



Alliance for the Betterment of
Citizens with Disabilities

Empowering People: Providers Shaping Policies

FY 2027 NJ State Budget

Annualized¹ Across the Board Cost of Living Adjustment² 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 three years, the Legislature provided DDD with additional funds to cover updated growth trends which in FY25 and FY26 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 no friend to human services

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 the government doesn't meet inflation with an investment of equal value in Medicaid providers' fixed rates, the provider struggles to cover rising operational costs, retain staff, and meet the growing needs of individuals and families who rely on their services. The government must recognize that DDD Community Providers are also businesses. ³

DHS has a fiduciary responsibility to all individuals with I/DD

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. Sustaining and maintaining the health and viability of our current system to prevent it from failing or declining must also be considered in DDD trend calculations.

Inflation must be a constant factor in all budget trends, deliberations and requests.

July 23, 20025

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

² The purpose of a COLA is stabilization in the face of cumulative inflation.

³ The state of CT recently passed legislation to require that non-profit state funding will increase with inflation every year, requiring approval each year by the legislature.