

AMENDED IN ASSEMBLY JULY 5, 2007
AMENDED IN ASSEMBLY JUNE 26, 2007
AMENDED IN SENATE APRIL 30, 2007
AMENDED IN SENATE APRIL 18, 2007

SENATE BILL

No. 434

Introduced by Senator Romero

February 21, 2007

An act to amend Section 12306.1 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

SB 434, as amended, Romero. In-Home Supportive Service program: provider wages and benefits.

Existing law provides for the county administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization.

Existing law permits services to be provided under the IHSS program either through the employment of individual providers, a contract between the county and an entity for the provision of services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium.

Existing law provides that when any increase in provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium, the county shall use county only funds for the state and county share of any increase in the program, unless otherwise provided in the Budget Act or appropriated by statute.

Existing law establishes a formula with regard to provider wages or benefits increases negotiated or agreed to by a public authority or nonprofit consortium, and specifies the percentages required to be paid by the state and counties, beginning with the 2000–01 fiscal year, with regard to the nonfederal share of any increases.

This bill would revise the formula for state participation in provider wage and benefit increases.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12306.1 of the Welfare and Institutions
2 Code is amended to read:
3 12306.1. (a) When any increase in provider wages or benefits
4 is negotiated or agreed to by a public authority or nonprofit
5 consortium under Section 12301.6, then the county shall use
6 county-only funds to fund both the county share and the state share,
7 including employment taxes, of any increase in the cost of the
8 program, unless otherwise provided for in the annual Budget Act
9 or appropriated by statute. No increase in wages or benefits
10 negotiated or agreed to pursuant to this section shall take effect
11 unless and until, prior to its implementation, the department has
12 obtained the approval of the State Department of Health Services
13 for the increase pursuant to a determination that it is consistent
14 with federal law and to ensure federal financial participation for
15 the services under Title XIX of the federal Social Security Act,
16 and unless and until all of the following conditions have been met:
17 (1) Each county has provided the department with
18 documentation of the approval of the county board of supervisors
19 of the proposed public authority or nonprofit consortium rate,
20 including wages and related expenditures. The documentation shall
21 be received by the department before the department and the State
22 Department of Health Services may approve the increase.
23 (2) Each county has met department guidelines and regulatory
24 requirements as a condition of receiving state participation in the
25 rate.
26 (b) Any rate approved pursuant to subdivision (a) shall take
27 effect commencing on the first day of the month subsequent to the
28 month in which final approval is received from the department.

1 The department may grant approval on a conditional basis, subject
2 to the availability of funding.

3 (c) The state shall pay 65 percent, and each county shall pay 35
4 percent, of the nonfederal share of wage and benefit increases
5 negotiated by a public authority or nonprofit consortium pursuant
6 to Section 12301.6 and associated employment taxes, only in
7 accordance with subdivisions (d) to (f), inclusive.

8 (d) (1) The state shall participate as provided in subdivision (c)
9 in wages up to seven dollars and fifty cents (\$7.50) per hour and
10 individual health benefits up to sixty cents (\$0.60) per hour for all
11 public authority or nonprofit consortium providers. This paragraph
12 shall be operative for the 2000–01 fiscal year and each year
13 thereafter unless otherwise provided in paragraphs (2) to (8),
14 inclusive, and without regard to when the wage and benefit increase
15 becomes effective.

16 (2) The state shall participate as provided in subdivision (c) in
17 a total of wages and individual health benefits up to nine dollars
18 and ten cents (\$9.10) per hour, if wages have reached at least seven
19 dollars and fifty cents (\$7.50) per hour. Counties shall determine,
20 pursuant to the collective bargaining process provided for in
21 subdivision (c) of Section 12301.6, what portion of the nine dollars
22 and ten cents (\$9.10) per hour shall be used to fund wage increases
23 above seven dollars and fifty cents (\$7.50) per hour or individual
24 health benefit increases, or both. This paragraph shall be operative
25 for the 2001–02 fiscal year and each fiscal year thereafter, unless
26 otherwise provided in paragraphs (3) to (8), inclusive.

27 (3) The state shall participate as provided in subdivision (c) in
28 a total of wages and individual health benefits up to ten dollars
29 and ten cents (\$10.10) per hour, if wages have reached at least
30 seven dollars and fifty cents (\$7.50) per hour. Counties shall
31 determine, pursuant to the collective bargaining process provided
32 for in subdivision (c) of Section 12301.6, what portion of the ten
33 dollars and ten cents (\$10.10) per hour shall be used to fund wage
34 increases above seven dollars and fifty cents (\$7.50) per hour or
35 individual health benefit increases, or both. This paragraph shall
36 be operative commencing with the next state fiscal year for which
37 the May Revision forecast of General Fund revenue, excluding
38 transfers, exceeds by at least 5 percent, the most current estimate
39 of revenue, excluding transfers, for the year in which paragraph
40 (2) became operative.

1 (4) The state shall participate as provided in subdivision (c) in
2 a total of wages and individual health benefits up to eleven dollars
3 and ten cents (\$11.10) per hour, if wages have reached at least
4 seven dollars and fifty cents (\$7.50) per hour. Counties shall
5 determine, pursuant to the collective bargaining process provided
6 for in subdivision (c) of Section 12301.6, what portion of the eleven
7 dollars and ten cents (\$11.10) per hour shall be used to fund wage
8 increases or individual health benefits, or both. This paragraph
9 shall be operative commencing with the next state fiscal year for
10 which the May Revision forecast of General Fund revenue,
11 excluding transfers, exceeds by at least 5 percent, the most current
12 estimate of revenues, excluding transfers, for the year in which
13 paragraph (3) became operative.

14 (5) The state shall participate as provided in subdivision (c) in
15 a total cost of wages and individual health benefits up to twelve
16 dollars and ten cents (\$12.10) per hour, if wages have reached at
17 least seven dollars and fifty cents (\$7.50) per hour. Counties shall
18 determine, pursuant to the collective bargaining process provided
19 for in subdivision (c) of Section 12301.6, what portion of the
20 twelve dollars and ten cents (\$12.10) per hour shall be used to fund
21 wage increases above seven dollars and fifty cents (\$7.50) per hour
22 or individual health benefit increases, or both. This paragraph shall
23 be operative commencing with the next state fiscal year for which
24 the May Revision forecast of General Fund revenue, excluding
25 transfers, exceeds by at least 5 percent, the most current estimate
26 of revenues, excluding transfers, for the year in which paragraph
27 (4) became operative.

28 (6) The state shall participate as provided in subdivision (c) in
29 a total cost of wages and individual health benefits up to thirteen
30 dollars and thirty-five cents (\$13.35) per hour, if wages have
31 reached at least seven dollars and fifty cents (\$7.50) per hour.
32 Twenty-five cents (\$0.25) per hour shall be used to increase the
33 funding for individual health benefits, *in addition to the amount*
34 *up to sixty cents (\$0.60) per hour provided for in paragraph (1).*
35 Beyond that amount, counties shall determine, pursuant to the
36 collective bargaining process provided for in subdivision (c) of
37 Section 12301.6, what portion of the thirteen dollars and ~~thirty-five~~
38 *thirty-five* cents (\$13.35) per hour shall be used to fund wage
39 increases above seven dollars and fifty cents (\$7.50) per hour or
40 individual health benefit increases, or both. This paragraph shall

1 be operative commencing with the next state fiscal year for which
2 the May Revision forecast of General Fund revenue, excluding
3 transfers, exceeds by at least 5 percent, the most current estimate
4 of revenues, excluding transfers, for the year in which paragraph
5 (5) became operative.

6 (7) The state shall participate as provided in subdivision (c) in
7 a total cost of wages and individual health benefits up to fourteen
8 dollars and thirty-five cents (\$14.35) per hour, if wages have
9 reached at least seven dollars and fifty cents (\$7.50) per hour.
10 Counties shall determine, pursuant to the collective bargaining
11 process provided for in subdivision (c) of Section 12301.6, what
12 portion of the fourteen dollars and thirty-five cents (\$14.35) per
13 hour shall be used to fund wage increases above seven dollars and
14 fifty cents (\$7.50) per hour or individual health benefit increases,
15 or both. This paragraph shall be operative commencing with the
16 next state fiscal year for which the May Revision forecast of
17 General Fund revenue, excluding transfers, exceeds by at least 5
18 percent, the most current estimate of revenues, excluding transfers,
19 for the year in which paragraph (6) became operative.

20 (8) The state shall participate as provided in subdivision (c) in
21 a total cost of wages and individual health benefits up to fifteen
22 dollars and thirty-five cents (\$15.35) per hour, if wages have
23 reached at least seven dollars and fifty cents (\$7.50) per hour.
24 Counties shall determine, pursuant to the collective bargaining
25 process provided for in subdivision (c) of Section 12301.6, what
26 portion of the fifteen dollars and thirty-five cents (\$15.35) per hour
27 shall be used to fund wage increases above seven dollars and fifty
28 cents (\$7.50) per hour or individual health benefit increases, or
29 both. This paragraph shall be operative commencing with the next
30 state fiscal year for which the May Revision forecast of General
31 Fund revenue, excluding transfers, exceeds by at least 5 percent,
32 the most current estimate of revenues, excluding transfers, for the
33 year in which paragraph (7) became operative.

34 (e) (1) On or before May 14 immediately prior to the fiscal
35 year for which state participation is provided under paragraphs (2)
36 to (8), inclusive, of subdivision (d), the Director of Finance shall
37 certify to the Governor, the appropriate committees of the
38 Legislature, and the department that the condition for each
39 subdivision to become operative has been met.

1 (2) For purposes of certifications under paragraph (1), the
2 General Fund revenue forecast, excluding transfers, that is used
3 for the relevant fiscal year shall be calculated in a manner that is
4 consistent with the definition of General Fund revenues, excluding
5 transfers, that was used by the Department of Finance in the
6 2000–01 Governor’s Budget revenue forecast as reflected on
7 Schedule 8 of the Governor’s Budget.

8 (f) Any increase in overall state participation in wage and benefit
9 increases under paragraphs (2) to ~~(5)~~ (8), inclusive, of subdivision
10 (d), shall be limited to a wage and benefit increase of one dollar
11 (\$1) per hour with respect to any fiscal year, *in addition to the*
12 *twenty-five cents (\$0.25) per hour to increase funding for individual*
13 *health benefits, pursuant to paragraph (6)*. With respect to actual
14 changes in specific wages and health benefits negotiated through
15 the collective bargaining process, the state shall participate in the
16 costs, as approved in subdivision (c), up to the maximum levels
17 as provided under paragraphs (2) to ~~(5)~~ (8), inclusive, of
18 subdivision (d).