wage Adjustment/Section C, Row 2: Units of Service Billed to all Regional Centers)	#DIV/0!	

**SB 3 MINIMUM WAGE 2024 RATE ADJUSTMENT - NEGOTIATED AND/OR MEDIAN RATE PROGRAMS
SUMMARY & CERTIFICATION INSTRUCTIONS**

These instructions are for the Vendor Summary & Certification. After you read these instructions, please go to the "Vendor Summary & Certification" tab. Please review the Program Information and enter the service address associated with the information submitted on this workbook. If your program has a different mailing address than the service address, please enter this information.

Please enter the requested Contact Information for the individual responsible for completing this workbook. This information will include Contact Name, Contact Phone Number, Email Address, and Executive Director/Owner.

Please review the current rate, proposed rate change, and the proposed new rate, which are calculated based on the information you have entered on the worksheet. If there is an error message in the rate information, go back and review the information in the worksheet.

We ask that you save this workbook using your vendor number and service code in the title of the file name. For example, "H12345 510.xlsm", then email the workbook to KRC at "nanci.kassas@kernrc.org" by hitting the "SUBMIT" button on the bottom of the Vendor Summary & Certification worksheet. If the workbook is not saved prior to hitting submit, the worksheet will be transmitted as a blank. Please contact KRC if you do not receive a confirmation email after submitting the workbook. Also, if your email is NOT Outlook, the "SUBMIT" button will not work. If this applies to you, please save your workbook and send as an attachment to nanci.kassas@kernrc.org using your email. Please ensure you submit a copy to the vendoring regional center and to keep copies for your records.

PLEASE NOTE: By clicking the "I AGREE" checkbox near the bottom of the "Vendor Summary & Certification" worksheet, you certify that the information provided to KRC is specific to payroll costs necessary to meet the requirements of the minimum wage increase effective January 1, 2024. You additionally certify to the best of your knowledge and belief that the information submitted is true and correct, and subject to verification by all record keeping and audit processes, procedures, and guidelines under the Lanterman Act and Title 17 of the California Code of Regulations (CCR).

You must retain **ALL** backup documentation which supports the information being submitted in this workbook. The backup information for the information provided on this workbook is subject to all record keeping and audit processes, procedures, and guidelines under the Lanterman Act and Title 17, CCR.

EMAIL ADDRESS:

nanci.kassas@kernrc.org

OR

MAILING ADDRESS:

Kern Regional Center
Community Services Department
Attention: Nanci Kassas, CSS - Fiscal Monitor
3200 N. Sillect Ave
Bakersfield, CA 93308
(661) 873-4513

**SB 3 MINIMUM WAGE 2024 RATE ADJUSTMENT - NEGOTIATED AND/OR MEDIAN RATE PROGRAMS
SUMMARY & CERTIFICATION SHEET**

PROGRAM INFORMATION

Service Provider Name:	0	
Vendor Number:	0	
Service Code:	0	
Service Address:		
Mailing Address:		
(if different than service address)		

CONTACT INFORMATION

	Individual Responsible for Completing Worksheet:
Contact Name:	
Contact Phone Number:	
Email Address:	
Executive Director/Owner:	
Current Rate:	\$0.00
Proposed Rate Change:	#DIV/0!
Proposed New Rate:	#DIV/0!
Unit Type:	Hourly

By checking the box below, I certify that the information provided to KRC is specific to payroll costs necessary to meet the requirements of the minimum wage increase effective January 1, 2024. I additionally certify to the best of my knowledge and belief the information submitted is true and correct, and subject to verification by all record keeping and audit processes, procedures, and guidelines under the Lanterman Act and Title 17 of the California Code of Regulations.

☐ I AGREE

Before clicking submit, please read the certification instructions page and save your workbook using your vendor number. If the workbook is not saved prior to hitting submit, the worksheet will be transmitted as a blank. Please contact KRC if you do not receive a confirmation email after submitting the workbook. Also, if your email is NOT Outlook, the "SUBMIT" button will not work. If this applies to you, please save your workbook and send as an attachment to nanci.kassas@kernrc.org using your email.

Please keep a copy for your records and submit a copy to the vendoring regional center.