



**Yolanda Baldovinos**  
Agency Director

Thomas L. Berkley Square  
2000 San Pablo Avenue, Oakland, CA 94612  
510-271-9100 / Fax: 510-271-9108  
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[www.alamedasocialservices.org](http://www.alamedasocialservices.org)

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July 7, 2009

Honorable Public Authority  
Administration Building  
Oakland, California 94612

Dear Public Authority Members:

**SUBJECT:** Approval of a Public Authority Rate Increase Request

**RECOMMENDATION:**

In light of an injunction issued by United States District Court Judge Claudia Wilken to stop the State of California from reducing the cap on State participation in the costs of IHSS wages and benefits, it is recommended that your Public Authority:

- Approve a rate change request effective July 1, 2009 to \$13.59 per hour of IHSS Services, including a wage of \$11.50 per hour, employer taxes of \$1.26 per hour, health benefits of \$0.72 per hour, administrative costs of \$0.10 per hour, and other benefit costs of \$0.01 per hour.

**SUMMARY/DISCUSSION:**

This letter requests action by your Board to approve a change to the current IHSS hourly wage rates. On June 18, 2009 the Public Authority for In-Home Support Services in Alameda County submitted to the California Department of Social Services a rate change request reducing its hourly rate from \$13.59 to \$13.44 based on an agreement with SEIU Local 6434 to reduce wages per hour from \$11.50 to \$11.35. This change was submitted in response to the adopted State Budget which reduced the cap on State participation in IHSS wages from \$11.50 per hour to \$9.50 per hour. Because the rate reduction was a response to a change in State Law we were informed by State Department of Social Services that we did not need Board of Supervisors' approval. On June 25 we were informed by email that this request was approved.

On June 26, 2009 United States District Court Judge Claudia Wilken enjoined the State of California from reducing the cap on State participation in IHSS wages. Because the cap has been set back to \$11.50, in conformance with our MOU with Local 6434, we are seeking approval to reinstate our previous wage of \$11.50.

This matter is currently being litigated. If the State prevails in this litigation, and is able to reduce the cap on State participation in the costs of IHSS provider wages, SSA will revisit the issue of the appropriate wages under its MOU. Current information suggests that the earliest a decision may be made in the suit is September 2009.

**FINANCING:**

With an \$11.50 per hour State cap on participation in IHSS provider wages, this new wage will not increase the net county costs of this service over and above what is included in the approved Social Service Agency budget for FY09/10.

Sincerely,



Yolanda Baldovinos  
Agency Director

SA/YB:er

c: County Administrator  
County Counsel  
Auditor-Controller  
Public Authority Advisory Board

V:\BoardLetters\2009\PA Rate Change Request



Alameda County  
Social Services  
Agency

Yolanda Baldovinos  
Agency Director

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June 30, 2009

Rolonda Moen, Program Analyst  
California Department of Social Services  
Adult Programs Branch  
744 P Street, MS 19-96  
Sacramento, CA 95814

Dear Ms. Moen:

On June 17, 2009, Alameda County submitted a request to decrease its In-Home Supportive Services (IHSS) Public Authority Rate from \$13.59 to \$13.44 as it decreased the hourly wage from \$11.50 per hour to \$11.35 per hour. On June 25 we were informed that this request had been approved. We are asking now to modify this request.

Alameda County's request to reduce wages was due to the reduction in the State's cap on participation in wage costs, effective July 1, 2009. Late last week, Federal Judge Claudia Wilken issued an injunction prohibiting the state from implementing the reduction on its participation cap on wages. Today, CDSS issued ALL-COUNTY INFORMATION NOTICE I-48-09, which indicated that the cap on state participation in wages would remain at \$11.50 as long as the injunction remained in effect.

At this time we request an increase in our rate from \$13.44 to \$13.59 due to an increase in our wage rate from \$11.35 to \$11.50. This change is in response Judge Wilken's Order and ACIN I-48-09. Alameda County may revise its rate if the cap on state participation is changed again.

No change is at this time requested in the payroll tax rate, health benefits rate, administrative rate or the non-health benefits rate.

The revised form for "In-Home Supportive Services Program Public Authority/Nonprofit Consortium Rate" to reflect the increased PA/NPC Hourly rate of \$13.59 is enclosed, as is our IHSS Public Authority of Alameda County Budget/Rate Narrative and worksheet. It is our intent to request the new rate be effective July 1, 2009. If you have any questions, please contact Ed Rimer, Financial Analyst for Adult and Aging Services, at (510) 271-9139.

Sincerely,

Yolanda Baldovinos  
Agency Director

Cc: Members of the Board of Supervisors  
Susan Muranishi, County Administrator  
Mary Welch, Director, Human Resource Services  
Stewart Smith, Assistant Agency Director for Adult and Aging Services  
Charles Calavan, Executive Director, Public Authority for IHSS in Alameda County

6/30/09

**IHSS Public Authority of Alameda County  
Budget/Rate Narrative**

<u>Line Item</u>	<u>Description</u>
1. <b>IP Wages:</b> Represents 22,310,857 service hours at a wage of \$11.50 per hour. Amount: \$256,574,856	Portion of rate: \$11.50
2. <b>IP Employer Taxes:</b> Represents 10.99% of total cost of 22,310,857 service hours at \$11.50 per hour. Amount: \$28,197,577	Portion of rate: \$1.26
3. <b>IP Health Plan:</b> Represents cost of provider health plan at \$0.72 for 22,310,857 service hours. Amount: \$16,063,817	Portion of rate: \$0.72
4. <b>IP Transportation Benefits:</b> Represents cost of provider transportation vouchers for approximately 200 providers every quarter to be chosen by a lottery system. Amount: \$160,000	Portion of rate: \$0.0072
5. <b>Administrative Salary and Benefits:</b> Executive Director, Program Manager, Operations Manager, Training Coordinator, Health Benefits Eligibility Specialist, Enrollment Specialist, Administrative Assistant, Registry Coordinator, Consumer Support Specialist, Administrative Supervisor. Includes wages, pension, health benefits, and reimbursable expenses. Amount: \$919,484	Portion of rate: \$0.0412
6. <b>Equipment Lease:</b> Provides for lease of Canon digital printer/copier. Amount: \$15,414	Portion of rate: \$0.0007
7. <b>Dues &amp; Subscriptions:</b> Includes membership in professional associations. Amount: \$22,545	Portion of rate: \$0.0010
8. <b>Computers – Hardware &amp; Software:</b> includes computers, printers, software and other peripheral equipment. Amount: \$51,522	Portion of rate: \$0.0023
9. <b>Postage &amp; Mailing:</b> Postage provides for first-class & standard rate permits for health benefits related materials, including applications, open enrollment notifications, lottery mailings, semi-annual newsletter, and other misc. mailings. Mailing provides for fulfillment services for all mass mailing projects. Amount: \$59,550	Portion of rate: \$0.0027
10. <b>General Office Expense:</b> Provides for equipment, repairs & maintenance, and regular ordering of necessary office supplies. Amount: \$40,130	Portion of rate: \$0.0018
11. <b>Training:</b> Payment for Public Authority staff to attend conferences or educational workshops, fees for IHSS providers to attend educational workshops or classes and payment for training materials. Amount: \$16,000	Portion of rate: \$0.0007

12. **Temp Personnel:** Provides for additional administrative support when normal F/T positions are only filled P/T or when special projects arise and additional administrative support is warranted.

Amount: \$27,235

Portion of rate: \$0.0012

13. **Acct & Financial Svc:** Cost of CPA consultant to set-up new accounting software and to provide on-going accounting consultation.

Amount: \$20,000

Portion of rate: \$0.0009

14. **Reprographic Services:** Provides for GSA to print PA newsletters, brochures, business envelopes, letterhead, business cards, & health benefits related materials.

Amount: \$50,939

Portion of rate: \$0.0023

15. **Data Services:** DSL, T1 Line, e-mail hosting and storage.

Amount: \$27,270

Portion of rate: \$0.0012

16. **Registry Services:** Provides for contracted services with Community Based Organizations to provide screened referrals of Independent Providers to IHSS recipients. Data is kept in a central registry database used to match data on IHSS tasks, schedules and geographic location requested by a Recipient with prospective workers, willing and able to perform the requested tasks.

Amount: \$394,470

Portion of rate: \$0.0177

17. **Emergency Worker Replacement:** Contracted services for the Rapid Response Program for Public Authority Clients. This program ensures the provision of home care workers to IHSS recipients in Alameda County who need short notice replacement of their IHSS workers.

Amount: \$137,034

Portion of rate: \$0.0061

18. **Interpretation:** Provides for independent contractors to offer simultaneous interpretation at Public Authority-sponsored educational workshops for IHSS providers.

Amount: \$20,400

Portion of rate: \$0.0009

19. **COBRA Administration:** Mandatory COBRA administration for providers.

Amount: \$35,000

Portion of rate: \$0.016

20. **Prof and Special Services:** Includes software development, lease and support services for the centralized Registry Database and for the administration of provider health benefits. Also provides for labor relations services, translation of documents, and other professional services as needed.

Amount: \$259,550

Portion of rate: \$0.0116

21. **Advertising:** Provides for classified advertising for open staff positions.

Amount: \$15,000

Portion of rate: \$0.0007

22. **PA Advisory Board Expense:** operating costs of the Public Authority Advisory Board, including transportation, lodging, and attendants for conferences and seminars.

Amount: \$54,169

Portion of rate: \$0.0024

23. **Miscellaneous Expense:** Miscellaneous administrative expenditures incurred in the operation of the Public Authority.

Amount: \$33,554

Portion of rate: \$0.0015

**IN-HOME SUPPORTIVE SERVICES PROGRAM  
PUBLIC AUTHORITY/NONPROFIT  
CONSORTIUM RATE**

To: California Department of Social Services  
Adult Programs Branch  
744 P Street, MS 19-96  
Sacramento, CA 95814

COUNTY: Alameda
CONTACT NAME: Ed Rimer
PA NAME: Public Authority for In-Home Supportive Services
TELEPHONE & FAX NUMBER: (510) 271-9139, Fax (510) 271-9107
ADDRESS: Public Authority for IHSS in Alameda County 6955 Foothill Blvd., 3rd Floor, Suite 300 Oakland, CA 94605

Please address questions regarding this form to the Adult Programs Fiscal and Administrative Unit, Adult Programs Branch at (916) 229-4582.

Please complete the budget narrative below and attach supporting documentation explaining how each component of the rate was determined. The total Public Authority (PA) and Nonprofit Consortium (NPC) rate should include a rate for services (wage and benefits) and a rate for administrative costs. The total rate for wages and benefits should be broken down to include an hourly wage, payroll taxes, health and non-health benefits. The State is legally authorized to share only in the costs of individual health benefits for IHSS providers, but these costs may be eligible for Title XIX reimbursement.

- The state and federal governments will not participate in a PA or NPC rate in excess of 200% of minimum wage.
- The state will not participate in an hourly wage in excess of minimum wage unless otherwise provided for in the Annual Budget Act or appropriated by statute.
- The state will not participate in increases to wages or employment taxes, or increases or expansions of benefits negotiated or agreed to by a PA or NPC unless provided for in the Annual Budget Act or appropriated by statute.
- No increase in wages or benefits negotiated or agreed to by a PA or NPC shall take effect until it has been approved by the state or unless provided for in the Annual Budget Act or appropriated by statute.

**BUDGET NARRATIVE**

PA/NPC Hourly Rate:			13.59
PA/NPC Hourly Administrative Cost:	2		.10
Hourly Services Cost:	Total	3	13.49
Hourly Wage:		4	11.50
Health Benefits:		5a	0.72
Non-Health Benefits (if any)			.01
Payroll Taxes (FUTA, SUI, FICA)		6	1.26

Comments (Optional):

6/30/09

**IHSS PA Rate Worksheet**

Projected yearly hours

22,310,857

#	ITEM	BUDGET	SERVICES	ADMIN	Portion of RATE
<b>Provider Costs</b>					
1	Wages = proj yearly hours @ \$11.50 per hr	\$ 256,574,856	\$ 256,574,856		\$11.50
2	Employer Taxes @ 10.99%	\$ 28,197,577	\$ 28,197,577		\$1.26
3	Health Benefits at \$0.72	\$ 16,063,817	\$ 16,063,817		\$0.72
4	Transportation Benefits at \$0.0072	\$ 160,000	\$ 160,000		\$0.01
	<b>Total Provider Costs</b>	<b>\$ 300,996,249</b>	<b>\$ 300,996,249</b>		<b>\$13.49</b>
<b>*Administrative Salary &amp; Benefits:</b>					
5		\$ 919,484		\$ 919,484	\$0.0412
	<b>Total Admin. Salaries &amp; Benefits</b>	<b>\$ 919,484</b>		<b>\$ 919,484</b>	<b>\$0.04</b>
<b>Services and Supplies</b>					
6	Equip Lease	\$ 15,414		\$ 15,414	\$0.0007
7	Dues & Subscriptions	\$ 22,545		\$ 22,545	\$0.0010
8	Computers - Hardware & Software	\$ 51,522		\$ 51,522	\$0.0023
9	Postage & Mailing	\$ 59,550		\$ 59,550	\$0.0027
10	General Office Expense	\$ 40,130		\$ 40,130	\$0.0018
11	Training	\$ 16,000		\$ 16,000	\$0.0007
12	Temp Personnel	\$ 27,235		\$ 27,235	\$0.0012
13	Acct & Finance Svc	\$ 20,000		\$ 20,000	\$0.0009
14	Reprographic Services	\$ 50,939		\$ 50,939	\$0.0023
15	Data Services	\$ 27,270		\$ 27,270	\$0.0012
16	Registry Services	\$ 394,470		\$ 394,470	\$0.0177
17	Emergency Worker Replacement	\$ 137,034		\$ 137,034	\$0.0061
18	Interpretation	\$ 20,400		\$ 20,400	\$0.0009
19	Cobra Administration	\$ 35,000		\$ 35,000	\$0.0016
20	Prof and Special Services	\$ 259,550		\$ 259,550	\$0.0116
21	Advertising	\$ 15,000		\$ 15,000	\$0.0007
22	PA Advisory Board Expense	\$ 54,169		\$ 54,169	\$0.0024
23	Miscellaneous Expenses	\$ 33,554		\$ 33,554	\$0.0015
	<b>Total Services &amp; Supplies</b>	<b>\$ 1,279,782</b>		<b>\$1,279,782</b>	<b>\$0.06</b>
	<b>TOTAL</b>	<b>\$ 303,195,515</b>	<b>\$ 300,996,249</b>	<b>\$2,199,266</b>	<b>\$13.59</b>
<b>Total hourly rate: The hourly rate is computed by adding total services costs and total administrative costs and dividing by the number of IHSS hours.</b>					
		\$ 300,996,249	+	\$2,199,266	/
				\$ 22,310,857	=
				\$	<b>13.59</b>
<b>Services Rate = Services Cost Divided by Total Hours</b>					
		\$ 300,996,249		\$ 22,310,857	<b>\$ 13.49</b>
<b>Admin Rate = Admin Cost Divided by Total Hours</b>					
				\$2,199,266	/
				\$ 22,310,857	<b>\$ 0.10</b>

**\*Administrative Staff**

- Executive Director (1)
- Program Manager (1)
- Operations Manager (1)
- Training Coordinator (1)
- Health Benefits Eligibility Specialist (1)
- Administrative Assistant (1)
- Registry Coordinator (1)
- Consumer Support Specialist (1)
- IHSS Worker Enrollment Specialist (1)
- Administrative Supervisor (1)
- Total Staff - (10)