



CWDA
Advancing Human Services
for the Welfare of All Californians



April 4, 2025

To: The Honorable Dr. Akilah Weber Pierson
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Corey A. Jackson
Chair, Assembly Budget Subcommittee No. 2

Honorable Members
Assembly Budget Subcommittee No. 2

From: Carlos Marquez, Executive Director, CWDA
Justin Garrett, Senior Legislative Advocate, CSAC
Tiffany Whiten, Senior Government Relations Advocate, SEIU

**RE: IN-HOME SUPPORTIVE SERVICES: COUNTY
ADMINISTRATIVE FUNDING**

The County Welfare Directors Association of California (CWDA), California State Association of Counties (CSAC), and the Service Employees International Union (SEIU) urge the Legislature and Administration to address the chronic underfunding of the In-Home Supportive Services (IHSS) Program in FY 2025-2026 by adjusting administrative funding levels in alignment with the upcoming budget methodology reassessment for county administration. Updates to the budget methodology and associated funding are needed to ensure IHSS social workers have manageable caseloads to perform essential functions of the IHSS program which enable older adults and persons with disabilities to remain safely in their homes and avoid costly institutionalization. Right now, caseloads in some counties exceed 500 and 600 IHSS recipients per social worker. Currently, CWDA and counties are working with the California Department of Social Services (CDSS) to reassess the methodology, which was last updated in 2017-18. The results of the reassessment will be reported at the May Revision, per the 2024 Budget Act. CWDA, CSAC, and SEIU anticipate the reassessment work will justify additional funding to address the historical underfunding of program administration, and we urge the Administration to include appropriate state funding in the 2025-26 State Budget as a result of the work.

IHSS is Essential to the Master Plan for Aging (MPA): IHSS is a key strategy in meeting the goals of the MPA. Currently, over 823,399 older adults and adults and children with disabilities are authorized to receive in-home care from nearly 727,787 trusted IHSS caregivers in

California. IHSS enables older adults to age with dignity and independence in their own homes. The program helps with daily and domestic tasks such as housework, meal preparation, laundry, personal care services, and accompaniment to medical appointments, allowing recipients to live independently and avoid the high costs of institutional care, such as nursing homes. By offering these services at home, the program ultimately enhances quality of life for IHSS recipients, reduces hospitalization, nursing home care, and premature death, and lessens time and financial burden on family and friends of program recipients.

The demand for IHSS services continues to grow as adults ages 65 and older are projected to reach 25 percent of the state's population by 2030. Moreover, the eligible population for the IHSS program has also expanded with the recent full-scope Medi-Cal expansion to undocumented adults over age 19, as well as the Medi-Cal asset test elimination, effective January 1, 2024. For instance, the FY 2025-26 Governor's Budget projects that IHSS caseload will grow by a staggering 7.5 percent in each FY 2024-25 and FY 2025-26, a trendline that will likely continue. Counties are committed and stand ready to serve the needs of this population, but sufficient administrative funding is needed for county agencies to retain and build a workforce to process new applications and reassessments in an accurate, consistent, and timely manner, and be responsive to clients' needs to live safely in their homes and communities.

County IHSS Administration State Budgeting Methodology is Flawed: In 2017-18, CDSS, in consultation with county human services agencies and CWDA, updated the methodology to fund county administrative activities associated with the IHSS program. That methodology remains in place to this date, and has significant shortcomings that we would like to see addressed:

Methodology underfunds the cost of IHSS workers. The 2017-18 methodology never fully funded actual IHSS worker costs, due to a regional estimate approach that only applied costs from a handful of counties. The methodology continues to use the same artificially low wage rate for social work staff set in 2017-18, despite increases in the cost of social work staff and operations since 2017-18. The result is a significant funding gap: about 52 percent of actual worker costs are not accounted for and it's estimated that in 2025, hourly worker costs are approximately 107 percent higher than the current reflected rate.

Methodology does not count all workload. In the IHSS program, some individuals are approved for services, but are unable to secure a provider. The workload associated with processing an application is not included if that application does not lead to someone receiving services; this includes the workload associated with processing denied applications, such as processing and tracking all applicant forms and conducting the 1-2 hour in-home assessment. For example, December 2024 CMIPS data show that 89 percent of "authorized" cases (those completing the application process) actually received services. The remaining 11 percent are cases that are authorized but not paid,

for which counties receive no administrative funding despite county workload occurring for those cases. This essentially equates to a funding cut of another 11 percent.

Higher per-worker caseloads, which will continue to grow without more funding for additional staff, are likely to impede access to IHSS: Administrative underfunding is contributing to higher worker caseloads in many counties, which in turn contributes to counties' inability to recruit and retain staff. Caseloads of 500 and 600 clients per social worker are not uncommon in some counties. This hampers counties' ability to ensure IHSS applications are processed on a timely basis and that reassessments occur every 12 months, as required under federal and state law, and causes strain for caregivers. In fact, as of February 2025, 24 counties were subject to a Quality Assurance Action Plan (QIAP) for non-compliance with timeliness requirements for application or reassessment processing, or both. Continued underfunding of IHSS administration may lead to IHSS clients facing longer wait times to reach their social worker between assessments when they have changes in their health or other needs that may warrant more IHSS services. For example, if a recipient breaks their hip between annual reassessments and requires additional assistance bathing or dressing, having the social worker available to talk to that recipient and approve those additional services as soon as possible is essential. This can also put their IHSS provider in a difficult situation of needing to provide additional care but not yet having the authorization from the county social worker to do so; authorization that allows the provider to get paid for those additional hours.

Proposed Solution – Update Worker Costs and CDSS Funding Methodology: The 2024 Budget Act required CDSS to work with CWDA, counties, and others to reassess the budget methodology for IHSS county administration every three years, beginning with the 2025-26 fiscal year. Currently, CWDA and counties are working with CDSS to update the budget methodology and per statute, CDSS is required to report to the Legislature the results of the current work at the May Revision. CWDA, CSAC, and SEIU anticipate the reassessment work to result in further justification for additional funding needed for program administration and urge the Administration to include appropriate state funding in the 2025-26 State Budget based on the rebase results. This will enable county IHSS social workers to respond to the growing demand for IHSS services as envisioned in the Master Plan for Aging and California's commitment to caring for its older adults and persons with disabilities.

For these reasons, we urge your support for updating the budget methodology for IHSS administration and that this be appropriately reflected in the 2025-26 State Budget.

Sincerely,

Carlos Marquez, Executive Director | CWDA
Justin Garrett, Senior Legislative Advocate | CSAC
Tiffany Whiten, Senior Government Relations Advocate | SEIU

Cc: Chris Woods, Office of the Senate President Pro Tempore
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