



March 1, 2021

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

Re: IHSS Fiscal Penalty Stakeholder Proposal – Oppose

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), and Rural County Representatives of California (RCRC), we are writing to express our strong opposition to the proposal to impose a ten percent penalty on counties that have failed to reach an In-Home Supportive Services (IHSS) collective bargaining agreement. This stakeholder proposal from UDW/AFSCME Local 3930 and SEIU California ignores the progress that has been made on IHSS collective bargaining, is inconsistent with previous actions, and is counter to upcoming state law changes that are set to occur.

Counties Have Made Significant Progress on IHSS Collective Bargaining

There are numerous reasons to oppose this proposed penalty, but first and foremost is the fact that significant progress has been made on IHSS collective bargaining. Over the past couple of years, the Legislature has indicated a strong interest in seeing an increased number of collective bargaining agreements. This is exactly what has occurred since the enactment of the new IHSS Maintenance of Effort (MOE) by Senate Bill 80 (Chapter 27, Statutes of 2019). County Supervisors have demonstrated a commitment to increasing wages and benefits for IHSS providers by reaching a number of new agreements or memorandums of understanding (MOUs). Please consider the following highlights:

1. **New agreements have been reached at a faster pace** – There are new agreements in 26 counties since the new IHSS MOE was enacted on July 1, 2019. This is far above the pace of new agreements in prior years. This includes 12 agreements that have been reached even during the uncertain fiscal situation caused by the COVID-19 pandemic.
2. **Counties are dedicating tens of millions of dollars in new funding for wage increases every year** – The estimated county share of costs for wages and health

benefits increases that are going into effect in 2020-21 is \$28.8 million and there are still four months left to reach additional agreements. This follows up on county investments of \$43.1 million and \$72.4 million in the prior two fiscal years. These are ongoing and sustained commitments of county funding for IHSS provider wages and benefits.

- 3. More than 95 percent of IHSS providers work in a county that has increased wages since 2017** – A total of 46 counties have increased wages since 2017 covering more than 95 percent of IHSS providers. In all cases, these counties are permanently paying IHSS providers above the state minimum wage.

Attached is the latest *County IHSS Collective Bargaining Chart* that shows the bargaining status and IHSS provider wage in every county. There are 45 counties that have reached an MOU to increase wages under the 2017 MOE or 2019 MOE, and one county that has increased wages through a local living wage ordinance. Of the remaining 12 counties, three are currently negotiating, four are waiting for the union to respond or contact the county, two are not currently in negotiations, and three have gone through factfinding and/or mediation.

Proposal is Inconsistent with Previous Actions

Senate Bill 80 included a provision to create a one-time 1991 Realignment withholding related to IHSS collective bargaining that could potentially apply to counties without a collective bargaining agreement in place. A county would be subject to the withholding only if all of the following four conditions were 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. It is important to note that application of this Realignment withholding does not mean that a county has failed to bargain in good faith. It only means that a county and provider union were unable to reach an agreement. This provision became inoperative on January 1, 2021.

The Administration, Legislature, counties, and provider unions all reached agreement on the Realignment withholding provisions and the one-time one percent withholding amount. Now UDW/AFSCME Local 3930 and SEIU California are asking for a withholding amount that is ongoing and ten times greater than what was previously agreed to and more than three times greater than what they originally requested in 2019. However, since that time, the amount of IHSS collective bargaining agreements that has been achieved has more than doubled.

Counties are reaching agreements because the Administration and the Legislature enacted a more sustainable IHSS MOE and created more fiscal stability for county IHSS costs, not because of the existence of a potential IHSS collective bargaining penalty. There is no reason to enact a new penalty that is significantly more punitive than the initial penalty when counties have done exactly what was asked of them.

Proposal is Counter to Upcoming Changes in State Law

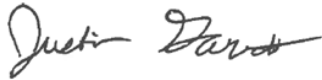
On January 1, 2022, current law will alter two of the IHSS collective bargaining funding mechanisms in a manner that will make it more difficult for counties and providers unions to reach agreements. First, the historic sharing ratio will flip, with the county becoming responsible for 65 percent of the nonfederal share and the state covering 35 percent of the nonfederal share. Second, the ten percent over three years tool, which allows counties to secure state participation above the state participation cap, will no longer be available, as current law indicates that any use of this tool must begin prior to January 1, 2022. The result is that the

county costs for most future wage and benefit increases would nearly double making it significantly more difficult to reach agreements.

Our organizations are co-sponsoring a coalition proposal that would maintain the current IHSS collective bargaining funding mechanisms instead of having these changes occur on January 1, 2022. It is these fiscal tools that have been the driver of the increased number of agreements to increase wages and benefits for IHSS providers, not any sort of threat of an IHSS fiscal penalty. The way to encourage and support future agreements is to adopt the coalition budget proposal to provide a positive fiscal incentive rather than a punitive approach.

For all of the above reasons, counties are strongly opposed to the stakeholder proposal to enact an IHSS fiscal penalty on counties. 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,



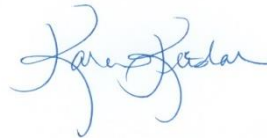
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Kim Johnson, Director, Department of Social Services
Adam Dorsey, Department of Finance
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom



County In-Home Supportive Services Collective Bargaining Status

County	Hourly Wages as of February 1, 2021	Amount of Local Wage Increase Since 2017	Additional Future Wage Increases Already Negotiated	Health Benefits	Bargaining Status	Provider Union
Alameda	\$15.75	\$1.75		\$1.19	New MOU during 2017 MOE*	SEIU Local 2015
Alpine	\$14.50	\$0.50			New MOU during 2017 MOE	UDW
Amador	\$14.00			\$0.60	Not currently in negotiations	SEIU Local 2015
Butte	\$14.00			\$0.60	Completed mediation	UDW
Calaveras	\$14.00			\$0.43	County has reached out to set a bargaining date	SEIU Local 2015
Colusa	\$14.50	\$0.50			New MOU during 2019 MOE**	SEIU Local 2015
Contra Costa	\$15.00	\$1.00		\$1.31	New MOU during 2019 MOE	SEIU Local 2015
Del Norte	\$14.50	\$0.50			New MOU during 2017 MOE expired 11/30/20. Union will contact county when ready to start bargaining process.	SEIU Local 2015
El Dorado	\$14.50	\$0.50		\$0.20	New MOU during 2019 MOE	UDW
Fresno	\$14.60	\$0.60		\$0.85	New MOU during 2019 MOE	SEIU Local 2015
Glenn	\$14.00				No contact from the union since July 2017	SEIU Local 2015
Humboldt	\$14.50	\$0.50			New MOU during 2019 MOE	SEIU Local 2015
Imperial	\$14.40	\$0.40		\$0.40	New MOU during 2017 MOE	UDW
Inyo	\$14.50	\$0.50	\$0.25 on 7/1/21		New MOU during 2019 MOE	SEIU Local 2015
Kern	\$14.00				Not currently in negotiations. Factfinding report issued 9/10/20.	UDW
Kings	\$14.00				Currently negotiating	SEIU Local 2015
Lake	\$14.00				No request from union to schedule negotiations	SEIU Local 2015
Lassen	\$14.00				Impasse declared. Factfinding report issued 2/26/18.	SEIU Local 2015
Los Angeles	\$15.00	\$1.00		\$0.92	New MOU during 2017 MOE	SEIU Local 2015
Madera	\$14.50	\$0.50			New MOU during 2019 MOE	UDW
Marin	\$15.40	\$1.60		\$0.82	2021 increase per county living wage ordinance. County has reached out to set bargaining date.	SEIU Local 2015
Mariposa	\$14.60	\$0.60			New MOU during 2019 MOE	UDW
Mendocino	\$15.00	\$1.00			New MOU during 2019 MOE	SEIU Local 2015
Merced	\$14.60	\$0.60			New MOU during 2019 MOE	UDW
Modoc	\$14.00				County has contacted union but has not received a request to bargain	SEIU Local 2015
Mono	\$14.50	\$0.50			New MOU during 2017 MOE	UDW
Monterey	\$15.29	\$1.29		\$0.48	New MOU during 2017 MOE	SEIU Local 2015
Napa	\$15.45	\$1.45		\$0.40	New MOU during 2019 MOE	SEIU Local 2015
Nevada (includes Plumas and Sierra)	\$14.50	\$0.50		\$0.60	New MOU during 2019 MOE	UDW
Orange	\$14.50	\$0.50		\$0.60	New MOU during 2017 MOE	UDW
Placer	\$14.40	\$0.40		\$0.08	New MOU during 2019 MOE	UDW

County	Hourly Wages as of February 1, 2021	Amount of Local Wage Increase Since 2017	Additional Future Wage Increases Already Negotiated	Health Benefits	Bargaining Status	Provider Union
Plumas (with Nevada and Sierra)	\$14.50	\$0.50		\$0.60	New MOU during 2019 MOE	UDW
Riverside	\$14.50	\$0.50		\$0.57	New MOU during 2019 MOE	UDW
Sacramento	\$15.00	\$1.00		\$0.80	New MOU during 2017 MOE	SEIU Local 2015
San Benito	\$14.80	\$0.80		\$0.20	New MOU during 2017 MOE	SEIU Local 2015
San Bernardino	\$14.50	\$0.50		\$0.32	New MOU during 2019 MOE	SEIU Local 2015
San Diego	\$14.50	\$0.50		\$0.60	New MOU during 2017 MOE	UDW
San Francisco	\$17.50	\$3.50	\$0.50 on 7/1/21, \$0.75 on 7/1/22	\$2.68	New MOU during 2017 MOE	SEIU Local 2015
San Joaquin	\$14.50	\$0.50		\$0.70	New MOU during 2019 MOE	SEIU Local 2015
San Luis Obispo	\$15.11	\$1.26		\$0.20	New MOU during 2019 MOE	UDW
San Mateo	\$15.25	\$1.25	\$1.45 on 4/1/21	\$1.00	New MOU during 2019 MOE	SEIU Local 2015
Santa Barbara	\$14.77	\$0.87		\$0.20	New MOU during 2019 MOE	UDW
Santa Clara	\$15.62	\$1.62		\$3.39	New MOU during 2017 MOE	SEIU Local 2015
Santa Cruz	\$14.21	\$1.21 (\$0.65 moved from wages to health benefits)		\$0.85	New MOU during 2017 MOE	SEIU Local 2015
Shasta	\$14.60	\$0.60			New MOU during 2017 MOE	SEIU Local 2015
Sierra (with Nevada and Plumas)	\$14.50	\$0.50		\$0.60	New MOU during 2019 MOE	UDW
Siskiyou	\$14.00				Not currently in negotiations	SEIU Local 2015
Solano	\$14.50	\$0.50		\$0.60	New MOU during 2017 MOE expired 6/30/20. County has reached out to set bargaining date.	SEIU Local 2015
Sonoma	\$15.00	\$1.00	\$0.35 on 7/1/21	\$0.85	New MOU during 2019 MOE	SEIU Local 2015
Stanislaus	\$14.50	\$0.50		\$0.10	New MOU during 2019 MOE	UDW
Sutter	\$14.40	\$0.40		\$0.20	New MOU during 2019 MOE	UDW
Tehama	\$14.00				Currently negotiating	SEIU Local 2015
Trinity	\$14.50	\$0.50			MOU preceded 2017 MOE	SEIU Local 2015
Tulare	\$14.00				Currently negotiating	SEIU Local 2015
Tuolumne	\$14.50	\$0.50			New MOU during 2017 MOE	UDW
Ventura	\$14.64	\$0.64			New MOU during 2017 MOE	SEIU Local 2015
Yolo	\$14.75	\$0.75		\$0.60	New MOU during 2019 MOE	SEIU Local 2015
Yuba	\$14.50	\$0.50 (\$0.15 moved from health benefits to wages)	\$0.15 on 3/1/21	\$0.45	New MOU during 2019 MOE	SEIU Local 2015

*2017 MOE was in effect July 1, 2017 through June 30, 2019.

**2019 MOE was enacted July 1, 2019 and is currently in effect.