



April 23, 2010

## THE GOVERNOR'S PROPOSED BUDGET WOULD ELIMINATE IN-HOME SUPPORTIVE SERVICES FOR MORE THAN 476,000 LOW-INCOME SENIORS AND PEOPLE WITH DISABILITIES

The In-Home Supportive Services (IHSS) Program helps low-income seniors and people with disabilities live safely in their own homes, thereby preventing more costly out-of-home care. Services include assistance with dressing, bathing, and medications as well as domestic tasks such as cleaning, shopping, and meal preparation. The type and amount of services an individual receives is based on an evaluation that ranks the individual's ability to perform various tasks, with the ranks averaged to create a "functional index" (FI) score from 1.0 to 5.0. The July 2009 budget agreement attempted to reduce IHSS spending by eliminating all services for individuals with FI scores below 2.0, as well as eliminating domestic services to the extent that a recipient's rank on an individual task falls below 4.0. In October 2009, however, a federal district court issued a preliminary injunction prohibiting implementation of these cuts. This injunction remains in effect while the case is on appeal. Despite this ruling, Governor Schwarzenegger proposes even deeper reductions to IHSS. The Governor proposes to:

- Eliminate all IHSS services for individuals with FI scores below 4.0 effective June 1, 2010. This change would affect approximately 87 percent of the IHSS caseload, reducing the projected number of recipients from 476,200 to 61,500 in 2010-11. In addition, more than 310,000 IHSS workers would lose their jobs. The CBP estimates that this proposal would cut IHSS spending by \$3.6 billion – including state savings of \$899.0 million – between June 2010 and June 2011.<sup>1</sup> The state, however, would lose \$2.2 billion in federal matching funds during the same period. This proposal also would likely lead to new state costs for skilled nursing care and other services that "more than outweigh" the state savings from the proposed cut to IHSS.<sup>2</sup>
- Eliminate the IHSS Program effective October 1, 2010 if the state does not receive \$6.9 billion in additional federal funds for a range of programs, as assumed in the Governor's Proposed 2010-11 Budget. This proposal would terminate in-home services for a projected 476,200 individuals and cause all 369,400 IHSS providers to lose their jobs. The CBP estimates that this proposal would cut total spending by \$4.6 billion – including state savings of \$1.1 billion – between October 2010 and June 2011.<sup>3</sup> The state, however, would lose \$2.8 billion in federal matching funds during the same period. In addition, this proposal would likely result in new state costs for skilled nursing care and other services that would more than offset any state savings from eliminating IHSS.

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<sup>1</sup> The total savings estimate assumes the implementation of the Governor's separate proposal to cap the state's share of IHSS workers' wages and benefits at \$8.60 per hour effective June 1, 2010. The state savings estimate reflects reduced state spending for IHSS services and does not include offsetting costs or lost savings that could occur if the Governor's proposal to reduce the IHSS caseload by 87 percent is enacted. In addition, all of the state and federal savings estimates in this fact sheet assume that the temporary increase in the federal share of IHSS costs established by the American Recovery and Reinvestment Act of 2009 (ARRA) will be extended through June 30, 2011.

<sup>2</sup> Legislative Analyst's Office, *The 2010-11 Budget: How the Special Session Actions Would Affect Social Services* (January 29, 2010), p. 6.

<sup>3</sup> The estimated savings under the proposal to eliminate IHSS are discrete from the estimated savings under the Governor's proposal to reduce the IHSS caseload by 87 percent. Therefore, the lost funds associated with each proposal should not be combined.

**Estimated County Impact of Governor's Proposals To Reduce Eligibility  
for In-Home Supportive Services (IHSS) and Eliminate the IHSS Program**

County	Eliminate IHSS Eligibility for Individuals With Functional Index Scores Below 4.0		Eliminate the IHSS Program	
	Number of IHSS Recipients Affected	Total Loss of Funds, June 2010 Through June 2011	Number of IHSS Recipients Affected	Total Loss of Funds, October 2010 Through June 2011
Alameda	16,690	\$144,913,000	19,160	\$183,475,000
Alpine	17	\$151,000	20	\$191,000
Amador	160	\$1,369,000	180	\$1,733,000
Butte	2,880	\$25,051,000	3,310	\$31,717,000
Calaveras	260	\$2,242,000	300	\$2,839,000
Colusa	140	\$1,176,000	160	\$1,489,000
Contra Costa	6,990	\$60,691,000	8,020	\$76,841,000
Del Norte	310	\$2,704,000	360	\$3,424,000
El Dorado	710	\$6,206,000	820	\$7,857,000
Fresno	11,460	\$99,564,000	13,160	\$126,060,000
Glenn	390	\$3,351,000	440	\$4,242,000
Humboldt	1,540	\$13,369,000	1,770	\$16,927,000
Imperial	5,260	\$45,726,000	6,050	\$57,894,000
Inyo	80	\$714,000	90	\$904,000
Kern	4,150	\$36,001,000	4,760	\$45,582,000
Kings	1,430	\$12,420,000	1,640	\$15,726,000
Lake	1,530	\$13,260,000	1,750	\$16,789,000
Lassen	190	\$1,688,000	220	\$2,137,000
Los Angeles	174,690	\$1,517,149,000	200,570	\$1,920,877,000
Madera	1,460	\$12,689,000	1,680	\$16,066,000
Marin	1,500	\$13,000,000	1,720	\$16,459,000
Mariposa	150	\$1,318,000	170	\$1,669,000
Mendocino	1,340	\$11,648,000	1,540	\$14,747,000
Merced	2,840	\$24,706,000	3,270	\$31,281,000
Modoc	80	\$722,000	100	\$914,000
Mono	17	\$151,000	20	\$191,000
Monterey	3,360	\$29,157,000	3,850	\$36,916,000
Napa	720	\$6,231,000	820	\$7,889,000
Nevada	580	\$5,055,000	670	\$6,401,000
Orange	16,970	\$147,365,000	19,480	\$186,580,000
Placer	1,770	\$15,393,000	2,040	\$19,489,000
Plumas	240	\$2,091,000	280	\$2,648,000
Riverside	15,950	\$138,539,000	18,320	\$175,405,000
Sacramento	19,790	\$171,844,000	22,720	\$217,574,000
San Benito	410	\$3,552,000	470	\$4,498,000
San Bernardino	18,440	\$160,188,000	21,180	\$202,816,000
San Diego	23,090	\$200,506,000	26,510	\$253,863,000
San Francisco	19,620	\$170,425,000	22,530	\$215,777,000
San Joaquin	6,320	\$54,913,000	7,260	\$69,526,000
San Luis Obispo	1,460	\$12,664,000	1,670	\$16,034,000
San Mateo	2,870	\$24,883,000	3,290	\$31,504,000
Santa Barbara	2,510	\$21,801,000	2,880	\$27,602,000

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County	Eliminate IHSS Eligibility for Individuals With Functional Index Scores Below 4.0		Eliminate the IHSS Program	
	Number of IHSS Recipients Affected	Total Loss of Funds, June 2010 Through June 2011	Number of IHSS Recipients Affected	Total Loss of Funds, October 2010 Through June 2011
Santa Clara	16,180	\$140,563,000	18,580	\$177,968,000
Santa Cruz	2,050	\$17,761,000	2,350	\$22,488,000
Shasta	2,630	\$22,859,000	3,020	\$28,942,000
Sierra	25	\$218,000	29	\$276,000
Siskiyou	430	\$3,745,000	500	\$4,742,000
Solano	2,750	\$23,900,000	3,160	\$30,260,000
Sonoma	4,450	\$38,655,000	5,110	\$48,942,000
Stanislaus	5,760	\$50,009,000	6,610	\$63,317,000
Sutter	760	\$6,559,000	870	\$8,304,000
Tehama	850	\$7,415,000	980	\$9,389,000
Trinity	120	\$1,008,000	130	\$1,276,000
Tulare	2,340	\$20,356,000	2,690	\$25,773,000
Tuolumne	310	\$2,721,000	360	\$3,445,000
Ventura	3,310	\$28,721,000	3,800	\$36,363,000
Yolo	1,780	\$15,486,000	2,050	\$19,606,000
Yuba	630	\$5,509,000	730	\$6,975,000
<b>Total</b>	<b>414,750</b>	<b>\$3,602,074,000</b>	<b>476,210</b>	<b>\$4,560,620,000</b>

Note: As displayed in this table, the impact of reducing IHSS eligibility is discrete from the impact of eliminating the program; therefore, the number of IHSS recipients affected and the lost funds associated with each proposal should not be combined. The total number of recipients affected by the proposal to reduce IHSS eligibility is based on the 2010-11 average monthly IHSS caseload as projected by the Legislative Analyst's Office (LAO). The total number of recipients affected by the proposal to eliminate IHSS reflects the LAO's 2010-11 IHSS caseload projection. Total loss of funds for both policy changes includes federal, state, and county dollars. Total loss of funds under the proposal to reduce IHSS eligibility is based on a Department of Social Services (DSS) estimate of reduced spending for IHSS services. The CBP adjusted this estimate to reflect the LAO's view that the DSS' 2009-10 and 2010-11 IHSS caseload estimates are overstated by 2.5 percent and 2.8 percent, respectively. Total loss of funds under the proposal to eliminate IHSS is based on the CBP's projection of 2010-11 IHSS service and administration spending for 476,210 recipients assuming no major IHSS policy changes, adjusted to reflect the Governor's proposed implementation date of October 1, 2010. County estimates are based on each county's share of the statewide IHSS caseload in December 2009. Estimates of affected recipients are rounded to the nearest 10, except for three small counties, and estimates of loss of funds are rounded to the nearest \$1,000. County estimates may not sum to totals due to rounding.

Source: Department of Finance, Department of Social Services, and Legislative Analyst's Office