

Arc-California's Position
On
The establishment of Workforce Service Centers

January, 2003

This paper is for parents, family members and friends – all those who have loved ones with developmental disabilities in California.

Arc California is a family based membership organization with over 8000 individual members. We have been advocating with and for children and adults with developmental disabilities in California for over 50 years. Arc California is a state chapter of The Arc, a leading national advocacy organization with state and local chapters throughout the United States. There are local chapters of The Arc in communities throughout California.

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Introduction / Background:

This message is to inform you about a new proposal to drastically change the way community services are made available to children and adults with developmental disabilities in California.

Arc California believes the proposal would have a serious negative impact on your family. We are writing this so that you, who have the most at stake, will know what is going on and will have a say in whether or not this proposal becomes the law in California.

We know that each of you has your own unique experience with community services. We know many of you are satisfied with the services your family member receives, and you want very much for these services to remain stable and dependable. We know that some of you have family members with needs that are not being met and you want the system to change to better meet these needs.

One thing most of you have in common is the understanding that local agencies providing community services must struggle to stay in operation. Most of these agencies are non-profits and they face many challenges, not the least of which is severe under-funding by the State of California.

You may also know that from time to time, major proposals have been made to reform or restructure the way services are made available for people with developmental disabilities in California. These proposals often take years of effort by many knowledgeable and experienced people, but usually the results end up gathering dust on a shelf in Sacramento because there is no money to implement the recommendations.

Restructuring proposals are difficult to develop because the service system is very complicated and everything is interconnected. Careful planning is needed to assure that changes that might look good on paper don't end up having unintended consequences that end up actually hurting consumers and families.

Right now there is a proposal being circulated all over California called the "Workforce Service Centers" proposal. You may hear about it. The changes being proposed are so drastic that no one fully understands how they will work and no one fully understands what they will do to community services, to consumers, or to families. Even the people who wrote the proposal admit they don't know to what extent it will work, or even if it will work. Arc California believes that it will not work, and that it will result in harm to consumers and families.

What the proposal would do:

The main points of the proposal, as of January, 2003 are:

1. New public authorities will be set up around the State. They will be called “Workforce Service Centers” and there will be about 13 of them. These centers will need their own staff and a whole new administrative structure to operate. These will be new public entities that don’t exist now.
2. All the staff who are currently employed by local community-based agencies to provide direct services will have to be laid-off. The staff to be laid off include the employees of residential facilities, board and care homes, supported living agencies, day programs, workshops, supported employment programs, independent living programs, respite agencies, early intervention programs, social-recreational programs, etc. Basically it includes all the staff members who are currently working with people with developmental disabilities in California’s communities. This is estimated to be about 100,000 people statewide.
3. The staff who are laid-off by the local agencies are expected to become employees of these new Workforce Service Centers (WSCs). A labor union will then come in and organize these workers.
4. If the local community-based agencies still want to provide services, they would call the Workforce Service Centers and, for a fee, staff members will be sent to them. Individual consumers or families could also call if they want to arrange for staff on their own. It will be similar to leasing employees or using a “temp” agency. If the staff members don’t work out, they can be sent back to the WSC and reassigned to another caller.
5. The result of this is that the local, mostly non-profit agencies that now provide direct programs and services, will no longer be the employer of their own staff. The staff who work in the local agency’s programs and are responsible for carrying out the mission of the local agency will be employees of the Workforce Service Center. Any staff hired directly by consumers and families would also be WSC employees. Their primary affiliation will be to the Workforce Service Center and to the union.

The Board of Directors of Arc California has carefully considered the “Workforce Service Centers” proposal and has voted to oppose it. We are writing this message to let families all over California know why we oppose this proposal and to urge you to join us in opposing it.

Questions and Answers

What is wrong with the Workforce Service Centers proposal?

Arc California believes there is a fundamental mistake at the core of this proposal. The sponsors propose to restructure a large, complex human service system starting from this premise: that by improving wages and benefits for direct service staff, staff turnover will be reduced and the quality of the community services will improve. No one questions the premise. However, it is not the right place to start when proposing a major restructuring of the system. The fundamental mistake is the assumption that staff turnover is more important than anything else. The proposal is based on the assumption that staff turnover is what impacts consumers and families most, and that it is what consumers and families care about most. We believe this assumption is unsound.

Staff turnover is a serious problem for community services, but it is not the only problem and it is not the most important factor in the service system. Services exist so that the needs of consumers and families can be met. Obviously, staff members are absolutely essential; it is they who carry out the direct services every day. The priorities of staff are extremely important. But consumers, not staff, are the center of the system. Over decades of experience in California and throughout the United States it has become clear that what matters most to consumers and families are these three things, in this order:

1. That quality community services are stable and reliable: You need to be able to depend on the services to be there for your family member.
2. That the staff members who work with your family member are competent, caring, individuals whose first priority is the well-being of those they serve: When you choose a local service provider agency to provide services to your family member, you make your choice based on what the agency stands for. You need the agency to be there to assure that its staff members are caring, competent individuals dedicated to the values you believe in and the quality of service you expect.
3. That staff turnover is kept to a minimum: Consumers and families want and need consistency in their direct service staff to avoid the disruption of constant change.

Everyone is very concerned about the problem of high staff turnover. It is a serious problem. But whether there is high staff turnover or not, the stability of the program and the commitment of staff to the mission of the program are much more important.

If the Workforce Service Center proposal becomes law, thousands of staff members who have been dedicated employees of local agencies for many years, will have to be laid off and referred to a new employer. They will have no individual say in the matter. Their employment relationship will be changed by law, whether they agree or not.

If this proposal becomes law, the services provided by thousands of local, mostly non-profit, mission driven local agencies throughout California will suddenly be dependent upon staff members whose primary affiliation and loyalty will no longer be to them. Most service provider agencies believe the cohesiveness of their staff, the commitment of their staff to the agency's mission, and the flexibility agencies have to work freely and creatively with their staff are the essential elements in the many high quality, consumer centered services that now exist in California. This proposal fundamentally alters these essential elements. We believe it jeopardizes the basic stability of all existing community services.

How did the Workforce Service Centers proposal come about?

It is important for you to know that this proposal was developed and distributed without the involvement of the system's primary stakeholders. Those who developed it admit that they did not understand the current community service system well enough to know how their proposal would fit in with the services that exist now. Nonetheless the sponsors decided in advance to introduce legislation in January 2003 to make this proposal the law in California.

After the proposal was made public in August 2002, the sponsors invited many individuals and groups to read it and make suggestions on how to make it work. Many experienced and knowledgeable people throughout California read it. These people have subsequently raised hundreds of serious questions and concerns about the impact the proposal will have on people with developmental disabilities and on the community agencies that provide their services. In spite of these questions and concerns, the sponsors refuse to postpone their plan to have this proposal introduced as legislation.

The proposal's sponsors openly admit that they do not have the answers to many of the serious questions and concerns that have been raised. They have recently released recommendations for changes to their original proposal. The new recommendations expand the claims and promises contained in the original proposal and raise new questions and concerns. The sponsors continue to say they need the help of experienced and knowledgeable people in the community to find answers. But so far, even when the vast majority of the experts say that the proposal will not work, and will do harm, the sponsors will not withdraw their proposal.

Who is sponsoring the proposal?

The proposal is sponsored by the Service Employees International Union (SEIU). Until very recently SEIU has not been an active participant in California's developmental disabilities system. SEIU now says they are a stakeholder in the system and that they are promoting this proposal because they are committed to improving the quality of community services for people with developmental disabilities.

It is important for you to know that SEIU is targeting California's developmental disabilities system as part of a national movement to unionize all direct service staff serving people with developmental disabilities in the United States. This is part of an

overall effort by organized labor to strengthen the labor movement in this country. Central to their plan is expansion into public sector human services that have traditionally been carried out by local non-profit organizations. SEIU leaders have acknowledged that their interest in California's developmental disabilities system is related to our "density," that is: because of the large number of potential new union members here.

If all of the estimated 100,000 staff members in the field of developmental disabilities in California are unionized by SEIU, it means that 100,000 new union members will each have approximately \$30 per month taken out of their paychecks for union dues. This would amount to over \$35 million in dues flowing into SEIU from these staff members every year, in California alone.

Some of those who are supporting this proposal have a strong political philosophy that includes a sincere commitment to revitalizing the organized labor movement in the United States. Some who are supporting this proposal have a personal commitment to strengthening SEIU in particular. Some are supporting this proposal because they can benefit from the political backing of SEIU in California.

If Arc California is opposing this, and a union is sponsoring it, does it mean Arc California is anti-union?

Not at all. We recognize and honor the right of employees to unionize when they feel they need a stronger voice with their employer. There are local chapters of The Arc that are unionized. If SEIU were attempting to unionize the field of developmental disabilities in California in the traditional way - by allowing the staff members at each individual agency to decide whether they want to unionize or not - we would not be writing this message to you.

But SEIU is not doing this in the manner established by current state and federal laws. There are thousands of small and large agencies employing staff all over California, and SEIU admits openly that unionizing these agencies in the traditional way would take too long and be too costly. They have explained that they want to do it in a more efficient way. Their proposal is to get all the employees in each geographical region into one place, with one employer, so that they can go in and unionize them. They propose to do this by getting a law passed to make it happen. This is the opposite of a democratic process. This is a labor union trying to use the legislature and the Governor of California to impose its will on private citizens, without giving those citizens the right to vote on it.

Arc California believes that this goes far beyond what could be described as bad public policy. We believe it could more accurately be described as inconsistent with the basic principles of American democracy.

Arc California is not anti-union. We have many members who are strong union supporters. Our position on this proposal reflects our belief that SEIU's behavior right now is outside the legitimate and honorable role of unions in America.

Isn't this going to bring additional federal dollars into California to improve community services?

The effort to improve wages and benefits for direct service staff is a high priority for service providers and for system advocates. Increasingly, the source of needed additional funds is identified as the expansion of California's participation in the federal Home and Community Based Services (HCBS) Waiver. SEIU claims that the establishment of Workforce Service Centers will enhance California's ability to draw down these needed federal dollars. But how realistic is this claim?

Securing and utilizing additional federal dollars is not a simple matter. There would be significant obstacles to overcome:

1. Governor Davis's administration has demonstrated that when California's developmental disabilities system generates additional federal dollars, state general fund dollars in that amount are shifted out of the system for other uses. Given California's current dire financial position, which is not expected to improve for years, this is likely to continue.
2. The establishment of the WSCs as public authorities is widely seen as significantly *increasing* the cost of administering the system, long before any additional funds would theoretically be made available for staff wages and benefits.
3. Budgeting for, allocating and accounting for additional federal waiver dollars is a complex administrative process. State general fund dollars are required up front as a "match" for the additional federal money. The extent to which California can provide that match, and the exact amount of matching funds available is a matter of considerable discussion and debate.
4. The degree of support this effort would receive from the current Republican administration in Washington D.C. is questionable.

Also, the federal HCBS Waiver is an agreement between the federal government and the State of California. SEIU is not a party to that negotiation. We believe SEIU is overstating their influence in this matter. In our opinion, their assertion that the WSCs will bring in additional federal waiver dollars to improve the quality of community services is unsubstantiated and misleading.

If the union can use their political clout to try to get better wages for staff, isn't that worth the risks involved?

No, because the risks this proposal brings to consumers and families are far more significant than any promised benefit.

First there is a great risk of undermining and destabilizing all local community based organizations currently providing services and supports to people with developmental disabilities in California. For many decades these organizations have been the foundation of the community service system for consumers and families. The commitment of these local agencies to creating and sustaining quality services in the community is the most important stabilizing force in the system, and it has been for over 50 years.

Also, SEIU has a history of using strikes to gain economic advantage in union negotiations, even in the health care industry. SEIU says this would never happen in services to individuals with developmental disabilities. But it has happened before, and many people worry about the disaster that would occur if SEIU, representing every staff person in every region of the state, ever found it necessary to strike.

But the risk is not only to the stability and quality of the current system. There is an even greater risk. In California, individuals with developmental disabilities have a legal entitlement to the individualized services written into their Individual Program Plan. Even though the entitlement has never been fully implemented, and there is always a struggle to fulfill the mandate, it is still the most important legal protection for consumers and families. It assures that there will be services in place for you. In other states, where there is no entitlement, consumers must wait years for slots to open up so that their family member can receive services.

When funding is tight in California, there is always a danger that the legislature will suspend or repeal the entitlement. Advocates in the field of developmental disabilities in California know that protection of the entitlement is the most important legislative priority we have and everyone fights to save it. SEIU does not share that priority.

There is a delicate balance between the importance of adequate funding for community services and the importance of preserving the entitlement. This balance must be preserved in both good economic times and bad. Community services must be adequately funded to assure quality, but if community services place unreasonable demands on the Legislature for funds, the Legislature could decide to suspend or repeal the entitlement. This is the worst thing that could happen for the future of consumers and families. This dynamic is well understood by the people who now operate community services and by the advocacy community. It is a difficult balance, and it can only be maintained by people who have a powerful commitment to securing the future for people with developmental disabilities. The network of thousands of local, non-profit organizations that currently provide community services has a well-established understanding of and commitment to preserving your entitlement.

SEIU's priority is to improve wages, benefits and working conditions for staff. These are important priorities. But SEIU is not known for moderation when they are trying to get more money and more control. Their approach creates a stark threat to the future of your entitlement.

The community service system has so many problems, if we don't like the union's proposal, what is the alternative?

A unified community working together to educate and inform the legislature about the importance of the State's commitment to people with developmental disabilities and the urgency of improving funding for community services is what is needed. What needs to happen is a unified statewide grassroots effort to assure that the State honors its commitment to people with developmental disabilities and carries out both the spirit and

the letter of the current law. At the same time, California's advocacy community will continue to actively pursue all available resources and legal remedies.

Frustration with the current system has led a few people to support this proposal because it is, at least, a change. But although we may not like to think this way, change is not always for the better. In a fragile system like this one, the possibility of collapse is real.

There are also some people who sincerely believe that all specialized services for people with developmental disabilities are, by definition, stigmatizing and therefore should not exist. People who feel this way may have fewer concerns about this proposal. But the vast majority of families in California value the services they receive and the agencies that provide them. These families do not want their services and supports to disappear. The WSC proposal places all existing community services at risk. Arc California feels that this risk is simply too great.

How can Arc California oppose this when the actual wording of the proposed legislation hasn't been released yet?

The basic premise of this proposal is so unsound and so potentially damaging to consumers, families and the community service system that no amount of amendments and wording changes can fix it. It is a bad concept. It must be opposed now and it must be strongly opposed as SEIU attempts to move it through the legislative process.

Isn't the union revitalizing itself right now and committing itself to improving the quality of human services nationwide?

SEIU says their goal is higher quality community services for people with developmental disabilities. But we believe actions speak louder than words. SEIU's behavior does not support their claim that they care about people with developmental disabilities. Their behavior has often been in direct opposition to what is best for people with developmental disabilities. Their priority is to always do what is best for their members and their union. They have demonstrated this repeatedly. Some recent examples include:

- SEIU's opposition to AB 896, a bill to move assets from State Developmental Center into the community.
- SEIU's refusal to agree to protect the jobs of adults with developmental disabilities under AB 1357, the "justice for janitors" bill in California.
- SEIU's current efforts to use their influence with the California Industrial Welfare Commission to block a necessary overtime pay exemption for residential service providers.

Arc California and all true advocates believe that the needs of consumers and families must drive the system of services for people with developmental disabilities. SEIU's first priority is to strengthen the union. These are two different missions and they will inevitably be in conflict.

Arc California has local chapters throughout the State that provide direct services. Isn't that a conflict-of-interest with this proposal?

Local chapters of Arc California provide both advocacy and direct services, and have done so for decades. These direct services could be directly impacted by this proposal. Some will say that this means we have a conflict of interest and cannot objectively evaluate the pros and cons of this proposal. We believe that instead, it gives us the perspective needed to evaluate the proposal accurately and intelligently. In fact, SEIU has repeatedly sought our assistance in answering the many questions that have been raised about their proposal. The Boards of Directors of Arc California and its local chapters are composed of family members and volunteers. Many of you know us. We believe you can be the judge of whether our opposition to this proposal reflects a conflict of interest or a well-informed perspective based in a profound commitment to the welfare of all children and adults with developmental disabilities.

How you can help stop the establishment of Workforce Service Centers:

A strong statewide effort is needed to stop this proposal because those who are sponsoring it are very determined to make it the law in California. They are promoting themselves as the “New Voice for Quality Services for People with Developmental Disabilities.” They are funding well-known individuals and groups to help them develop and/or to promote the proposal. They are distributing professional looking brochures and materials. They are contacting individual consumers, families, and members of local agency boards. They are providing financial incentives to individuals and organizations to encourage participation in developing the proposal. They are engaged in an extensive marketing effort. They have very strong financial backing.

In spite of the widespread negative reaction to their proposal within California’s developmental disabilities community, SEIU is proceeding to introduce legislation to make this proposal the law in California. They plan to use their political influence with the Legislature and the Governor to accomplish this.

If you would like to help oppose the Workforce Service Center proposal, please contact Arc California in one of these ways:

Call: 1-800-698-6619

E-Mail: arcca@quiknet.com

Fax: 1-916-441-6619

Write: 1225 8th Street, Sacramento CA 95814

Please include your name, address including zip code, your relationship to people with developmental disabilities, and the best way to contact you. We will keep your name and personal information confidential. We will contact you when there is a need for you to let your legislators know that you oppose the establishment of Workforce Service Centers. Thank you.