

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
September 9, 2004  
9:30 a.m.

To: Board of Supervisors

From: Countywide Services Agency

Subject: Report Back On Evaluation Of The Request From DHHS To Reallocate In-Home Supportive Services (IHSS) Caseloads Funds To Finance Five Additional Requests Made Possible By The Recalculation Of The County Sharing Ratio

Contact: Joe Barba, Senior Administrative Analyst; 874-5473

**BACKGROUND:**

During the September 1, 2004 Final Budget Hearings, your Board directed the Countywide Services Agency (CSA) to evaluate the request from the Department of Health and Human Services (DHHS) to reallocate freed-up county General Fund monies resulting from the recalculation of the county's In-Home Supportive Services Administration sharing ratio to finance five additional requests for DHHS.

**DISCUSSION:**

Every year, the State Department of Social Services (DSS) issues an allocation letter to all county welfare fiscal officers and all county welfare directors. The purpose of this letter is to provide counties with their In-Home Supportive Services (IHSS) allocations for administrative costs associated with the IHSS activities. The allocation letters identify the federal, state and county funding ratios that are used for each fiscal year.

**Funding Stream**

IHSS Administration program is funded by federal, State and local revenues. The federal government finances 50.0 percent of the costs associated with federally eligible clients. The State funds 70.0 percent of the nonfederal share, or 35.0 percent of the cost associated with federally eligible clients. The county local match is 30.0 percent of the nonfederal share, or 15.0 percent of the costs associated with federally eligible clients. Therefore, the funding ratio (Federal/State/Local) for federal eligible clients is 50/35/15. The funding ratio for nonfederal eligible clients (Residual program) is 0/70/30.

Prior to the federally approved waiver, 85.0 percent of the overall clients (statewide) served by IHSS were federally eligible. The remaining 15.0 percent were nonfederally eligible clients (Residual Program). The associated overall weighted average sharing ratio (Federal/State/Local) was 42.5/40.3/17.2. However, Sacramento County has a higher percent of nonfederal eligible

Report Back On Evaluation Of The Request From DHHS To Reallocate In-Home Supportive Services (IHSS) Caseloads Funds To Finance Five Additional Requests Made Possible By The Recalculation Of The County Sharing Ratio

Page 2

clients than the state average. About 78.0 percent of clients served by IHSS in Sacramento County are federally eligible. The remaining 22.0 percent are not federally eligible. Prior to the federal waiver, the associated overall sharing ratio for Sacramento was about 39/42.7/18.3. The Fiscal Year 2004-05 Proposed Budget that was submitted by DHHS assumed a sharing ratio of 40/42/18.

The federal waiver practically eliminates non-federal clients. Sharing ratios will now be 50/35/15. The IHSS Administration allocation letter issued by DSS on August 27, 2004 estimates the sharing ratios to be 48.62/35.95/15.43. These ratios account for possible residual non-federal clients.

**Revised Local Share:**

Over the last several days, CSA staff worked with DHHS budget and fiscal staff to review the IHSS Administration allocation ratios issued by DSS on August 27, 2004. They have determined that the Fiscal Year 2004-05 local sharing ratio is 15.11 percent. Based on the revised local sharing ratio, \$390,762 of “freed-up” General Fund monies will result as follows:

<b>PROGRAM AREA</b>	<b>TOTAL FUNDS</b>	<b>LOCAL SHARE</b>	<b>PERCENT</b>
IHSS-Administration Proposed Budget	\$13,583,008	\$2,444,942	18.00%
Net Retirement/Retiree Medical Subsidy Adjustments	-173,433	-31,217	18.00%
Additional Request #14 – IHSS Staffing	3,193,832	485,462	15.20%
Additional Request #21 – IHSS Fraud	389,047	59,135	15.20%
<b>CEO Recommended Final Budget</b>	<b>\$16,992,454</b>	<b>\$2,958,322</b>	<b>17.41%</b>
Revised Local Allocation	16,992,454	2,567,560	15.11%
<b>Total Available Local Share</b>	<b>\$ 0</b>	<b>\$ 390,762</b>	<b>100.0</b>

**Recommended Use of Available Local Share**

This revised local share of costs provides sufficient funds to finance all five additional requests presented to your Board by DHHS. It is the Agency’s recommendation that the freed-up funds be used to finance the additional requests in the following manner:

Report Back On Evaluation Of The Request From DHHS To Reallocate In-Home Supportive Services (IHSS) Caseloads Funds To Finance Five Additional Requests Made Possible By The Recalculation Of The County Sharing Ratio  
Page 3

<b>PROGRAM AREA</b>	<b>TOTAL FUNDS</b>	<b>LOCAL SHARE</b>	<b>PERCENT</b>	<b>POSITIONS</b>
<b>Available Local Share</b>		<b>\$390,762</b>	<b>100.0%</b>	
Additional Request #24 – IHSS Administration	\$ 271,985	\$ 41,097	15.11%	3.0
Additional Request #15– Tuberculosis Control	119,405	119,405	100.00%	2.5
Additional Request #17 – California Children’s Services	604,819	150,542	24.89%	9.5
Additional Request #18 – Children’s Health and Disability Prevention (CHDP) program	95,860	28,758	30.00%	1.0
Additional Request #19 – Primary Care Center	36,079	36,079	100.00%	0.5
<b>SUBTOTAL</b>	<b>\$1,128,148</b>	<b>\$375,881</b>		<b>16.5</b>
<b>AVAILABLE BALANCE</b>		<b>\$ 14,881</b>		

**FINANCIAL ANALYSIS:**

The revised 15.11 percent sharing ratio for the IHSS Administration will result in a reduced local match of \$390,762. These freed-up General Fund monies can be used to fund \$1,128,148 in total appropriations and 16.5 positions with a local match of \$375,881. This leaves a remaining available balance of \$14,881 that can be used to finance other county programs. However, your Board has the discretion to utilize all of the freed-up General Fund monies to fund any other county program.

Respectfully submitted,

APPROVED:

PENELOPE CLARKE, Administrator  
Countywide Services Agency

TERRY SCHUTTEN  
County Executive