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**Sent:** Friday, November 12, 2021 11:44 AM  
**To:** Smith, Rick  
**Cc:** Brown, Holly M; Tillis, Brent  
**Subject:** [External] PDS fee assumptions

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Rick,

Mercer is working to develop PDS Fees for FY 2021/2022 – please see the assumptions below that we are currently incorporating. We will plan to discuss with you this afternoon.

1. **Minimum Wage** – \$7.25 for non-enhanced services consistent with the minimum wages Mercer used when setting PDS fees for FY 2017/2018.
2. **ASL Wage Differential** – 29.0% in alignment with the ASL wage differential percentage Mercer used when setting Non-Residential fees for FY 2021/2022.
3. **Benefit Allowance** –
  - For AWC, ODP used \$2.10 as the statewide benefit allowance when setting PDS fees for FY 2017/2018. Would ODP like to increase this amount based on COLA/trend or keep at \$2.10?
  - For the VF/EA model, ODP used 26.6% for FY 2017/2018 based on average benefit loads across various services and old cost report data. We are currently applying this percentage in the modeling for the FY 2021/2022 fees.
4. **PTO** – 0 Days of PTO consistent with the days of PTO Mercer used when setting PDS fees for FY 2017/2018.
5. **Ongoing Training Days** – 0 days of ongoing training consistent with the days of ongoing training Mercer used when setting PDS fees for FY 2017/2018.
6. **New Hire Training Days** – 3 days of new hire training with staffing turnover of 24.0% per year in alignment with the number of new hire training Mercer used when setting Non-Residential fees for FY 2021/2022.
  - When setting the FY 2017/2018 fees, Mercer assumed 1 day of new hire training.
7. **Overtime Adjustment** – 5% in alignment with the overtime adjustment percentage Mercer used when setting Non-Residential fees for FY 2021/2022.
8. **FT/PT Split** – 75% FT/25% PT in alignment with the overtime adjustment percentage Mercer used when setting Non-Residential fees for FY 2021/2022.
  - When setting fees for FY 2017/2018, Mercer used a FT/PT split of 30% FT/70% PT.
9. **Productivity: Billable Hours per Day** – 8 hours per day consistent with the productivity Mercer used when setting PDS fees for FY 2017/2018.
10. **Liability Insurance** – 1.0% of total wage consistent with the percentage of life insurance Mercer used when setting PDS fees for FY 2017/2018.
11. **Workers Compensation** – 5.5% for AWC in alignment with the facility workers compensation percentage Mercer used when setting Non-Residential fees for FY 2021/2022. 2.63% for VF/EA, consistent with current assumption.
12. **AWC Monthly Admin Fee that is developed in a separate model** – Mercer will use the same ERE assumptions as the other IDA rate models. Does ODP want to review the staffing ratio, transportation, occupancy, or training assumptions?

Thanks,  
Jason

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