



## COUNTY OF PLACER

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June 10, 2019

The Honorable Gavin Newsom  
Governor, State of California  
First Floor, State Capitol  
Sacramento, CA 95814

The Honorable Toni Atkins  
President pro Tempore  
California State Senate State  
Capitol, Room 205  
Sacramento, CA 95814

The Honorable Anthony Rendon  
Speaker of the Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

**Re: IHSS MOE Proposal: Request to Link Collective Bargaining to Reduced County MOE Inflation Factor**

Dear Governor Newsom, President pro Tem Atkins, and Speaker Rendon:

On behalf of the Placer County Board of Supervisors, I write to express our strong support for the Governor's proposal to revise the county In-Home Supportive Services (IHSS) Maintenance of Effort (MOE); additionally, Placer County remains opposed to the trailer bill language to link an aspect of this proposal with collective bargaining. Placer County is grateful for the overall IHSS MOE proposal, which will create a more sustainable structure for counties to manage IHSS costs and continue to deliver vital services on behalf of the state. We sincerely appreciate the collaboration with the Administration and the Legislature that resulted in this proposal.

However, we remain opposed to the requested trailer bill language from the United Domestic Workers of America (UDW) that a county's MOE inflation factor would only be reduced to four percent if they have a collective bargaining agreement in place that pays IHSS providers an amount that exceeds the state minimum wage. Placer County appreciates that the May Revision did not include this request to link collective bargaining and the reduced inflation factor. We respectfully ask that this request be rejected and not included in the final budget agreement to enact the revised county IHSS MOE. This letter outlines the numerous policy reasons for our opposition.

#### **Progress on Collective Bargaining**

We have made significant strides at reaching a collective bargaining agreement. In fact, last month CSAC surveyed counties on the status of collective bargaining and found that 18 counties have new agreements, three counties have current agreements that predate the 2017 MOE, and 24 counties are currently negotiating or in some form of active engagement with provider unions which is where Placer County falls.

Another important finding from CSAC's survey is that eight counties have had no contact from provider unions to schedule negotiations. This demonstrates that it is possible for counties to be punished by the proposed trailer bill language through no fault of their own. If a provider union doesn't come to the table in response to a county's outreach or doesn't take any action to engage in negotiations, then it is not possible for a county to reach an agreement with that provider union.

In these examples, a county could be required to have the seven percent inflation factor and higher IHSS costs even though the union itself hasn't engaged on negotiating a new agreement.

#### **Disrupts the Balance of Local Bargaining; Punishes Counties Paying Above State Minimum Wage**

The UDW language tips the scales of local collective bargaining. Under the UDW language, a county could follow all applicable laws, negotiate in good faith, and offer IHSS providers a wage increase above state minimum wage. However, if the provider union doesn't accept that proposal, the county would be punished with a higher inflation factor even though the county did everything within its power and budget to pay IHSS providers above state minimum wage. This request gives the IHSS provider union all of the leverage in a local bargaining situation.

Under the UDW language, there are counties that could be required to have the higher seven percent inflation factor even though that county is paying IHSS providers above the state minimum wage. The UDW language requires a county to both have a current agreement and pay a wage that exceeds the state minimum wage. There are currently four counties (Contra Costa, Napa, Marin, and Sonoma) that don't have a current contract, but pay above the state minimum wage. One of these counties pays the second highest IHSS provider wage in the state and another pays the sixth highest. Some of these counties attempted to initiate bargaining and have been delayed by the provider union. However, despite county efforts to negotiate and the county paying a wage that exceeds the state minimum wage, these counties could end up with the higher seven percent inflation factor because of the UDW language. The UDW's trailer bill language serves to punish counties that are exhibiting the very behavior that the request is trying to encourage.

Placer County and other counties could potentially fall into this situation in the coming year, including counties that have reached an agreement under the new MOE to increase wages as a wage supplement. This means we could permanently be paying IHSS providers above the state minimum wage, even as the state minimum wage continues to increase in the coming years.

However, these counties could also be harmed if they don't have a new agreement when the current one expires.

#### **Precedent Setting**

UDW's language would be precedent setting in tipping the scales of local bargaining. The trailer bill language would open the door for other labor unions to seek legislative remedy every time they have a dispute with an employer over collective bargaining.

Placer County is complying with the law and continue to negotiate in good faith with our local union. There is an existing process available through the Public Employment Relations Board (PERB) for any local labor disputes and this is the appropriate remedy to resolve any local bargaining issues. Failure to bargain in good faith claims can be raised and adjudicated at PERB. Examples from 2009 and 2015 demonstrate that depending on the given facts, sometimes the union prevails, and sometimes the public agency prevails.

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**Conclusion**

Placer County is committed to the IHSS program. We recognize the value of the IHSS program, which provides critical services to seniors and disabled individuals to help them remain in their own homes rather than in more expensive institutional care.

Placer County respectfully requests that UDW's language to link collective bargaining and the reduced inflation factor not be included in the final budget agreement to enact the revised IHSS MOE. Should you have any questions about our position, please do not hesitate to contact Joel Joyce at (530) 889-4026 or at [jjoyce@placer.ca.gov](mailto:jjoyce@placer.ca.gov). Thank you for your consideration.

County of PLACER



Kirk Uhler, Chair  
Placer County Board of Supervisors

cc: The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee  
The Honorable Phil Ting, Chair, Assembly Budget Committee  
Members of the California Senate Budget and Fiscal Review Committee  
Members of the Assembly Budget Committee  
Keely Bosler, Director, Department of Finance  
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom  
Placer County Board of Supervisors