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**DEPARTMENT OF SOCIAL SERVICES**
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EDMUND G. BROWN JR.
GOVERNOR

September 8, 2017

COUNTY FISCAL LETTER (CFL) No. 17/18-21

TO: COUNTY WELFARE DIRECTORS
COUNTY WELFARE FISCAL OFFICERS

SUBJECT: INTERIM FISCAL YEAR 2017-18 MAINTENANCE OF EFFORT REQUIREMENT FOR THE IN-HOME SUPPORTIVE SERVICES PROGRAM

REFERENCE: SENATE BILL 90 (CHAPTER 25, STATUTES OF 2017)
CFL No. 17/18-13, DATED AUGUST 24, 2017

This CFL informs counties of the Fiscal Year (FY) 2017-18 modifications to the In-Home Supportive Services Program (IHSS) Maintenance of Effort (MOE) requirements as authorized by the 2017 Budget Act and Senate Bill (SB) 90 (Chapter 25, Statutes of 2017). This letter includes an interim County IHSS MOE base amount for FY 2017-18 and provides temporary billing and claiming instructions for county planning purposes. The FY 2017-18 interim IHSS MOE base amount does not include the $592.2 million increase to the county IHSS MOE costs as required by the 2017 Budget Act. The final FY 2017-18 IHSS MOE base reflects the IHSS Services, IHSS county Administration and Public Authority (PA) Administration components, and includes the new $592.2 million county cost. The methodology for the county distribution and mechanisms used to track the costs will be issued in subsequent CFLs.

Effective July 1, 2017, SB 90 significantly modifies the existing County IHSS MOE structure and implements a new statewide County IHSS MOE base that includes modified cost sharing arrangements between the state and the counties. Counties will continue to have a MOE requirement in lieu of paying a share of the non-federal costs for IHSS services and administration. Expenditures for these components will continue to be tracked against a total MOE. The funding changes to the County IHSS MOE are as follows:

Administration

The Administration component of the MOE is $97.3 million, which includes the MOE amounts for IHSS county Administration, PA Administration of the IHSS program and the Case Management Information and Payrolling System. Any non-federal costs exceeding the combined total of the IHSS county Administration and PA Administration components will be shifted to 100 percent county funds and will not count towards the county's total County IHSS MOE requirement. Information regarding the cap on General Fund (GF) participation for Administration will be provided in a forthcoming CFL.

Services

The services component of the MOE is $1.67 billion. Any non-federal costs exceeding this amount will be shifted to 100 percent GF. Cost sharing for increases in locally negotiated wages and benefits will be subject to a floating cap that follows the increase in state minimum wage. There will also be other changes to the state's sharing in the locally negotiated wage increases. Details regarding those changes will be issued in forthcoming All County Letters and CFLs.

County Cost Mitigation

To help mitigate the impact of the transition to the new county MOE, a total of $400 million GF has been appropriated. This includes $36 million that has been reprioritized and redirected from the 1991 Realignment revenues to help pay for increased county IHSS costs. Counties with financial hardship may also request a low interest GF loan.

In consultation with the California State Association of Counties, the Department of Finance will determine each county's specific County IHSS MOE base, which will be detailed in a subsequent CFL. In the meantime, this letter provides counties with an interim MOE base along with billing and claiming instructions.

**Interim MOE Base Level**

Counties' interim MOE base for FY 2017-18, which does not include the new county cost of $592.2 million, reflects the same methodology used for the FY 2016-17 MOE structure as referenced in CFL No. 17/18-13.

The attachment provides a display of each county's Interim MOE level based on the following three components:

- FY 2017-18 IHSS county Administration – Interim MOE Base amount
- FY 2017-18 PA Administration – Interim MOE Base amount
- FY 2017-18 IHSS Services – Interim MOE Base amount

**Billing and Reconciliation**

For the first quarter of FY 2017-18, the process to bill counties for their share of the FY 2017-18 County IHSS MOE will continue to be the same as the process used in FY 2016-17 until revised instructions are issued. The billing process will be as follows:

- The county's total interim MOE amount will be spread equally in 12 installments and counties will be billed three installments for July 2017 through September 2017.
- Once the FY 2017-18 final County IHSS MOE base amount is established, the California Department of Social Services (CDSS) will complete a reconciliation based on the interim IHSS MOE billed for July 2017 through September 2017.
- The remainder of the final County IHSS MOE will be spread equally over the remaining nine months of FY 2017-18 and the counties will be billed at the beginning of each month.

**Claiming and Reimbursement**

Counties will continue to claim IHSS county administration expenditures through the County Expense Claim using the existing administration program codes. The PA Administration expenditures will continue to be claimed using the SOC 448 invoice. CDSS will reimburse the counties for the federal and state shares of the IHSS county Administration and PA Administration expenditures up to the cap on GF participation for Administration. The county share will not be reimbursed but will count towards the IHSS county Administration and PA Administration components of the County IHSS MOE.

Questions regarding this letter should be directed to fiscal.systems@dss.ca.gov.

Sincerely,

***Original Document Signed By:***

SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

Attachment

**IN-HOME SUPPORTIVE SERVICES (IHSS)**
**INTERIM COUNTY MAINTENANCE OF EFFORT (MOE)**

| County | FY 2017-18 IN-HOME SUPPORTIVE SERVICES INTERIM MAINTENANCE OF EFFORT REQUIREMENT | | | |
|---|---|---|---|---|
| | IHSS Administrative | PA Administrative | IHSS Services | TOTAL IHSS MOE |
| ALAMEDA | $2,838,240 | $192,546 | $65,449,314 | $68,480,101 |
| ALPINE | $48,165 | $0 | $47,287 | $95,452 |
| AMADOR | $39,300 | $19,939 | $267,968 | $327,208 |
| BUTTE | $535,873 | $42,162 | $7,418,429 | $7,996,464 |
| CALAVERAS | $87,960 | $37,270 | $554,864 | $680,094 |
| COLUSA | $52,313 | $11,577 | $104,695 | $168,586 |
| CONTRA COSTA | $1,428,229 | $196,319 | $21,569,865 | $23,194,413 |
| DEL NORTE | $65,763 | $4,997 | $817,822 | $888,583 |
| EL DORADO | $174,959 | $56,271 | $1,911,490 | $2,142,720 |
| FRESNO | $1,774,908 | $147,212 | $30,219,913 | $32,142,033 |
| GLENN | $105,006 | $36,926 | $928,912 | $1,070,845 |
| HUMBOLDT | $412,723 | $33,905 | $2,732,496 | $3,179,123 |
| IMPERIAL | $591,106 | $40,084 | $9,306,218 | $9,937,408 |
| INYO | $48,271 | $16,788 | $230,516 | $295,575 |
| KERN | $794,365 | $67,153 | $7,870,848 | $8,732,366 |
| KINGS | $221,537 | $54,904 | $3,028,956 | $3,305,398 |
| LAKE | $205,434 | $60,810 | $4,868,309 | $5,134,553 |
| LASSEN | $74,096 | $8,657 | $255,451 | $338,204 |
| LOS ANGELES | $21,678,218 | $778,280 | $408,777,956 | $431,234,454 |
| MADERA | $215,096 | $27,015 | $3,346,933 | $3,589,045 |
| MARIN | $455,655 | $71,418 | $6,007,551 | $6,534,625 |
| MARIPOSA | $100,887 | $29,347 | $446,111 | $576,344 |
| MENDOCINO | $487,117 | $55,724 | $3,667,136 | $4,209,976 |
| MERCED | $438,068 | $51,733 | $4,261,959 | $4,751,760 |
| MODOC | $35,417 | $13,404 | $160,300 | $209,122 |
| MONO | $19,764 | $16,804 | $54,536 | $91,104 |
| MONTEREY | $721,869 | $65,349 | $10,574,266 | $11,361,484 |
| NAPA | $221,747 | $33,139 | $2,832,000 | $3,086,886 |
| NEVADA | $176,102 | $94,789 | $1,456,987 | $1,727,879 |
| ORANGE | $2,170,931 | $138,573 | $34,331,283 | $36,640,786 |
| PLACER | $307,291 | $74,754 | $5,242,800 | $5,624,844 |
| PLUMAS | $48,065 | $17,005 | $324,728 | $389,798 |
| RIVERSIDE | $2,108,952 | $315,096 | $46,388,833 | $48,812,881 |
| SACRAMENTO | $3,878,994 | $251,771 | $54,916,043 | $59,046,807 |
| SAN BENITO | $95,481 | $34,506 | $1,104,502 | $1,234,489 |
| SAN BERNARDINO | $3,117,993 | $275,340 | $43,391,697 | $46,785,030 |
| SAN DIEGO | $3,194,496 | $423,810 | $50,292,852 | $53,911,159 |
| SAN FRANCISCO | $3,304,571 | $296,613 | $90,846,285 | $94,447,470 |
| SAN JOAQUIN | $999,276 | $119,487 | $11,714,483 | $12,833,245 |
| SAN LUIS OBISPO | $460,853 | $44,405 | $4,552,415 | $5,057,673 |
| SAN MATEO | $696,958 | $69,559 | $12,667,455 | $13,433,973 |
| SANTA BARBARA | $451,195 | $111,120 | $6,531,255 | $7,093,570 |
| SANTA CLARA | $2,499,342 | $154,595 | $71,413,565 | $74,067,502 |
| SANTA CRUZ | $555,594 | $72,130 | $5,835,936 | $6,463,660 |
| SHASTA | $397,572 | $69,668 | $5,366,623 | $5,833,863 |
| SIERRA | $36,301 | $2,495 | $47,900 | $86,696 |
| SISKIYOU | $101,999 | $10,109 | $714,654 | $826,762 |
| SOLANO | $741,886 | $83,504 | $8,722,130 | $9,547,520 |
| SONOMA | $896,290 | $140,048 | $19,148,638 | $20,184,976 |
| STANISLAUS | $982,793 | $145,626 | $10,565,390 | $11,693,809 |
| SUTTER | $111,815 | $39,592 | $1,808,342 | $1,959,749 |
| TEHAMA | $174,381 | $35,710 | $1,461,982 | $1,672,073 |
| TRINITY | $40,571 | $149 | $221,238 | $261,958 |
| TULARE | $410,951 | $67,317 | $4,160,568 | $4,638,836 |
| TUOLUMNE | $173,499 | $0 | $389,085 | $562,584 |
| VENTURA | $672,395 | $75,958 | $11,147,633 | $11,895,986 |
| YOLO | $324,078 | $55,943 | $4,564,308 | $4,944,329 |
| YUBA | $195,238 | $20,015 | $1,612,381 | $1,827,635 |
| **Total** | **$63,197,948** | **$5,409,425** | **$1,108,654,094** | **$1,177,261,467** |