



# MARIPOSA COUNTY

Board of Supervisors • 209-966-3222



## RESOLUTION - ACTION REQUESTED 2019-105

MEETING: February 26, 2019  
TO: The Board of Supervisors  
FROM: Rosemarie Smallcombe, District I Supervisor  
RE: Letter of Support

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### RECOMMENDATION AND JUSTIFICATION:

Approve A Letter of Support to Members of the California State Assembly Budget Subcommittee and the State Senate Budget and Fiscal Review Subcommittee for the Governor's January Budget Proposal As It Pertains to Revisions to the In-Home Supportive Services Maintenance of Effort Established in 2017 and Authorize the Board of Supervisors Chair to Sign the Letter.

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. The Mariposa County IHSS program is serving 223 individuals this year, a 9% increase over last year.

Legislation implementing the State's 2017-18 budget, SB 90, resulted in a shift in costs to counties without a corresponding increase in revenues. Counties struggled to manage the first two years of the Maintenance of Effort (MOE) and there were significant concerns about the anticipated impacts in later years. Fortunately, California State Association of Counties (CSAC) and partner organizations, such as California Welfare Directors Association, convinced the legislature to include a reopener provision that required the Administration to consult with CSAC and other affected stakeholders to reexamine this IHSS funding structure in the development of the 2019-20 budget.

Specifically, the reopener provision required the Department of Finance to submit findings and recommendations to the Legislature by January 10, 2019. Counties advocated for three critical points to be acknowledged in the report:

1. There is a significant and growing gap between the IHSS program costs that counties are responsible for and the available revenues.
2. There will be negative impacts on other Realignment programs, including public health and behavioral health programs, due to the IHSS cost pressures.
3. Additional revenues will be needed to ensure the sustainability of IHSS and other critical services that counties administer on behalf of the state.

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The Department of Finance issued their report on January 10, 2019. It contains specific recommendations to adjust the IHSS MOE and dedicate increased State General Fund dollars for IHSS. Those recommendations are reflected in the Governor's January budget proposal.

The specific IHSS MOE revisions proposed by the Governor would:

1. Lower the County IHSS MOE base in 2019-20 to \$1.56 billion,
2. Reduce the MOE inflation factor from seven percent to four percent,
3. Eliminate the State General Fund IHSS mitigation,
4. Stop the redirection of Vehicle License Fee growth funds from Health, Mental Health and the County Medical Services Program to the Social Services,
5. Return to the original method for calculating IHSS caseload and no longer utilizing accelerated caseload growth, and
6. Fund IHSS administrative costs through a General Fund allocation.

Although Mariposa County did not experience the significant impacts faced by some other counties in the first two years, if these IHSS MOE revisions are not implemented, we would need to consider drawing on County General Fund dollars in later years or reducing services to our citizens and reducing staff for unmandated programs. For these reasons, we should join with CSAC and other partner organizations to encourage the California legislature to support the Governor's IHSS MOE proposal.

## **BACKGROUND AND HISTORY OF BOARD ACTIONS:**

The Board has routinely approved letters of support for issues that it believes will benefit the citizens of Mariposa County.

## **ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

Do not approve the letter. Individual members of the Board may write their own letters of support.

## **ATTACHMENTS:**

**Mariposa Support Letter Governor's IHSS MOE Proposal (DOCX)**

**County Letter of Support for IHSS MOE Proposal.rtf (ZIP)**

**Mariposa Support Letter Governor's IHSS MOE Proposal - (DOCX)**

**Request for Letter of Support - (DOCX)**

**RESULT: ADOPTED AS AMENDED BY CONSENT VOTE [UNANIMOUS]**

**MOVER:** Merlin Jones, District II Supervisor

**SECONDER:** Marshall Long, District III Supervisor

**AYES:** Smallcombe, Jones, Long, Cann, Menetrey

# Mariposa County Board of Supervisors

District 1 ... ROSEMARIE SMALLCOMBE  
District 2 ..... MERLIN JONES  
District 3 ..... MARSHALL LONG  
District 4 ..... KEVIN CANN  
District 5 ..... MILES MENETREY



DALLIN KIMBLE  
County Administrative Officer

RENÉ LAROCHE  
Clerk of the Board

P. O. Box 784  
Mariposa, CA 95338  
(209) 966-3222  
(800) 736-1252  
Fax (209) 966-5147  
[www.mariposacounty.org/board](http://www.mariposacounty.org/board)

February 26, 2019

The Honorable Joaquin Arambula, M.D.  
Chair, Assembly Budget Subcommittee #1  
State Capitol, Room 5155  
Sacramento, CA 95814

The Honorable Richard Pan, M.D.  
Chair, Senate Budget and Fiscal Review Subcommittee #3  
State Capitol, Room 5114  
Sacramento, CA 95814

**Re: Revised County In-Home Supportive Services Maintenance of Effort – Support**

Dear Assembly Member Arambula and Senator Pan:

The Board of Supervisors of Mariposa County offers its support of the Governor's January Budget proposal to revise the County In-Home Supportive Services (IHSS) Maintenance of Effort (MOE). Our county is grateful to the Governor for the proposal which significantly increases State General Fund commitments for IHSS costs and creates a more sustainable structure for counties to manage IHSS costs.

The IHSS program provides critical services to seniors and disabled individuals to help them remain in their own homes rather than in more expensive institutional care. Counties have proudly partnered with the state and administered the IHSS program since it was realigned in 1991. The IHSS program is particularly important in Mariposa where seniors comprise 26% of our population and nearly 90% of seniors in the IHSS program require medical accompaniment. Our seniors greatly value their ability to remain in their homes, some of which have been in their families for generations.

In 2017, the conclusion of the Coordinated Care Initiative also resulted in the cessation of the existing IHSS MOE and the shift of nearly \$600 million in IHSS costs from the state to counties. In response, a new IHSS MOE was negotiated through 2017-18 budget-related legislation (SB 90, Chapter 25, Statutes of 2017), which also included specific offsetting revenue, additional collective bargaining provisions, and refinement of the costs for county administration of the IHSS program.

Most significantly, SB 90 also contained a provision that required the Department of Finance to reexamine the 2017 IHSS fiscal structure during the development of the 2019-20 budget. This reopener provision was absolutely vital as beginning in 2019-20, the increased costs to counties

would become unsustainable. This includes substantial Realignment revenue shortfalls that would grow each year and require counties to utilize significant county General Fund usually earmarked for local services for IHSS instead. Counties were also concerned that there would be increasing negative impacts to critical health and mental health services.

During the first year of the shift in IHSS costs, Mariposa County faced limited reductions in services and staffing but knew our ability to draw on reserves would dramatically diminish over subsequent years. Reductions in Public Health dollars, while not significant in the first year, nevertheless required dollar for dollar replacement from our general fund. Over the five year period we expected we would need to reduce services as well as staff for unmandated programs, or we would need to draw funding from other county services, such as roads and public safety, in order to meet demands for mental and public health services.

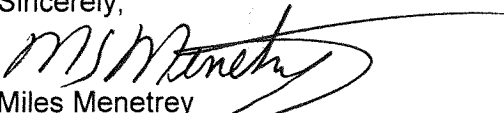
The Department of Finance released the *Senate Bill 90: 1991 Realignment Report* in January and it outlines the Governor's proposed revisions to the IHSS MOE. It also includes some proposed related Realignment changes and this letter focuses on the core changes to revise the IHSS MOE and increase the state General Fund commitment. The Governor is proposing to increase the State General Fund commitment to IHSS by \$241.7 million in 2019-20, growing to \$547.3 million in 2022-23, for a total of an increased commitment of \$1.6 billion over the next four years. This is accomplished through several specific revisions to the current IHSS MOE. These changes are:

- Lowering the County IHSS MOE base in 2019-20 to \$1.56 billion,
- Reducing the MOE inflation factor from seven percent to four percent,
- Stopping the redirection of VLF growth funds from Health, Mental Health, and County Medical Services Program to Social Services,
- Ending the State General Fund IHSS mitigation,
- Returning to the original method for calculating IHSS caseload and no longer utilizing accelerated caseload growth, and
- Funding IHSS administrative costs through a General Fund allocation.

The increased State General Fund investment will provide needed fiscal relief for counties and allow our county to continue to deliver vital services on behalf of the state. The Governor's proposal does not take away all of the risk of Realignment, but dramatically improves the outlook for counties, critical social services, health, and mental health programs, and the residents we all serve for years to come.

For these reasons, Mariposa County respectfully requests your support of the Governor's IHSS MOE proposal. Thank you for your consideration.

Sincerely,



Miles Menetrey  
Chair, Mariposa County Board of Supervisors

cc: Honorable Members, Assembly Budget Subcommittee #1  
Honorable Members, Senate Budget and Fiscal Review Subcommittee #3  
The Honorable Phil Ting, Chair, Assembly Budget Committee  
The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee

Nicole Vazquez, Consultant, Assembly Budget Committee  
Renita Polk, Consultant, Senate Budget and Fiscal Review Committee  
Cyndi Hillery, Assembly Republican Fiscal Office  
Rebecca Hamilton, Senate Republican Fiscal Office  
Gail Gronert, Office of the Assembly Speaker  
Mareva Brown, Office of the Senate President pro Tempore  
Jason Sisney, Office of the Assembly Speaker  
Chris Woods, Office of the Senate President pro Tempore  
Mark Newton, Legislative Analyst's Office  
Ginni Bella Navarre, Legislative Analyst's Office  
Keely Bosler, Director, Department of Finance  
Adam Dorsey, Department of Finance  
Pat Leary, Acting Director, Department of Social Services  
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom  
Justin Garrett, California State Association of Counties