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THE GOVERNOR'S PROPOSED BUDGET COULD REDUCE IHSS WORKERS' COMPENSATION BY NEARLY \$1.2 BILLION

In-Home Supportive Services (IHSS) workers help nearly 450,000 low-income seniors and people with disabilities live safely in their own homes, thereby preventing more costly out-of-home care. Nearly 370,000 IHSS workers provide a range of services, including assistance with dressing, bathing, and medications in addition to domestic tasks such as cleaning, shopping, and meal preparation. The state shares in combined IHSS wage and health benefit payments of up to \$12.10 per hour with counties and the federal government.¹ Currently, the federal government pays 61.6 percent of IHSS costs, the state pays 25.0 percent, and counties pay 13.4 percent.² In February 2009, state lawmakers capped the amount at which the state would share in the cost of IHSS workers' wages and benefits at \$10.10 per hour – \$9.50 per hour for wages and \$0.60 per hour for health benefits. In June, however, a federal district court issued a preliminary injunction prohibiting the state from implementing this reduction because the state failed to conduct a study "showing that this action would not disrupt the supply" of IHSS workers.³ The preliminary injunction remains in effect while the case is on appeal.⁴

Despite this ruling, Governor Schwarzenegger proposes to cap the state's share of IHSS workers' compensation at the state's minimum wage of \$8.00 per hour plus \$0.60 per hour for benefits effective June 1, 2010. Forty-five counties currently offer combined wages and health benefits that cost in excess of \$8.60 per hour. While counties could continue to provide compensation above the proposed level, they would have to use their own dollars to make up for lost state funding. The CBP estimates that the Governor's proposal could reduce total compensation for IHSS workers by nearly \$1.2 billion between June 2010 and June 2011.⁵

¹ Hourly compensation varies across counties. Five counties provide wage and benefit levels that exceed \$12.10 per hour.

² These sharing ratios apply up to \$12.10 per hour. Counties that choose to provide higher hourly compensation to IHSS workers pay 38.4 percent of the amount that exceeds \$12.10 per hour, with the federal government providing the remaining 61.6 percent. The American Recovery and Reinvestment Act of 2009 (ARRA) increased the federal government's share of IHSS costs from 50.0 percent to 61.6 percent between October 1, 2008 and December 31, 2010. Congress is considering extending this increased federal funding through June 30, 2011.

³ Legislative Analyst's Office, *The 2010-11 Budget: Health & Social Services – A Restricted Environment* (March 2010), p. H&HS-8.

⁴ On March 3, 2010, the US 9th Circuit Court of Appeals upheld the district court's preliminary injunction in *Dominguez v. Schwarzenegger*. The Schwarzenegger Administration subsequently filed an appeal with the US Supreme Court.

⁵ Total lost compensation includes the loss of funds attributable to the policy change included in the February 2009 budget agreement, which is assumed in the Governor's proposal. Total lost compensation would be lower to the extent that counties used their own funds to make up for lost state dollars.

**Estimated Assembly District Impact of Governor's Proposal To Cap the State's Share of In-Home Supportive Services (IHSS)
Workers' Wages and Health Benefits at \$8.60 Per Hour, June 2010 Through June 2011**

Assembly District	Assemblymember	Number of IHSS Workers	Total Lost Compensation Under Governor's Proposal*	Assembly District	Assemblymember	Number of IHSS Workers	Total Lost Compensation Under Governor's Proposal*
1	Chesbro	3,950	\$13,676,000	41	Brownley	4,170	\$7,773,000
2	Nielsen	3,460	\$5,539,000	42	Feuer	8,420	\$14,099,000
3	Logue	3,990	\$3,903,000	43	Vacancy	18,760	\$31,420,000
4	Gaines	3,200	\$8,190,000	44	Portantino	6,650	\$11,129,000
5	Niello	4,570	\$20,821,000	45	de León	8,710	\$14,584,000
6	Huffman	2,610	\$17,579,000	46	J. Pérez	7,480	\$12,517,000
7	Evans	3,490	\$22,471,000	47	Bass	7,310	\$12,246,000
8	Yamada	2,660	\$14,543,000	48	Davis	8,070	\$13,514,000
9	Jones	7,380	\$33,948,000	49	Eng	10,090	\$16,893,000
10	Huber	4,280	\$17,591,000	50	De La Torre	5,600	\$9,381,000
11	Torlakson	3,140	\$23,820,000	51	Bradford	5,750	\$9,627,000
12	Ma	6,800	\$38,036,000	52	Hall	7,880	\$13,202,000
13	Ammiano	11,590	\$63,996,000	53	Lieu	2,610	\$4,362,000
14	Skinner	3,130	\$22,525,000	54	Lowenthal	3,860	\$6,457,000
15	Buchanan	1,990	\$11,556,000	55	Furutani	6,160	\$10,311,000
16	Swanson	7,360	\$49,002,000	56	Mendoza	4,250	\$7,482,000
17	Galgiani	4,360	\$9,672,000	57	Hernandez	5,400	\$9,050,000
18	Hayashi	3,450	\$22,972,000	58	Calderon	6,560	\$10,976,000
19	Hill	1,420	\$9,159,000	59	Adams	4,310	\$7,805,000
20	Torrico	3,590	\$27,831,000	60	Hagman	2,700	\$5,025,000
21	Ruskin	1,420	\$13,612,000	61	Torres	3,560	\$6,370,000
22	Fong	2,620	\$30,060,000	62	Carter	4,610	\$8,764,000
23	Coto	4,970	\$57,023,000	63	Emmerson	3,470	\$6,911,000
24	Beall	3,530	\$40,580,000	64	Nestande	3,480	\$14,412,000
25	T. Berryhill	3,450	\$8,600,000	65	Cook	5,710	\$20,655,000
26	B. Berryhill	4,830	\$12,456,000	66	Jeffries	2,550	\$10,088,000
27	Monning	2,480	\$17,552,000	67	Silva	2,290	\$5,483,000
28	Caballero	3,930	\$28,257,000	68	Tran	3,950	\$9,439,000
29	Villines	4,390	\$19,174,000	69	Solorio	2,470	\$5,899,000
30	Gilmore	3,540	\$8,840,000	70	DeVore	1,770	\$4,228,000
31	Arambula	5,720	\$25,842,000	71	Miller	1,990	\$6,843,000
32	Fuller	2,100	\$5,768,000	72	Norby	2,050	\$4,907,000
33	Blakeslee	2,950	\$10,856,000	73	Harkey	1,180	\$2,751,000
34	Conway	2,770	\$5,479,000	74	Garrick	1,070	\$2,416,000
35	Nava	1,500	\$4,841,000	75	Fletcher	2,140	\$4,846,000
36	Knight	7,160	\$12,361,000	76	Saldaña	3,300	\$7,473,000
37	Strickland	1,920	\$4,538,000	77	Anderson	2,770	\$6,261,000
38	Smyth	4,590	\$8,013,000	78	Block	4,700	\$10,627,000
39	Fuentes	5,890	\$9,861,000	79	Salas	5,870	\$13,286,000
40	Blumenfield	7,390	\$12,399,000	80	V. Pérez	7,330	\$19,949,000
					Total	364,580	\$1,172,400,000

Estimated Senate District Impact of Governor's Proposal To Cap the State's Share of In-Home Supportive Services (IHSS) Workers' Wages and Health Benefits at \$8.60 Per Hour, June 2010 Through June 2011

Senate District	Senator	Number of IHSS Workers	Total Lost Compensation Under Governor's Proposal*	Senate District	Senator	Number of IHSS Workers	Total Lost Compensation Under Governor's Proposal*
1	Cox	5,810	\$19,795,840	21	Liu	25,930	\$43,411,500
2	Wiggins	7,100	\$35,275,880	22	Cedillo	13,940	\$23,348,920
3	Leno	14,420	\$82,942,070	23	Pavley	10,290	\$18,350,520
4	Aanestad	7,680	\$8,698,440	24	Romero	15,010	\$25,124,870
5	Wolk	7,160	\$26,931,440	25	Wright	13,870	\$23,220,410
6	Steinberg	13,260	\$60,950,440	26	Price	19,470	\$32,600,520
7	DeSaulnier	4,810	\$36,440,630	27	Lowenthal	9,720	\$16,287,410
8	Yee	8,210	\$47,143,650	28	Oropeza	7,090	\$11,878,510
9	Hancock	10,790	\$72,885,750	29	Huff	6,860	\$12,201,000
10	Corbett	7,030	\$55,128,450	30	Calderon	11,720	\$19,634,060
11	Simitian	4,650	\$46,311,340	31	Dutton	6,670	\$18,469,300
12	Denham	8,640	\$29,286,410	32	Negrete McLeod	8,570	\$15,891,300
13	Alquist	7,920	\$90,902,310	33	Walters	3,330	\$7,960,220
14	Cogdill	8,530	\$31,576,610	34	Correa	6,150	\$14,715,310
15	Maldonado	5,300	\$32,659,860	35	Harman	4,640	\$11,089,070
16	Florez	8,550	\$30,951,660	36	Hollingsworth	5,160	\$13,902,390
17	Runner	11,410	\$19,986,960	37	Vacancy	8,710	\$35,992,600
18	Ashburn	5,840	\$12,953,590	38	Wyland	2,730	\$6,211,030
19	Strickland	3,480	\$10,513,620	39	Kehoe	7,040	\$15,922,090
20	Padilla	13,650	\$22,853,530	40	Ducheny	13,460	\$32,000,470
					Total	364,580	\$1,172,400,000

* Includes the impact of the reduction in hourly compensation based on the February 2009 budget agreement. Assumes counties would not use their own funds to make up for lost state funding.

Note: Total number of IHSS workers is from the Department of Social Services and reflects the number of workers in February 2010 – approximately 369,440 – adjusted to exclude workers in 13 counties who would not be affected by the Governor's proposal because their wage and health benefits do not exceed \$8.60 per hour. These approximately 4,850 workers provide IHSS services in Alpine, Colusa, Glenn, Humboldt, Inyo, Lassen, Mariposa, Modoc, Mono, Siskiyou, Tehama, Trinity, and Tuolumne counties. Total lost compensation is a CBP estimate based on Legislative Analyst's Office data and reflects state, federal, and county funds that would be lost between June 2010 and June 2011. Legislative district estimates of IHSS workers are based on each district's share of the statewide IHSS caseload in September 2009. Legislative district estimates of lost compensation are based on each district's share of the reduction in statewide wages and benefits. This share, in turn, is based on the IHSS caseload and the reduction in hourly compensation in each zip code within the district. This analysis uses zip code data to estimate the distribution of IHSS workers and lost compensation across legislative districts because legislative district boundaries are not coterminous with county boundaries. In cases in which a zip code includes portions of multiple counties, the data were adjusted to reflect the share of the zip code's population in each county. Estimates of IHSS workers are rounded to the nearest 10, and estimates of lost compensation are rounded to the nearest \$1,000. Legislative district figures may not sum to totals due to rounding.

Source: California Association of Public Authorities for IHSS, Department of Social Services, Legislative Analyst's Office, and Missouri Census Data Center