

ITEM 19
FINAL STAFF ANALYSIS
STATEWIDE COST ESTIMATE

Welfare and Institutions Code Sections 12301.3, 12301.4 and 12302.25

Statutes 1999, Chapter 90

Statutes 2000, Chapter 445

In-Home Supportive Services II

00-TC-23

County of San Bernardino, Claimant

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State Controller's Office
 List of All Claims Filed
 In-Home Supportive Services
 June 9, 2009

289	IN-HOME SUPPORTIVE SERVICES	19992000	9936	COUNTY OF SAN BERNARDINO	32,985
		19992000 Total			32,985
289	IN-HOME SUPPORTIVE SERVICES	20002001	9901	COUNTY OF ALAMEDA	7,651
289	IN-HOME SUPPORTIVE SERVICES	20002001	9936	COUNTY OF SAN BERNARDINO	104,650
		20002001 Total			112,301
289	IN-HOME SUPPORTIVE SERVICES	20012002	9901	COUNTY OF ALAMEDA	9,808
289	IN-HOME SUPPORTIVE SERVICES	20012002	9903	COUNTY OF AMADOR	8,279
289	IN-HOME SUPPORTIVE SERVICES	20012002	9936	COUNTY OF SAN BERNARDINO	73,596
289	IN-HOME SUPPORTIVE SERVICES	20012002	9942	COUNTY OF SANTA BARBARA	18,863
289	IN-HOME SUPPORTIVE SERVICES	20012002	9955	COUNTY OF TUOLUMNE	5,988
		20012002 Total			116,534
289	IN-HOME SUPPORTIVE SERVICES	20022003	9901	COUNTY OF ALAMEDA	18,655
289	IN-HOME SUPPORTIVE SERVICES	20022003	9903	COUNTY OF AMADOR	68,060
289	IN-HOME SUPPORTIVE SERVICES	20022003	9942	COUNTY OF SANTA BARBARA	44,702
289	IN-HOME SUPPORTIVE SERVICES	20022003	9955	COUNTY OF TUOLUMNE	1,577
		20022003 Total			132,994
289	IN-HOME SUPPORTIVE SERVICES	20032004	9901	COUNTY OF ALAMEDA	11,904
		20032004 Total			11,904
289	IN-HOME SUPPORTIVE SERVICES	20042005	9901	COUNTY OF ALAMEDA	17,837
		20042005 Total			17,837
289	IN-HOME SUPPORTIVE SERVICES	20052006	9901	COUNTY OF ALAMEDA	16,040
		20052006 Total			16,040
289	IN-HOME SUPPORTIVE SERVICES	20062007	9901	COUNTY OF ALAMEDA	15,378
		20062007 Total			15,378
289	IN-HOME SUPPORTIVE SERVICES	20072008	9901	COUNTY OF ALAMEDA	18,939
		20072008 Total			18,939
289 Total					474,912

ITEM _____
DRAFT STAFF ANALYSIS
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Statutes 1999, Chapter 90
Statutes 2000, Chapter 445

In-Home Supportive Services II
00-TC-23

County of San Bernardino, Claimant

EXECUTIVE SUMMARY

The proposed statewide cost estimate includes nine fiscal years for a total of **\$474,912** for the *In-Home Supportive Services II* program. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
1999-2000	1	\$32,985
2000-2001	2	\$112,301
2001-2002	5	\$116,534
2002-2003	4	\$132,994
2003-2004	1	\$11,904
2004-2005	1	\$17,837
2005-2006	1	\$16,040
2006-2007	1	\$15,378
2007-2008	1	\$18,939
TOTAL	17	\$474,912

Summary of the Mandate

The test claim statutes, in part, address the form in which in-home supportive services care providers are employed, referred to as the “mode of service,” including requiring that all counties establish an employer of record for IHSS providers, other than the recipient of the services. The test claim statutes also provide that “[e]ach county shall appoint an in-home supportive services advisory committee that shall be comprised of not more than 11 individuals.”

The Commission on State Mandates (Commission) adopted the Statement of Decision for the *In-Home Supportive Services II* program (00-TC-23). The Commission found that the test claim statute constitutes a new program or higher level of service and imposes a state-mandated

program on local agencies within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

Statewide Cost Estimate

Staff reviewed the summary report of claims data prepared by the State Controller's Office (SCO). The report showed that five counties filed 17 claims between fiscal years 1999-2000 and 2007-2008 for a total of \$474,912¹. Based on this report, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

1. *The actual amount claimed for reimbursement may increase if late or amended claims are filed.*
2. *Non-claiming local agencies did not file claims because: (1) they did not incur more than \$1000 in increased costs for this program; (2) they receive other state and federal revenues that cover the costs of the program; or (3) they did not have supporting documentation to file a reimbursement claim.*
3. *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

Methodology

The proposed statewide cost estimate for fiscal years 1999-2000 through 2007-2008 was developed by totaling the 17 unaudited actual reimbursement claims filed with the SCO for these years. No projections for future fiscal years were included because funding for 2008-2009 cannot occur until fiscal year 2009-2010.

The proposed statewide cost estimate includes nine fiscal years for a total of \$474,912 for the *In-Home Supportive Services II* program. This averages to \$52,768 annually in costs for the state for this nine-year period.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$474,912** for costs incurred in complying with the *In-Home Supportive Services II* program.

¹ Summary report received from SCO on June 9, 2009.

STAFF ANALYSIS

Summary of the Mandate

The test claim statute, in part, address the form in which in-home supportive services care providers are employed, referred to as the “mode of service,” including requiring that all counties establish an employer of record for IHSS providers, other than the recipient of the services. The test claim statutes also provide that “[e]ach county shall appoint an in-home supportive services advisory committee that shall be comprised of not more than 11 individuals.”

The Commission on State Mandates (Commission) adopted the Statement of Decision for the *In-Home Supportive Services II* program (00-TC-23). The Commission found that the test claim statute constitutes a new program or higher level of service and imposes a state-mandated program on local agencies within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

The claimant filed the test claim on June 29, 2001. The Commission adopted a Statement of Decision on April 16, 2007, and the parameters and guidelines on August 1, 2008. Eligible claimants were required to file initial reimbursement claims with the State Controller’s Office (SCO) by February 3, 2009, and must file late claims by February 3, 2010.

Reimbursable Activities

The Commission approved the following activities for reimbursement:

For each eligible claimant, the following activities are reimbursable:

A. One-time Activities

1. County
 - a) Establishing an employer for in-home supportive service providers. This activity is limited to the administrative costs of establishing an employer of record through a public authority, nonprofit consortium, contract, county administration of the individual provider mode, county civil service personnel, or mixed modes of service. (Reimbursement period is limited to July 12, 1999 through December 31, 2002.)
 - b) Offering an individual provider employer option, for counties with an IHSS caseload of more than 500, upon request of a recipient, and in addition to a county’s selected method of establishing an employer for in-home supportive service providers. This activity is limited to the administrative costs of establishing an employer of record in the individual provider mode, upon request. (Reimbursement period begins July 12, 1999.)

B. On-going Activities

1. Board of Supervisors
 - a) Appointing an in-home supportive services advisory committee comprised of:
 - i. Not more than 11 individuals, with membership as required by section 12301.3, subdivision (a): “No less than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance services paid for through

public or private funds or as recipients of services under this article.”
(Reimbursement period begins July 12, 1999.)

- ii. In counties with fewer than 500 IHSS recipients, at least one member of the advisory committee shall be a current or former provider of in-home supportive services. (Reimbursement period begins September 14, 2000.)
- iii. In counties with 500 or more IHSS recipients, at least two members of the advisory committee shall be a current or former provider of in-home supportive services. (Reimbursement period begins September 14, 2000.)
- iv. A county board of supervisors shall not appoint more than one county employee as a member of the advisory committee. (Reimbursement period begins September 14, 2000.)
- b) Soliciting recommendations for qualified advisory committee members through a fair and open process that includes the provision of reasonable written notice to, and reasonable response time by, members of the general public and interested persons and organizations. (Reimbursement period begins July 12, 1999.)
- c) Soliciting recommendations from the advisory committee on the preferred mode or modes of service to be utilized in the county for in-home supportive services. (Reimbursement period is limited to July 12, 1999 through December 31, 2002.)
- d) Taking the advice and recommendations of the in-home supportive services advisory committee, as established pursuant to Section 12301.3, prior to making policy and funding decisions about IHSS on an ongoing basis. (Reimbursement period begins July 12, 1999.)

2. Advisory Committee

- a) Submitting recommendations to the county board of supervisors on the preferred mode or modes of service to be utilized in the county for in-home supportive services. (Reimbursement period begins July 12, 1999.)
- b) Providing ongoing advice and recommendations regarding in-home supportive services to the county board of supervisors, any administrative body in the county that is related to the delivery and administration of in-home supportive services, and the governing body and administrative agency of the public authority, nonprofit consortium, contractor, and public employees. (Reimbursement period begins July 12, 1999.)

Offsetting Revenues

Each county receives \$59,000 annually in state and federal funds to assist in covering the costs of the in-home supportive services advisory committee, which must be offset from any reimbursement claims. Therefore, the parameters and guidelines include the following language:

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source,

including but not limited to service fees collected; and federal and state funds, including funds allocated for the direct costs of the IHSS advisory committee pursuant to Welfare and Institutions Code section 12301.4, subdivision (b), county fiscal letters issued by the Department of Social Services allocating state and federal funds for the IHSS advisory committee (DSS CFL Nos. Nos. 00/01-14, 00/01-33, 00/01-48, 01/02-12, 02/03-28, 02/03-73, 03/04-46, 03/04-51, 04/05-16, 04/05-22, 04/05-27, 05/06-10, 06/07-02), and future allocations of state and federal funds for the IHSS advisory committee shall be identified and deducted from this claim.

Statewide Cost Estimate

Staff reviewed the summary report of claims data prepared by the SCO.² The report showed that five counties filed 17 claims between fiscal years 1999-2000 and 2007-2008 for a total of \$474,912³ Based on this report, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

1. *The actual amount claimed for reimbursement may increase if late or amended claims are filed.*

There are 58 counties in California. Of those, only five filed reimbursement claims for this program. If other eligible claimants file reimbursement claims or late or amended claims are filed, the amount of reimbursement claims may exceed the statewide cost estimate

2. *Non-claiming local agencies did not file claims because: (1) they did not incur more than \$1000 in increased costs for this program; (2) they receive other state and federal revenues that cover the costs of the program; or (3) they did not have supporting documentation to file a reimbursement claim.*

The state Department of Social Services allocates \$59,000 annually in state and federal funds to each county to assist in the cost of the in-home supportive services advisory committee reimbursed under this program. A claimant representative reports that this amount covers all costs of the program for most counties. All five counties claimed costs during the start-up period from 1999-2000 to 2002-2003, presumably for establishing an employer for in-home supportive service providers, offering an individual provider employer option, and establishing their advisory committees.⁴ Only one county (Alameda County) continued to file reimbursement claims after 2002-2003. For the five county claimants, the average total cost claimed during the start-up period is \$98,704. The average ongoing cost/year for one county is \$16,020.

3. *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

If the SCO audits this program and deems any reimbursement claim to be excessive or unreasonable, it may be reduced.

² Exhibit A.

³ Summary report received from SCO on June 9, 2009.

⁴ Counties of Amador, San Bernardino, Santa Barbara, and Tuolumne.

Methodology

The proposed statewide cost estimate for fiscal years 1999-2000 through 2007-2008 was developed by totaling the 17 unaudited actual reimbursement claims filed with the SCO for these years. No projections for future fiscal years were included because funding for 2008-2009 cannot occur until fiscal year 2009-2010.

The proposed statewide cost estimate includes nine fiscal years for a total of \$474,912 for the *In-Home Supportive Services II* program. For the five county claimants, the average total cost claimed during the start-up period is \$98,704. The average ongoing cost/year for one county is \$16,020.

Following is a breakdown of estimated total costs per fiscal year:

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2004-2005	1	\$17,837
2005-2006	1	\$16,040
2006-2007	1	\$15,378
2007-2008	1	\$18,939
TOTAL	17	\$474,912

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$474,912** for costs incurred in complying with the *In-Home Supportive Services II* program.



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

EXHIBIT C

RECEIVED

JUL 07 2009

COMMISSION ON
STATE MANDATES

July 7, 2009

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

The Department of Finance (Finance) has reviewed the proposed statewide cost estimate for CSM-00-TC-23 "In Home Supportive Services II."

Finance concurs with the Commission's staff recommendation to adopt the statewide cost estimate of \$474,912 for fiscal years 1999-00 through 2007-08. As noted on the draft staff analysis, actual cost may be higher or lower based on audit findings or the submittal of amended or late claims.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your June 16, 2009 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 916-445-3274.

Sincerely,

Diana L. Ducay
Program Budget Manager

Enclosures

Enclosures A

DECLARATION OF CARLA CASTAÑEDA
DEPARTMENT OF FINANCE
CLAIM NO. CSM-00-TC-23

1. I am currently employed by the State of California Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

July 7 2009
at Sacramento, CA

Carla Castañeda
Carla Castañeda

PROOF OF SERVICE

Test Claim Name: In Home Supportive Services II
Test Claim Number: CSM-00-TC-23

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12th Floor, Sacramento, CA 95814.

On 7-09-2009, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 12th Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

A-16
Ms. Susan Geanacou
Department of Finance
915 L Street, Suite 1280
Sacramento, CA 95814

Mr. Leonard Kaye
County of Los Angeles
Auditor-Controller's Office
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Mr. Allan Burdick
MAXIMUS
3130 Kilgore Road, Suite 400
Rancho Cordova, CA 95670

Mr. Dale Mangram
Riverside County Auditor Controller's Office
4080 Lemon Street, 11th Floor
Riverside, CA 92502

Ms. Jean Kinney Hurst
California State Association of Counties
1100 K Street, Suite 101
Sacramento, CA 95814-3941

B-08
Mr. Jim Spano
State Controller's Office
Division of Audits
300 Capitol Mall, Suite 518
Sacramento, CA 95814

Ms. Bonnie TerKeurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Mr. David Wellhouse
David Wellhouse & Associates, Inc.
9175 Kiefer Boulevard, Suite 121
Sacramento, CA 95826

Ms. Hasmikk Yahgobyan
County of Los Angeles
Auditor-Controller's Office
500 West Temple Street, Room 603
Los Angeles, CA 90012

Ms. Paula Higashi
July 7, 2009
Page 2

Ms. Jolene Tollenaar
MGT of America
455 Capitol Mall, Suite 600
Sacramento, CA 95814

A-15
Ms. Carla Castaneda
Department of Finance
915 L Street, 12th floor
Sacramento, CA 95814

B-29
Ms. Marianne O'Malley
Legislative Analyst's Office
925 L Street, Suite 1000
Sacramento, CA 95814

Ms. Harmeet Barkschat
Mandate Resource Services, LLC
5325 Elkhorn Boulevard, #307
Sacramento, CA 95842

Ms. Juliana F. Gmur
MAXIMUS
2380 Houston Avenue
Clovis, CA 93611

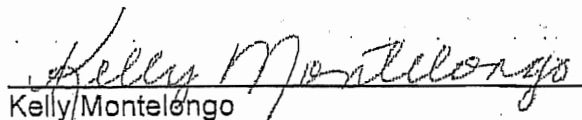
B-08
Ms. Ginny Brummels
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Ms. Beth Hunter
Centration, Inc.
8570 Utica Avenue, Suite 100
Rancho Cucamonga, CA 91730

A-24
Ms. Laura Randaes-Little
Department of Social Services
Legal Division
744 P Street, M.S. 4-161
Sacramento, CA 95814

Mr. Glen Everroad
City of Newport Beach
3300 Newport Boulevard
P.O. Box 1768
Newport Beach, CA 92659-1768

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on 7-09-2009 at Sacramento, California.


Kelly Montelongo