



January 25, 2021

The Honorable Susan Talamantes Eggman  
Chair, Senate Budget and Fiscal Review Subcommittee #3  
State Capitol, Room 4052  
Sacramento, CA 95814

**Re: IHSS Collective Bargaining Budget Proposal**

Dear Senator Talamantes Eggman:

On behalf of the California State Association of Counties (CSAC), California Association of Public Authorities (CAPA), County Welfare Directors Association of California (CWDA), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), UDW/AFSCME Local 3930, and SEIU California, we are writing to ask for your support for an In-Home Supportive Services (IHSS) collective bargaining budget proposal. Over the past several years, counties, provider unions, the Administration, and the Legislature have worked collaboratively to enact several tools to encourage agreement through local collective bargaining to increase wages and health benefits for IHSS providers. Two of these funding mechanisms are set to change on January 1, 2022 in a manner that will make it more difficult to reach agreements. Our joint budget proposal would maintain current fiscal tools that are essential in local bargaining to reach agreement for IHSS wages and benefits increases.

**Existing Collective Bargaining Funding Mechanisms**

Under current law, counties and the state share the nonfederal cost for locally negotiated increases to wages and health benefits for IHSS providers. Counties are responsible for 35 percent of the nonfederal share and the state participates in 65 percent of the nonfederal share of cost for increases up to the state participation cap, which is set at \$1.10 above the state minimum wage. For increases above that amount, the county is responsible for 100 percent of the nonfederal share. However, there is a tool available, referred to as the ten percent over three years tool, that allows the county to receive state participation above the state participation cap. With this tool, the state will participate above the state participation cap at the 65 percent share of cost in a cumulative total of up to a ten percent increase in the sum of the combined total of changes in wages or health benefits, or both, over a three-year period.

The current sharing ratio and ten percent over three years tool, combined with the wage supplement tool and the new county IHSS Maintenance of Effort (MOE), have resulted in an increased number of collective bargaining agreements being reached. In the first 18 months of the new IHSS MOE that was enacted on July 1, 2019, county Public Authorities and provider unions have reached 24 new agreements, bringing the total to 45 counties that have increased IHSS provider wages since 2017. These tools have led to agreements in urban, suburban, and rural counties in all geographic parts of the state.

### **Upcoming Changes**

On January 1, 2022, current law will alter two of these funding mechanisms in a manner that will make it more difficult to make progress on IHSS collective bargaining. First, the historic sharing ratio will flip, with the county becoming responsible for 65 percent of the nonfederal share and the state covering 35 percent of the nonfederal share. Second, the ten percent over three years tool is no longer available, as current law indicates that any use of this tool must begin prior to January 1, 2022.

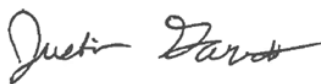
### **Continuity of IHSS Collective Bargaining Funding Mechanisms Budget Proposal**

Our joint budget proposal contains two elements that will continue the current environment that has led to an increased number of agreements. First, we propose to eliminate the language in statute that would change the sharing ratio on January 1, 2022. The sharing ratio for local wage and benefit increases would instead remain at the current 35 percent county/65 percent state breakdown up to the state participation cap. Second, we propose that the ten percent over three years tool be extended. There are limitations in statute that require the use of this tool to begin prior to January 1, 2022 and for a county to only be able to use the tool for two three-year periods. Our proposal is to continue the use of this tool beyond January 1, 2022 and allow a county to utilize the tool more than two times.

The state, counties, Public Authorities, and provider unions have a shared interest to maintain the current tools that have led to many new IHSS collective bargaining agreements and that will be essential for further progress in local bargaining over wage and benefit increases. Without the changes outlined in our budget proposal, progress on IHSS collective bargaining is likely to stall. If current law is not changed, the county costs for most future wage and benefit increases would nearly double making it significantly more difficult to reach agreements or could result in agreements that increase wages by a smaller amount than what is currently possible.

For all of the above reasons, we urge your support for our IHSS collective bargaining budget proposal that provides continuity for the current tools and funding mechanisms that have been foundational to the success in local bargaining. Please feel free to reach out to any of our organizations with questions or if you need additional information. Thank you for your consideration.

Sincerely,



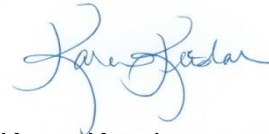
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