



CAPA
California Association of
Public Authorities for IHSS



CWDA
Advancing Human Services
for the Welfare of All Californians

April 4, 2025

Ms. Jennifer Troia, Director
California Department of Social Services
744 P Street
Sacramento, CA 95814

RE: In-Home Supportive Services Statewide Collective Bargaining Report

Dear Director Troia:

On behalf of the California State Association of Counties (CSAC), the California Association of Public Authorities for IHSS (CAPA), and the County Welfare Directors Association of California (CWDA), we are writing to provide feedback on the In-Home Supportive Services (IHSS) Statewide Collective Bargaining Report to the Legislature. Our associations are appreciative of the collaborative approach that the California Department of Social Services (CDSS) undertook to comprehensively examine this issue. This letter serves to reinforce the feedback we provided throughout the workgroup process as well as provide comments on a few specific elements of the report.

As members of the CDSS workgroup, we want to first acknowledge the significant undertaking of this effort and the consideration given to the viewpoints of all members of the workgroup. The IHSS program serves more than 834,000 consumers¹ in California and allows qualified aged, blind, or disabled persons to receive supportive services from a provider to help them live at home. IHSS services are delivered by over 737,000 providers, with 72 percent related to the IHSS consumer.² Counties have proudly partnered with the state to financially support and administer the IHSS program since it was realigned in 1991. Counties, including social services agencies and public authorities (PAs), continue to play a major role in the financing of services and in the administration of the program to support both consumers and their providers. The collective commitment of everyone involved in this process to strengthen the IHSS program was evident throughout.

County Input on IHSS Report

CSAC, CWDA and CAPA brought a collaborative spirit to our engagement on this workgroup. The broad framing for our input was that if IHSS collective bargaining were to transition to the state level, it must do so in a manner that maintains the consumer-driven foundation of the IHSS program while mitigating for any fiscal, legal and administrative impacts to counties, and attracting an adequate number of quality providers to sustain the

¹ Per Monthly CMIPs Report (February 2025)

² Ibid.

growth of the program. With that in mind, below are the key considerations that we shared in this process and want to highlight as this report is publicly released.

- We appreciate the Department’s analysis of the various cost scenarios for state-negotiated increases in wages and benefits. The scenarios illustrate the magnitude of cost for nominal increases in wages (however, benefits are not explicitly costed out). The report also highlights the dynamic nature of the program which makes future forecasting and budgeting challenging. The future state/county fiscal role and responsibility is not addressed directly in the report, and counties continue to emphasize that the state should be responsible for the full nonfederal share of cost for any negotiated wage and benefit increases agreed to under statewide collective bargaining, as the state would be solely responsible for agreeing to wage and benefit increases and counties would have no ability to manage the associated costs within Realignment funding and county budgets. This is especially critical given the significant and continued growth of the IHSS program and persistent underfunding of local administration of the program.
- We appreciate the brief discussion related to Realignment (pages 40-41) as well as the deeper review of this issue included in the UC Berkeley Labor Center study commissioned by CDSS as part of this analysis.³ Clarifying the state fiscal responsibility for state-level negotiated changes to wages and benefits is paramount given the existing fiscal cost pressures counties face in the IHSS Program. Currently, counties contribute financially towards the IHSS program through a maintenance of effort (MOE) where county costs grow annually by a four percent inflation factor and the county share of locally negotiated wage and benefit increases. According to the UC Berkeley Labor Center study, county costs are growing at a faster rate than Realignment revenues (6.5 percent vs. 4.6 percent between FY 2017-18 and FY 2024-25), likely resulting in decreased funding available for other realigned programs. This trend is likely to continue under the status quo of county-level collective bargaining. Furthermore, the UC Berkeley Labor Center notes the potential cost implications of statewide collective bargaining for MOE and 1991 Realignment are overshadowed by the existing long-term challenge of funding a rapidly growing IHSS program, *“absent future reforms of the MOE, if county expenditures for IHSS provider wages continue to increase (beyond existing wage supplements tied to increases in the state’s minimum wage), the County MOE will likely grow at a higher rate than sales tax Realignment revenues. As a result, counties will have less revenue available to pay for other realigned programs.”* The report goes further to note that structural changes would be necessary to shift to statewide collective bargaining, including a change to the current state-county cost sharing and maintenance of effort formula.
- The report briefly notes that non-economic issues, which are currently often raised in collective bargaining, can have fiscal (and legal) impacts upon counties. Shifting to statewide collective bargaining will require the state to acknowledge this possibility,

³ Analysis of the Potential Impacts of Statewide or Regional Collective Bargaining for In-Home Supportive Services Providers: Final Report to California Department of Social Services (December 2024). Linked [here](#).

to work with counties to mitigate legal risks to counties, and the state should also fully fund the costs of any new mandates or increased county and PA workload that result from items agreed to in statewide bargaining. This should include costs for workload increases or potential downstream impacts associated with any non-economic proposals that may be agreed to by the state.

- The report briefly touches upon the functions performed by county social services agencies and PAs, which are not currently bargained at the local level, including payroll processing, provider registries, backup providers, and provider orientations. Counties are concerned that these administrative duties, which are currently mandated through state law and/or regulated through CDSS, could come under the scope of representation. We urge caution in broadening the scope of representation beyond wages and benefits, and feel that continued legislative and departmental oversight over program administration is appropriate.
- To the extent that statewide bargaining were to be constructed in a manner in disagreement with any of the above points, then counties must have a formal role in the statewide bargaining process in order to be able to manage and have input on potential increased county costs and new mandates as well as the programmatic and legal implications to counties.

Feedback on Specific Report Language

There are specific elements of this report that we want to acknowledge, provide additional context, or share concerns.

IHSS Program Funding and the MOE (pages 12-15)

The report notes that only 6 percent of the overall IHSS budget currently supports program operations, specifically: county administrative costs for eligibility determinations and redeterminations, direct assistance to consumers and providers, other PA activities including registry services, orientations, criminal background checks, and provider training, and finally, State-level payroll processing. Chronic underfunding of county and PA administrative costs have resulted in unacceptably high social worker caseloads, in some counties 500-600 cases per worker, resulting in delays in assessments and reassessments as mandated by the State. This underfunding also results in challenges in scheduling and holding provider orientations and clearing providers to deliver care to IHSS consumers. While these issues are not the subject of this report, our associations express the dire need to address the chronic and significant underfunding of county and PA administration and believe the desired improvement to IHSS provider recruitment and retention will not be achieved unless this long-standing issue is addressed.

IHSS Collective Bargaining Overview (pages 15-16)

The description of how the existing collective bargaining Realignment withholding provision works lacks key details. It's important to note that a county is only subject to the 10 percent penalty if PERB determines that all of the following four conditions are met: (1) A county and provider union have completed the full IHSS mediation and factfinding process; (2) the

factfinding panel has issued recommended settlement terms that are more favorable to the union; (3) the county has an expired IHSS collective bargaining agreement; and (4) the county and union have not reached an agreement within 90 days after the release of the factfinding recommendations.

Statewide Bargaining (pages 18-19)

There are many complex elements to consider when determining the scope of representation and any potential county participation in that process. We appreciate that the description in this section acknowledges that counties could face additional fiscal, administrative/workload, and legal impacts and that a county role must be correlated with what those potential impacts and risks are for counties.

The current process of local collective bargaining also allows for cost-of-living adjustments and other benefits to providers to facilitate and enhance their availability to serve IHSS recipients, such as transportation assistance, health care benefits, personal protective equipment (PPE), and training and tuition reimbursement. Should bargaining move to the state, there must be consideration of how these services will be offered to providers with no loss of current benefits. Additionally, the report does not address how the current agreements between counties and unions will transfer seamlessly to the state, including agreements for non-economic benefits, and additional discussion of this process should be explored. In several counties, provider health benefits are linked to county health plans, enabling providers direct access to health care services through these plans at reduced cost. There needs to be consideration to how these benefits would be maintained under a statewide collective bargaining structure.

Stakeholder Involvement (page 21)

We appreciate the report's acknowledgment of the importance of IHSS recipient voice in collective bargaining, as counties have strived to embrace consumer voice in program administration and collective bargaining at the local level. We also appreciate the opportunity to reflect on the concerns used in the prior state-level collective bargaining under the Coordinated Care Initiative (CCI), which implemented the IHSS Stakeholder Advisory Committee, comprised of IHSS consumers, to inform statewide bargaining. We note of the options discussed, the report does not include an option used in some counties to have IHSS consumers directly advising the administrators of the IHSS Program to respond to non-economic terms that may also be collectively bargained, and the resulting impact on consumers. If the state assumes collective bargaining, consumers should play a role in both the economic and non-economic terms and conditions under consideration.

Employer of Record (page 22)

We appreciate the acknowledgement that core duties should remain with public authorities even if bargaining is transferred to the state level and that there are complexities in determining how these duties and responsibilities need to be addressed. We emphasize that currently, decisions made at the local level over the operation/delivery of provider

services, including registries, training, enrollments and orientations, are ultimately consumer-focused activities informed by local consumer advisory committees to support IHSS service delivery. Any shift of decision-making over the administration of PAs functions through regional or statewide collective bargaining must ensure a robust engagement process both consumers and PAs and assurance that county and consumer voice will be factored into decision-making.

Scope of Bargaining (pages 22-24)

We appreciate the acknowledgement that there was input in favor of a narrow scope of bargaining, that the need for local considerations on some of these items favors a narrower scope, and that a broader scope of bargaining could have unintended impacts and state mandates on county administration. Our associations expressed concerns about the nuanced non-economic factors that may impact county budgets and administrative workload that were not detailed in the report. Those concerns also include increased new liability concerns that may result from new mandates imposed through statewide collective bargaining. For example, what is the responsibility of the local PA and/or county to manage harassment and/or discrimination claims made by a provider against their employer (i.e., the IHSS recipient)? Should any non-economic factors be added to the statewide collective bargaining approach, counties would have concerns regarding the cost, workload, and legal implications, and would need to have a mechanism to inform any final decisions and receive adequate funding and liability protections for implementation.

IHSS Provider Wages and Retention and Recruitment (pages 25-27)

We note that the hourly IHSS wages cited in this section and displayed in the appendix are from nearly a year ago (July 1, 2024) and have not been updated in the same manner as other data points in this report such as the updated caseload growth rate for cost projections. Counties and provider unions have continued to reach agreements and there are increased hourly wages that are in effect and not shown in this report.

One of the possible opportunities with a statewide approach listed was opportunities to address provider recruitment and retention. We agree that IHSS provider recruitment and retention is a critical area to be addressed, as IHSS providers provide direct service delivery to IHSS consumers, and greater provider stability directly correlates to improved health and well-being outcomes. As the report notes, there are many different avenues to support improved IHSS provider recruitment and retention, through statewide initiatives such as IHSS Career Pathways, investments into county social workers and PAs who support both consumers and providers, and other investments which are not subject to collective bargaining, and rather, are investments made through State Budget process. In other words, improving IHSS provider recruitment and retention is critical, but can be addressed outside of the collective bargaining process.

Fiscal Impacts of Statewide Collective Bargaining (pages 27- 41)

Our associations expressed concerns during the workgroup process with the cost share premise that was utilized for calculating the fiscal impacts of increased wages and benefits. All of the fiscal impacts displayed in this section show a county share of costs of 35 percent of the non-federal share. Counties provided input that counties should not have a share of costs for wage and benefits increases agreed to by the state in state bargaining as counties would have no control over those costs or ability to manage within Realignment and county budgets.

The county costs shown in these figures are not realistic within the current construct of Realignment and would result in significant cuts to other health and human services programs that counties are mandated to provide. This broader Realignment context is not shown in these cost projection figures. The existing county IHSS maintenance of effort (MOE) was enacted for the purpose of having county IHSS costs fit within Realignment and allowing health and mental health to receive general growth. This was outlined in the Department of Finance's Senate Bill 90: 1991 Realignment Report.

The UC Berkeley Labor Center report clearly explains that county IHSS costs are growing faster than Realignment revenues and that the proposed cost projection scenarios where counties have a share of cost in statewide bargaining increases will result in decreased funding for health, mental health, and other social services programs within Realignment. We believe these cost projection scenarios would more accurately reflect the potential state costs if they were not done in a manner that shows a county 35 percent share that does not fit within 1991 Realignment.

In addition, this section presents the current trajectory of IHSS Program growth, multiple scenarios for wage increases, and the resulting non-federal cost impacts over time. Importantly, the report excludes that these cost estimates do not include the potential costs for non-wage benefits that are collectively bargained at the county level, and for which we anticipate will be collectively bargained at the state level (e.g. transportation stipends, tuition reimbursement, health, life insurance, etc.). Additionally, the impacts of population changes or policy changes were not considered, and caseload growth is likely underestimated. Given that the report's estimates do not reflect the full array of cost drivers, the report is likely understating the potential costs of statewide collective bargaining.

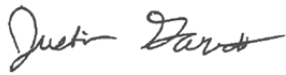
We do appreciate the acknowledgement of county Realignment concerns on page 41. We would also note that the county cost increases estimated on that page were based on the initial cost projections shared with the workgroup and would actually be higher now based on the recalculated cost projections that start on page 34.

Finally, for this section, we want to note concerns with the language in the *Impact to State and County Staff Costs* (page 40) subsection that implies that there would be a decrease in


Local Assistance costs for counties and commensurate increase to State Operations costs as a result of the shift in duties related to collective bargaining. We believe however that the county cost savings would be minimal, given the infrequent periodicity of local collective bargaining activities and management-level staff and leadership who actively engage in these activities. Our larger concern is that county administrative costs may increase as a result of non-economic areas that could be collectively bargained at the state level, which are likely to have an increased cost impact on county staff workload.

Thank you again for your commitment to this issue and leadership of a meaningful engagement process that will provide valuable insights for policy makers to consider for any legislative or budget efforts related to statewide bargaining. IHSS is a vital program for older adults and people with disabilities that families rely on to care for their loved ones. Our organizations are committed to continuing to engage on the concept of statewide bargaining in a collaborative manner and strengthening the overall program.

Sincerely,



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