

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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BRYCE YOKOMIZO
Director

June 21, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Board of Supervisors

GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF
PUBLIC SOCIAL SERVICES TO SIGN AND EXECUTE AMENDMENT NUMBER 6 TO
THE AGREEMENT WITH THE PERSONAL ASSISTANCE SERVICES COUNCIL
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of the Department of Public Social Services (DPSS) to execute the enclosed Amendment Number 6, or an amendment substantially similar thereto, to County Agreement Number 72426 with the Los Angeles Personal Assistance Services Council (PASC). The term of the original Agreement is September 14, 1999 through June 30, 2000, automatically renewing July 1 of every year without further action, except with respect to the County's appropriation for In-Home Supportive Service (IHSS) providers' wages. Specifically, the amendment is needed to:

- ▶ Increase the contract's Maximum Contract Amount for administrative costs to \$2,920,000. This amount represents an increase of \$420,000 to the original \$2,500,000 appropriated to fund the PASC's administrative costs. The additional funding is included in the CAO's Fiscal Year 2005-2006 Proposed Budget for DPSS as a result of the IHSS Plus Waiver savings.
- ▶ Establish the County's appropriation for the portion of the IHSS provider wages above the minimum wage, which shall not exceed \$36,360,000. This level of funding will enable the PASC to fund IHSS providers' wages at the current hourly rate of \$8.10, previously approved by your Board in October 2004, presuming the current state funding commitment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This Board letter has two purposes. The first is to provide an increase to fund PASC's administrative costs. The recommended actions will increase the PASC's administration allocation as appropriated by the CAO in FY 2005-2006's Proposed Budget for DPSS by \$420,000. The additional funding for the PASC's administrative costs is a result of savings from the IHSS Plus Waiver. With the additional federal revenue generated from implementation of the Waiver, the appropriation increase results in no increase to net County cost from the previous fiscal year.

The second is to provide for the County's funding level for the IHSS provider wages. Should the State's current funding level continue, the County appropriation would enable the PASC to maintain the current wage of \$8.10 per hour throughout the fiscal year.

If there is a reduction in the State's funding for IHSS provider wages or benefits, DPSS will return to your Board with recommendations as to adjustments to the County's appropriations. However, it must be noted, if the State's funding is reduced retrospectively for either IHSS provider wages or benefits, the County's appropriations could be disproportionately expended because the County may have been absorbing the State's share until that point.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan, Goal 3, Organizational Effectiveness, and Goal 4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

Amendment Number 6 increases the maximum contract amount for administrative costs to \$2,920,000, an increase of \$420,000. The funding is included in the CAO's FY 2005-2006 Proposed Budget for DPSS. The Amendment also provides a County appropriation to allow the PASC to continue to pay IHSS providers the current salary and benefits pending finalization of the State's budget. In the event of a retrospective reduction in the State funding for IHSS provider wages or benefits, the County's appropriation could be disproportionately expended due to the fact that the County may have already funded the State's share in the interim.

FACTS AND PROVISIONS/ LEGAL REQUIREMENTS

The County entered into Agreement 72426 establishing the PASC as the employer of record for IHSS providers on September 14, 1999. Amendment Number 1, entered into on October 24, 2000, recognized additional appropriation for an IHSS provider wage increase. On January 8, 2002, Amendment Number 2 was approved, initiating the Health Care Plan and Amendment Number 3 recognizing a second IHSS provider wage increase was entered into on November 20, 2002. On June 22, 2004, Amendment Number 4 was approved to add general contract provisions and change the PASC's reimbursement methods as well as increase funding for their administrative costs associated with the Health Plan. On October 28, 2004, Amendment Number 5 was approved to increase the IHSS providers' hourly wages from \$7.50 to the current \$8.10. It should also be noted that, since there is an increasing IHSS provider population, the funding level to PASC for its maintenance of wages and benefits pending State budget finalization will be at a higher total cost as compared to the current fiscal year.

Amendment Number 6 to Agreement Number 72426 will become effective upon the execution of both parties. Adoption of this amendment will preserve the County's options to prospectively consider the effects of the State budget when it is adopted.

Amendment Number 6 has been approved as to form by the Chief Administrative Office and County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

To be determined when the State adopts its budget.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to DPSS.

Respectfully submitted,



Bryce Yokomizo, Director

Enclosure (1)

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Executive Officer, Board of Supervisors
Personal Assistance Services Council



**AMENDMENT NUMBER SIX
TO
AGREEMENT NO. 72426 BETWEEN
COUNTY OF LOS ANGELES
AND
LOS ANGELES PERSONAL ASSISTANCE SERVICES COUNCIL
(PASC)**

Prepared By
Department of Public Social Services
Adult Services Division

June 2005

AMENDMENT NUMBER 6
TO
AGREEMENT BETWEEN
COUNTY OF LOS ANGELES
AND
LOS ANGELES PERSONAL ASSISTANCE SERVICES COUNCIL (PASC)

THIS AMENDMENT is made and entered into this _____ day of June 2005, by and between the County of Los Angeles, hereinafter referred to as COUNTY, and the Los Angeles County Personal Assistance Services Council ("PASC").

WHEREAS, reference is made to that certain document entitled "AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND LOS ANGELES COUNTY PERSONAL ASSISTANCE SERVICES COUNCIL," dated September 14, 1999 and further identified as County Agreement No. 72426 and any Amendments thereto (all hereafter "Agreement");

WHEREAS, it is the intent of the parties hereto to amend Agreement to appropriate certain funds to the PASC and to make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties; and

NOW THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon execution of both parties.
2. The following subparagraphs shall be added to Paragraph 4.0 of Section IV, FISCAL PROVISIONS:

4.0.5 For Fiscal Year 2005-2006, the COUNTY'S appropriation for the PASC negotiated wage, above minimum wage, shall not exceed the total of \$36,360,000. This amount is an absolute limit on the COUNTY'S cost and the COUNTY is not obligated by this Agreement in any way to pay or subsidize beyond this appropriation amount any portion of any PASC negotiated wage increase beyond the minimum wage.

4.0.5.1 In the event the State's share of wages pursuant to Welfare and Institutions Code §12306.1 is not forthcoming or in any way becomes unavailable, the COUNTY'S above stated obligation for any wage above minimum wage or capitation payments, shall terminate, whether or not the COUNTY reached its maximum allocation of funds for the 2005-2006

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fiscal year, as set forth above. Both parties further agree that Welfare and Institutions Code §12306(c)(3) does not obligate the County in any way or at any time to fund the State share of wages or capitation payments negotiated pursuant to Welfare and Institutions Code §12306.1.

3. Subparagraph 4.3.1 of Section IV, FISCAL PROVISIONS is deleted in its entirety and replaced with the following:

4.3.1 For future fiscal years, contingent upon appropriation by the COUNTY'S Board of Supervisors, and the continual receipt of State funds allocated to cover benefits pursuant to Welfare and Institutions Code §12306.1, the COUNTY'S payment to the PASC for the PASC's administration of the Health Care Plan shall not exceed \$500,000 except as an additional amount may be appropriated by the County's Board of Supervisors. Such future appropriations are contingent upon the terms of the Collective Bargaining agreement by the PASC and SEIU Local 434B continuing the Health Care Plan, the continual receipt of State funds allocated to cover benefits pursuant to Welfare and Institutions Code §12306.1 and appropriation by the COUNTY'S Board of Supervisors. The COUNTY shall have no obligation to provide any amount towards the administration of the Health Care Plan for succeeding Fiscal Years, unless and until the Board of Supervisors makes such appropriation. If the Board makes such an appropriation, the PASC shall submit to DPSS a monthly invoice detailing the amounts expended by the PASC to administer the Health Care Plan. The COUNTY shall reimburse the PASC for all such valid expenses up to the annual limit set forth in this subparagraph 4.3.1.

4. Paragraph 5.0 FISCAL PROVISIONS, is deleted in its entirety and replaced with the following:

5.0 Beginning with Fiscal Year 2005-2006, the COUNTY agrees to make payments to the PASC for administrative costs not to exceed

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the amount authorized in the COUNTY'S approved budget which are set forth below. The PASC administrative costs subject to this section are to cover all PASC operational costs except for health care plan administrative costs as set forth in paragraph 4.3.1 above. County funds allocated for IHSS provider wages and benefits are not part of these administrative costs.

- 5.1 For the period of July 1, 2005 to June 30, 2006, the COUNTY shall pass on to the PASC any State and federal monies received by the COUNTY to cover PASC administrative costs as those costs are defined in Paragraph 5.0. COUNTY will also provide PASC with any monies authorized by the Board of Supervisors to cover these PASC administrative costs, to the extent the PASC submits proof of valid expenses.
- 5.2 Effective July 1, 2005 through June 30, 2006, the COUNTY shall reimburse the PASC for valid expenses associated with administrative costs, as defined in Paragraph 5.0, in an amount not to exceed \$2,920,000. This amount represents an increase of \$420,000 to the current appropriation. The PASC shall submit monthly invoices to DPSS detailing the amounts expended by the PASC for administrative costs for the prior month. The COUNTY shall reimburse the PASC on a monthly basis, for all such valid expenses up to the amount set forth in this subparagraph 5.2.
- 5.2.1 For future fiscal years, contingent upon appropriation by the County's Board of Supervisors, the COUNTY'S payment to the PASC for the PASC's administrative costs as defined in this paragraph 5.0, shall not exceed \$2,920,000, except as an additional amount may be appropriated by the County's Board of Supervisors. If the Board makes such an appropriation, the PASC shall submit to DPSS a monthly invoice detailing the amounts expended by

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the PASC for these administrative costs. On a monthly basis, the COUNTY shall reimburse the PASC for all such valid expenses up to the annual limit set forth in this subparagraph 5.2.1.

- 5.2.2 For PASC's administrative costs, as defined in this paragraph 5.0, that exceed the amount appropriated by the COUNTY, the COUNTY shall continue to submit claims for reimbursement and pass through to the PASC any State and federal funds authorized by the State. The COUNTY shall have no obligation to contribute any COUNTY share toward such expenses.
- 5.2.3 All invoices submitted by PASC for payment must be approved by the County prior to payment.
- 5.2.4 COUNTY will not authorize payment on incomplete or inaccurate invoices.
- 5.2.5 COUNTY shall make a reasonable effort to effect payment to PASC within thirty (30) calendar days of receipt of an invoice, which is accurate as to form and content.
- 5.2.6 Prior to receiving final payment upon termination of this Agreement, PASC shall submit a signed written release discharging COUNTY, its officers and employees, from all liabilities, obligations and claims arising out of or under this Agreement.
- 5.2.7 PASC shall have no claim against COUNTY for payment of any money or reimbursement for any service provided by PASC after the termination of this Agreement. Should PASC receive any such payment it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY.

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5.2.7.1 Payment by COUNTY for services rendered after termination of this Agreement shall not constitute a waiver of COUNTY'S right to recover such payment from PASC. This provision shall survive the termination of this Agreement.

5.2.7.2 COUNTY shall have no obligation for payment other than as set forth in this Agreement.

5.4 In no event, shall COUNTY'S net county cost exceed the amount included in the Board approved budget for this program in each fiscal year

5. The following subparagraphs shall be added to 6.0 of Section IV, FISCAL PROVISIONS:

6.0.2.3 With respect to any PASC wage for IHSS providers for the period of July 1, 2005 through June 30, 2006 fiscal year, the COUNTY has calculated that the Net County Cost set forth in subparagraph 4.0.5 above would allow for \$8.10 per hour wage, as agreed to in the collective bargaining agreement entered into between the PASC and SEIU Local 434B dated October 19, 2004, presuming current state funding levels.

6.0.7 With respect to PASC wages for IHSS providers for the period July 1, 2005 through June 30, 2006, the County agrees to pay thirty-five percent of the nonfederal share of wage increase up to \$1.35 above the hourly State wide minimum wage, and pursuant to Welfare and Institutions Code §12306.1 as long as the COUNTY'S share does not exceed \$36,360,000 as specified in 4.0.5 above. Under no circumstance shall the COUNTY'S fiscal contributions exceed the amounts referenced in 4.0, 4.0.1, 4.0.2, 4.0.3, 4.0.4, 4.0.5, 4.1, 4.1.1, 4.2, 4.2.1, 4.3, and 4.3.1 above for the respective

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fiscal year and under no circumstance is the COUNTY obligated for any portion of a wage or any capitation payments, in excess of those amounts if such funds have been depleted or in any way become unavailable, even during the respective fiscal year. Both parties further understand and agree that in the event the State's share of any wage increase pursuant to Welfare and Institution Code §12306.1, is not forthcoming or in any way becomes unavailable, the COUNTY'S above stated obligation for any wage increase or capitation payments will terminate whether or not the funds set forth in subparagraph 4.0, 4.0.1, 4.0.2, 4.0.3, 4.0.4., 4.0.5, 4.1, 4.1.1, 4.2, 4.2.1 , 4.3 and 4.3.1 remain available. In addition, both parties agree that in the event the State's share of any wage increases pursuant to Welfare and Institution Code §12306.1 is not forthcoming or in any way becomes unavailable, the COUNTY is not obligated under any circumstances, to pay any portion of the State's share. Both parties further agree that Welfare and Institution Code §12306(c)(3) does not obligate the COUNTY in any way or at any time to fund the State share of a wage increase or capitation payments negotiated pursuant to Welfare and Institution Code §12306.1.

6. Except for the changes set forth herein, this Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be signed by the Director of the Department of Public Social Services and the PASC has caused this Contract to be signed by its duly authorized officer(s), on the _____ day of June 2005.

COUNTY OF LOS ANGELES

By _____
Bryce Yokomizo, Director
Department of Public Social Services

PERSONAL ASSISTANCE SERVICES COUNCIL

By _____
Margaret Belton, Chair Governing Board

APPROVED AS TO FORM:

By: _____
Raymond G. Fortner, Jr.
County Counsel