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Assembly California Legislature



TASHA BOERNER HORVATH
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COMMITTEES
AGING AND LONG-TERM CARE
COMMUNICATIONS AND
CONVEYANCE
JOINT LEGISLATIVE AUDIT
LOCAL GOVERNMENT
VETERANS AFFAIRS

2020-109

January 5, 2020

FEB 05 2020

The Honorable Rudy Salas
Chair, Joint Legislative Audit Committee
Legislative Office Building
1020 N Street, Room 107
Sacramento, CA 95811

RE: State Audit Request of IHSS Expenditures

Dear Chairman Salas:

I respectfully request the Joint Legislative Audit Committee (JLAC) to approve a state audit to examine the expenditure of state funds allocated to counties in support of the In-Home Support Services (IHSS) program. The State of California allocates state funds annually to support IHSS, which is combined with local county dollars as well as federal matching funds to provide in-home domestic and related services such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. The goal of the program is to help individuals remain in their homes and prevent more costly institutionalization.

Wages for IHSS providers are negotiated at the county level through collective bargaining. The *average* wage for IHSS providers statewide is \$12.44 (Minimum wage was \$12/hour in 2019 and increased to \$13 on 1/1/20) and only a small percentage of workers receive health benefits. IHSS wages and benefits are often significantly less than wages paid by fast food and retail establishments, creating a lack of incentive for individuals to choose employment as an IHSS provider. Also, it takes on average 6 weeks, if not longer, for new providers to even receive their first timesheet, let alone their first paycheck. This creates a tremendous disincentive for non-family members to agree to work as an IHSS provider.

This has resulted in a severe shortage of IHSS providers around the state. IHSS consumers who do not have family members willing to work as their provider are especially impacted, with many going without the services they need to remain in their homes safely. These shortages will only grow more acute as California's population continues to age. The Department of Finance estimates that over the next 40 years our state's 65+ population will increase from 5.5 million people to 13.5 million people by 2060. Recent studies and research have concluded that an increase in wages for IHSS workers would help to address the worsening shortage, including a 2015 report by the U.C. San Francisco Health Workforce Research Center and 2017 report from the U.C. Berkeley Labor Center.

With all this in mind, I am requesting approval for the State Auditor to look at whether counties are maximizing these funds to ensure the most robust supply of IHSS workers possible, including providing wages that prevent attrition where possible. Specifically, I would like to request that the State Auditor evaluate a selection of four counties in their administration of IHSS funding with the following questions in mind:

- Are counties fully expending their IHSS dollars or are funds being left unspent on an annual basis?
- What percentage of the funds are being allocated directly to provider wages and benefits?



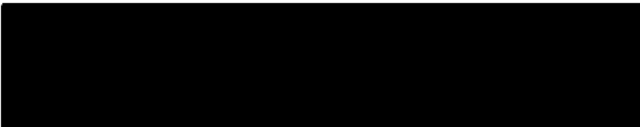
- Are IHSS funds being used for anything other than IHSS provider wages and direct administrative costs for the program at the county level? If so, what are those funds going towards and why?
- Are the number of IHSS providers increasing or decreasing within the county, and at what rate?
- What is the shortage for each county in terms of IHSS provider/ provider hours needed to meet existing demand?
- What is the average minimum wage for each county, and how does it compare to the IHSS provider rate for that county? How does it compare to the cost of living within that county?
- What are the challenges with raising IHSS provider wages in each county?
- What is the estimated cost for recruiting and training new providers?
- What is the estimated impact in each county of low wages/benefits on ability of IHSS consumers to recruit and retain IHSS providers, with a special emphasis on consumers without family support?
- What, if any, has been the impact of the timeline for new providers to become enrolled into IHSS and receive their first timesheet?

Ideally, the four counties to be evaluated would be a cross-section of both rural and urban, large and small (by population), as well as some geographic variety. It would also be helpful to identify counties that vary in terms of their current IHSS provider status, including:

- A large Southern California county with a current IHSS contract where providers are paid above the state minimum wage, receive medical benefits and dental/vision, and whose current contract does not expire within the next year.
- A more southern Central Valley county, with a population over half a million, that is in the process of IHSS bargaining negotiations, or has reached impasse, where providers are paid the state minimum wage, receive no benefits, and the existing collective bargaining agreement has expired within the last three years.
- A more northern California county with less than 250,000 residents, that is at impasse with negotiations, has received no wage increase in the last five years, where providers are paid the state minimum wage and receive medical benefits and no dental or vision.
- A more northern Central Valley county, with a population over half a million, that is in the process of IHSS bargaining negotiations, or has reached impasse, where providers are paid the state minimum wage, receive dental and vision but no medical benefits and the existing collective bargaining agreement has expired within the last three years.

Thank you for your time and consideration of this request. For more information or any questions, please contact Rob Charles in my office 916-319-2076.

Sincerely,



TASHA BOERNER HORVATH
California State Assemblymember
76th Assembly District