



Alliance for the Betterment of  
Citizens with Disabilities

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**Empowering People: Providers Shaping Policies**

FY 2026 NJ State Budget

Annualized<sup>1</sup> Across the Board Cost of Living Adjustment<sup>2</sup> for All Division of Developmental  
Disabilities Community Providers

Uptrends Must Include Inflation

The Division of Developmental Disabilities (DDD) annual budget request to the Administration is based on growth algorithms. And for the last two years, the Legislature provided DDD with additional funds to cover updated growth trends which in FY25 were for the expanded number of individuals receiving DDD community services and for the shifts in consumer spending patterns to more expensive goods and services. Which begs the question, to maintain ongoing access to community programs for individuals who are currently and wish to remain enrolled, why doesn't DDD include inflation in the uptrend?

Inflation is an economy-wide sustained trend of increased prices which represents how much investments lose their real value from one year to the next - a fact of life. When government doesn't meet inflation with an investment of equal value in Medicaid providers' fixed rates, they deteriorate.

In the current policy, access and choice are increased on one end while eroding on the other. But the state has a fiduciary responsibility to all IDD not just to those with more expensive taste in services. Maintaining the health and viability of our current system must also be considered in DDD trend calculations. Therefore, inflation must be a constant factor in all budget trend deliberations and requests.

August 28, 2024

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<sup>1</sup> Annualized increases are required to prevent forgoing federal CMS matching dollars and destabilizing the industry.

<sup>2</sup> The purpose of a COLA is stabilization in the face of cumulative inflation.