





2003

LEGISLATIVE ANALYSIS

- BILL NUMBER:** Assembly Bill 1470
- AUTHOR:** Assembly Member Juan Vargas
- PRESENT LAW:** The In-Home Supportive Service program provides various services to eligible aged, blind, and disabled persons who are unable to remain safely in their own homes without such assistance. The IHSS program has two components: the Personal Care Services Program which is federally funded through Medicaid, and the Residual program which is funded entirely with state and county funds. The nonfederal costs of the program are shared 35% county and 65% state.
- AB 1682 (Chapter 90, Stats. 1999) required every county to establish an employer of record for IHSS providers by January 1, 2003 and to identify the party responsible for negotiating on their behalf in collective bargaining.
- PROPOSED LAW:** AB 1470 would circumvent a county public authority's ability to set and negotiate wages with IHSS providers by allowing provider wage and benefits to be determined by voter initiative.
- RECOMMENDATION:** Oppose
- BACKGROUND:** Counties fund the In-Home Supportive Service program through realignment revenue. The IHSS program costs are increasing at an alarming rate—nearly doubling statewide in under five years. Last year, the state and local cost of this program exceeded \$2.6 billion. Because of its rapid case load growth, IHSS is jeopardizing funding for other health and human service programs funded under realignment.
- This bill sets a horrible precedence in employee relations by allowing wage and benefit increases to be established by voter initiative. It is unlikely that voters have a clear understanding of the county finances and as such it is

inappropriate to delegate collective bargaining powers to the electorate.

AB 1470 establishes an unfunded state mandated. The cost of this program is potentially enormous. In a year when the state and counties are facing massive budget deficits, the state and counties cannot afford the cost of this huge mandate.

**FISCAL EFFECT:**

If enacted, AB 1470 will have potentially devastating fiscal impacts to California counties. With the IHSS program doubling in the past five years and rapid program growth anticipated for the next decade, this bill would have severe fiscal consequences.

**ORGANIZATION  
POSITIONS:**

This bill is supported by the American Federation of State, County, Municipal Employees and the United Domestic Workers of America.

The California State Association of Counties, the California Welfare Directors Association, and many individual counties oppose AB 1470.