

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY – 5611

FUNCTION

The In-Home Supportive Services Public Authority (Public Authority) is the employer of record for In-Home Supportive Services (IHSS) homecare providers for the purpose of negotiating wages, benefits and working conditions with the local union. The Public Authority provides homecare provider services skills training and operates the Provider Registry, which assists IHSS Recipients with finding homecare Providers. Registry services also include, but are not limited to: IHSS Provider recruitment and screening; an initial background check; tracking Department of Justice fingerprint scanning and review of monthly background checks for as long as a Provider remains on the Registry; and maintaining a Registry of available Providers available to IHSS Recipients. The Public Authority also enrolls and provides all Providers, including non-registry providers, state-mandated training, and Recipient and Provider support services.

OVERVIEW

The FY 2013-14 Recommended Budget appropriations of \$1,525,129 reflect a net 51% (\$513,189) increase over the FY 2012-13 Adopted Budget. The FY 2013-14 Recommended Budget revenues of \$1,525,129 reflect a net 51% (\$513,189) increase over the FY 2012-13 Adopted Budget, with no net County cost. Staffing is recommended at seven positions. Due to limited number of staff no salary savings are included in the budget. The fiscal summary for this budget reflects net County cost of \$5,266 in the FY 2011-12 Actual column. IHSS Public Authority (Org 5611) in FY 2011-12 was budgeted to be 100% covered with State, Federal and County match coming from realignment. However, due to timing of revenues at the end of the fiscal year and the department's challenges at year-end to ensure the total of State, Federal, and realignment funds match exactly to the expenditures to ensure no net County cost usage, the department was \$5,266 off in its calculation. While this amount is reflected on FY 2011-12 Actual Budget on the fiscal summary for this Org, the department was actually \$1,189,016 under its total net County cost for all Social Services Orgs in FY 2011-12.

SUMMARY OF CAO RECOMMENDATIONS

Significant Program Changes

Effective July 1, 2012, the State implemented a Maintenance-of-Effort (MOE) for the IHSS Program, which is comprised of three components: IHSS Administration, IHSS Services, and Public Authority Administration. Prior to the IHSS MOE, the County share-of-cost for the Public Authority was determined through statutory sharing ratios and the County was responsible for approximately 17.6% of the total cost. Under the MOE, the County share-of-cost became a set amount that was equal to the actual share-of-cost incurred by each county for FY 2011-12. The County must pay that set amount regardless of the actual Public Authority expenditures. Through the IHSS MOE, the County will not be financially impacted by any expenditure increases; however, the County will also not realize any financial savings resulting from expenditure decreases. Based on the current statute, the IHSS MOE can be increased by the State for an annual inflation factor of 3.5% beginning July 1, 2014, and each year thereafter, with the exception of years where there is 'negative growth' in 1991 Realignment. The FY 2013-14 Recommended Budget reflects the IHSS MOE amount for the Public Authority. Any costs incurred above the MOE will be reimbursed by the State with State and Federal funds.

On March 4, 2013, the Case Management Information Payrolling System II (CMIPS II) was implemented to replace the existing system. CMIPS II created new processes which required staff to conduct new tasks. The FY 2013-14 Recommended Budget reflects the Department of

Social Services (DSS) administrative overhead charges of approximately \$608,212 which is an increase from FY 2012-13 Adopted Budget of \$370,435 or 156%. The increase reflects anticipated DSS Overhead Charge increases due to CMIPS II implementation and programmatic changes which were necessary to address additional workload processes.

Salaries and Benefits

- Salaries and Benefits, recommended at \$530,612, represent a 2% (\$11,163) increase over the current year adopted budget. Staffing is recommended at seven positions and represents no change from current year adopted budget.

Recommended funding includes:

- Account 6100, Regular Salaries represent an increase of 1% (\$3,153), which includes full-year funding for seven positions.
- Account 6350, Unemployment Insurance includes a 35% (\$471) decrease from the current year adopted budget based on Risk Management rates.
- Account 6400, Retirement Contributions includes a 5% (\$6,757) increase over the current year adopted budget based on changes in salary costs and the updated Retirement rate.
- Account 6500, OASDI Contribution includes a 1% (\$241) increase over the current year adopted budget based on actual OASDI rates applied to projected regular salary costs.
- Account 6550, Workers' Compensation Contribution includes a 5% (\$1,558) increase over the current year adopted budget based on Risk Management rates.
- Account 6670, Benefits Administration includes an 11% (\$105) decrease from the current year adopted budget based on Risk Management rates.
- Salary savings are not included due to the small size of the department and minimal staffing of seven positions.

Services and Supplies

- Services and Supplies, recommended at \$994,517, represent a 102% (\$502,026) increase over the current year primarily due to CMIPS II implementation and the inclusion of the Public Authority MOE invoice, which is partially offset by reductions in other costs.

Recommended funding includes:

- Account 7040, Telephone Charges includes a 10% (\$237) increase based on IT communication rates.
- Account 7101, Liability Risk includes a 13% (\$304) decrease based on Risk Management rates.
- Account 7265, Office Expense includes a 108% (\$2,593) increase based on current year actuals.
- Account 7266, Interoffice Mail includes a 2% (\$65) increase based on Internal Services – Graphic Communications rates.
- Account 7269, Printing includes a 33% (\$1,750) increase due to implementation of new State forms for Provider enrollment and orientations, and an increase in Provider enrollments.
- Account 7286, PeopleSoft HR Charges includes a 24% (\$269) increase based on PeopleSoft budget rates.

- Account 7287, PeopleSoft Financial Charges includes a 17% (\$338) decrease based on PeopleSoft budget rates.
- Account 7294, Professional & Specialized Services-Contracts includes a 2% (\$441) increase for the cost of the HOMCare Registry Provider software.
- Account 7295, Professional and Specialized Services reflect a 131% (\$495,223) increase which is primarily due to the IHSS Public Authority MOE (\$128,287) and estimated time spent by DSS staff in Org 5610 performing Public Authority functions (\$370,435) as a result of CMIPS II implementation. The increase in activities provided to this Org by Org 5610 is estimated to be high during the first full-year of the new CMIPS II System, as staff incorporates and becomes familiar with the new process and forms required. There has also been an increase in consumer inquiries due to the change, which has impacted the level of support this Org has needed. However, as both consumers and employees become familiar with the new procedures, it is anticipated that Org 5610 support will return to its normal levels prior to implementation of CMIPS II. This increase in cost does not impact the County's share-of-cost for the IHSS Public Authority. Because of the MOE, the County's share for this Org is set at the FY 2011-12 level and any additional costs incurred in FY 2013-14 will be 100% covered by State and Federal funding.
- Account 7296, Data Processing Services includes a 5% (\$1,372) increase based on IT Services rates.
- Account 7355, Rents & Leases-Equipment includes a 69% (\$1,429) increase based primarily on current year projected copier costs.

SUMMARY OF REVENUES

- Revenues are recommended at \$1,525,129 a 51% (\$513,189) increase over the FY 2012-13 Adopted Budget. Specific changes by revenue accounts are noted below:
 - State Revenues recommended at \$592,855, represents a 149% (\$354,607) increase over FY 2012-13 Adopted Budget based on the current year implementation of the MOE.
 - Federal Revenues recommended at \$582,462, represents a 57% (\$210,843) increase over the current year based on actual Federal-eligible cases.
 - Other Financing Sources recommended at \$145,231, represents a 27% (\$54,454) decrease from the current year Social Services 1991 Realignment revenues based on increased available State revenue.
 - Intrafund Revenues recommended at \$204,581, represents a 1% (\$2,193) increase over the current year based on actual Public Authority staff time performing IHSS Administrative functions, which is paid for by Org 5610.

Revenues	FY 2012-13 Adopted	FY 2012-13 Estimated Actual	FY 2013-14 Recommended
Acct # - Intergovernment Revenues – State			
-	238,248	233,086	592,855
Total	\$ 238,248	\$ 233,086	\$ 592,855
Acct # - Intergovernment Revenues – Federal			
-	371,619	229,001	582,462
Total	\$ 371,619	\$ 229,001	\$ 582,462
Acct # - Other Financing Sources			
-	199,685	187,972	145,231
Total	\$ 199,685	\$ 187,972	\$ 145,231
Acct # - Intrafund			
-	202,388	206,016	204,581
Total	\$ 202,388	\$ 206,016	\$ 204,581
Total Revenues	\$ 1,011,940	\$ 856,075	\$ 1,525,129

PENDING FACTORS

As part of the FY 2012-13 budget, the State enacted the Coordinated Care Initiative (CCI), which adds IHSS services to care coordination for persons who also receive Medi-Cal and Medicare services. Implementation of the IHSS MOE was part of this initiative. The IHSS MOE is comprised of three components: IHSS Administration, IHSS Services, and Public Authority Administration. Adopted legislation includes poison pill provisions that specify two distinct criteria that must be met: 1) The State must receive Federal approval of the CCI; and 2) The CCI cannot be evaluated as a failure.

In March 2013, the State received Federal approval and entered into a Memorandum of Understanding to implement CCI in eight counties through a three-year demonstration program. Federal approval is limited to only the eight demonstration counties. Assessment of the CCI demonstration program success or failure would likely occur upon the program's completion on September 30, 2016. The IHSS MOE will continue until such time that either the CCI demonstration program is evaluated as a failure, and or the Federal Government does not give statewide implementation approval.