REGIONAL CENTER
OF ORANGE COUNTY

January 20, 2017

Dear Service Provider:

Effective January 1, 2017, the minimum wage in California will be $10.50 per hour. Providers who have negotiated rates and who are currently paying employees less than $10.50 per hour may request a rate adjustment.

The rate adjustment will be specific to the unit of service that is affected by the new minimum wage. It will only include those costs necessary to increase an employee's actual hourly wage to $10.50 per hour and mandated employer costs.

Requests for rate adjustments must be completed and submitted on the workbook entitled *2017 Minimum Wage Rate Adjustment Request Workbook for Negotiated Rate Providers* which you can download from RCOC's website by following the four steps below.

1. Go to RCOC's website at www.rcocdd.com.
2. Click on Service Providers.
3. Click on Resources for Current Services Providers from the drop down menu.
4. Toward the bottom of the page you will find the items listed below under Minimum Wage January 1, 2017:
   - A copy of this letter titled Rate Adjustment Notice Due to Minimum Wage, January 1, 2017,
   - DDS' Summary of Rate Changes due to SB 3 Minimum Wage Increase, January 1, 2017,
   - DDS' Letter Regarding Vendor Rate Adjustments for Minimum Wage Dated December 22, 2016, and
   - 2017 Minimum Wage Rate Adjustment Request Workbook (MS Excel).

The workbook must be completed in its entirety and supporting documentation must be submitted. No exceptions. The instructions for completing the workbook are in the tabs titled Vendor Worksheet Instructions and Certification Instructions.

Upon receipt of a rate adjustment request, RCOC **will review and verify** all of the workbook information and documentation. In order to expedite the review process, please review the information listed below before submitting your rate adjustment request.

Section A: Program Information, Review Period
The review period is for services provided October 1, 2016 through December 31, 2016.

Section B: Employee Wage Information
Supporting documentation for Section B must be submitted for the following:

- Columns A, B, C and K: Employee Name, Wage and Hours Worked. Submit payroll in order for RCOC to verify the employee name, hourly wage, and hours worked for the review period.
- Column H: Workers Compensation as a %. Submit the entire workers compensation policy that reflects the classification code/description and premium breakdown.
- Column I: Unemployment Insurance as a %. This column must include the State Unemployment Insurance (SUI), Employment Training Tax (ETT) and Federal Unemployment Tax (FUTA). Submit EDD Form 2088 that reflects the SUI and ETT percentage rates, and IRS Form 940 that reflects the FUTA information.

Section C: Rate Adjustment Calculation
Verify that the Hours Worked for Section B: Column K do not exceed the hours billed to RCOC on Section C: Row 4 (Enter Total Number of Units for Review Period).

Supported Living Services (SLS) Service Code 896
SLS vendors do not have to complete the workbooks. Vendors must submit a list of individuals served for which minimum wage rate increases are being requested, i.e., the budget reflects a rate below the $10.50 minimum wage and the worker is being paid below minimum wage. Next to the name of the individual served, include the name of the worker(s) for which the increase is being requested. Only payroll documentation for December 2016 must be submitted.

Your rate adjustment requests must be submitted to RCOC no later than **March 31, 2017**. Final approval of rate adjustments is contingent upon submission of all required supporting documentation.

If you have any questions, please call me at (714) 796-5243 or email me at vflores@rcocdd.com.

Sincerely,

Veronica Flores
Accounting Manager