

AMENDED IN SENATE AUGUST 1, 2016

AMENDED IN SENATE JUNE 21, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2565**

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**Introduced by Assembly Member Salas**

**(Coauthors: Assembly Members Bigelow, Brown, Dahle, Eggman,  
Gray, Grove, Lackey, Linder, Mayes, and Olsen)**

**(Coauthors: Senators Beall, Berryhill, Cannella, Fuller, Gaines, Galgiani,  
Hertzberg, Runner, and Vidak)**

February 19, 2016

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An act to amend Section 19806 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AB 2565, as amended, Salas. Independent Living Centers: state funding.

Under existing law, the Department of Rehabilitation is required to provide various services to individuals with physical or mental disabilities who are found to be eligible therefor, including independent living services. Existing law provides for the operation of independent living centers, which are private, nonprofit organizations that provide specified services to individuals with disabilities, in order to assist those individuals in their attempts to live fuller and freer lives outside institutions. Under existing law, the department has the responsibility and authority for the encouragement of the planning, developing, and funding of independent living centers.

Under existing law, each independent living center, except those centers which have been both established and maintained using specified

federal funding as a base funding, is required to receive, to the extent funds are appropriated by the Legislature, at least \$235,000 in base grant funds allocated by the department. Existing law authorizes these state funds to be replaced by reimbursements under the federal Supplemental Security Disability Insurance and the federal Supplemental Security Income programs, as specified.

This bill would delete the above provisions excluding the centers that were previously established and maintained with federal funding and would instead require each independent living center to receive at least \$235,000 in base grant funds allocated by the department, to the extent funds are appropriated by the Legislature and allocated by the department to the independent living centers from reimbursements under the federal programs. ~~The bill would prohibit the department from redirecting specified funds that support independent living centers to provide the funding for the base grant funds for centers that are newly eligible for the base grant funds pursuant to this bill.~~ *make related findings and declarations.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Independent living is a vested civil right under federal and
- 4 state law, and independent living with home and community-based
- 5 services is a viable alternative to significantly more costly
- 6 institutionalization in nursing homes and other settings.
- 7 (b) Independent living centers (ILCs) are among only a few
- 8 federally funded entities that are mandated to help individuals with
- 9 disabilities who desire to live in their homes and communities
- 10 transition out of institutional settings, such as nursing homes and
- 11 other institutions.
- 12 (c) ILCs work with individuals with all types of disabilities to
- 13 advance their personal independence and to remove barriers to
- 14 their equal inclusion in education, healthcare, employment,
- 15 housing, transportation, and other aspects of society.
- 16 (d) There is currently a large difference in the amount of funding
- 17 that each ILC in the state receives.

1 (e) In 1998, the base grant funding was set at two hundred  
2 thirty-five thousand dollars (\$235,000), with the exception of three  
3 ILCs that do not receive the minimum base grant funding that is  
4 available to the other 25 ILCs.

5 (f) The ILCs excluded from base grant funding are the Disability  
6 Resources Agency for Independent Living, serving the Counties  
7 of Amador, Calaveras, Mariposa, San Joaquin, Stanislaus, and  
8 Tuolumne, the Independent Living Center of Kern County, serving  
9 the County of Kern, and Placer Independent Resources Services,  
10 Inc., serving the Counties of Alpine, El Dorado, and Placer.

11 (g) Authorization for the base grant funding of two hundred  
12 thirty-five thousand dollars (\$235,000) for each of the three ILCs  
13 ~~would be~~ *ILC is* a wise and prudent investment to bring the three  
14 ILCs up to the minimum base grant funding, and it *and* is an  
15 important first step to begin to address the broader issue of the  
16 underfunding of all ILCs.

17 ~~(h) Although this act authorizes funding for the three ILCs, it  
18 does not make an appropriation. The seven hundred five thousand  
19 dollars (\$705,000) per year funding shall come from federal social  
20 security reimbursements.~~

21 SEC. 2. Section 19806 of the Welfare and Institutions Code is  
22 amended to read:

23 19806. (a) An independent living center shall not be required  
24 to provide any matching funds through private contributions as a  
25 condition of receiving state funds except to acquire state incentive  
26 funds.

27 (b) Each independent living center shall receive at least two  
28 hundred thirty-five thousand dollars (\$235,000) in base grant funds  
29 allocated by the department, to the extent funds are appropriated  
30 by the Legislature and allocated by the department to the  
31 independent living centers from reimbursements under the  
32 Supplemental Security Disability Insurance and the Supplemental  
33 Security Income programs provided for under Titles II and XVII  
34 of the Federal Social Security Act, Subchapter II (commencing  
35 with Section 401) and Subchapter XVII (commencing with Section  
36 1381) of Chapter 7 of Title 42 of the United States Code. Beginning  
37 with the 1998–99 fiscal year, and each year thereafter, to the extent  
38 these funds from the Social Security Act are not appropriated by  
39 the Legislature as were appropriated in the 1997–98 fiscal year,  
40 an amount equal to the combined state and federal fund allocation

1 to independent living centers in the Budget Act of 1997 shall be  
2 appropriated to, and allocated by, the department to independent  
3 living centers under this chapter.

4 (c) (1) Available state incentive funds shall be allocated at the  
5 beginning of each fiscal year based upon the average amount of  
6 private contributions received by the independent living center in  
7 the second and third preceding fiscal years.

8 (2) The maximum amount of incentive funds that may be  
9 allocated to any independent living center in any single fiscal year  
10 shall be computed as follows:

11 (A) "Pool One" is defined as 60 percent of all state incentive  
12 funds. "Pool Two" is defined as 40 percent of all state incentive  
13 funds. Each independent living center shall be entitled to an equal  
14 portion of Pool One, not to exceed the amounts raised pursuant to  
15 paragraph (1).

16 (B) Incentive funds from Pool One not used after the initial  
17 allocation pursuant to subparagraph (A) shall be added to Pool  
18 Two for allocation among all centers that had unmatched private  
19 contributions after distribution of Pool One funds. Pool Two funds  
20 shall be awarded in direct proportion to each center's percentage  
21 of the total remaining unmatched private contributions raised by  
22 those independent living centers.

23 (3) For the purpose of determining eligibility for state incentive  
24 funds, an independent living center that uses a fiscal year other  
25 than the state fiscal year may elect to use a different fiscal year so  
26 long as the closing date of the fiscal year so elected does not  
27 precede the closing date of the equivalent state fiscal year by more  
28 than 11 months.

29 (4) The amount of private contributions claimed by an  
30 independent living center for each fiscal year shall be verified by  
31 the department by utilizing appropriate financial records including,  
32 but not limited to, independent audits. Audits may be performed  
33 by the department up to three years from the close of the fiscal  
34 year during which state incentive funds were received by the  
35 independent living center being audited.

36 (5) State incentive funds that are not distributed to independent  
37 living centers shall not be allocated or retained by the department  
38 for distribution as state incentive funds in later fiscal years.

39 (d) For purposes of this section:

1 (1) "Private funds" does not include any funds originating from  
2 any entity of the federal, state, city, or county government or any  
3 political subdivision thereof. Notwithstanding the provisions of  
4 this section, fees from any source for services provided may be  
5 included as private contributions by an independent living center  
6 for purposes of determining its allocation of incentive funds.

7 (2) "State incentive funds" means state funds appropriated by  
8 the Legislature for purposes of this chapter, except those funds  
9 allocated by the department pursuant to subdivisions (b) and (f).

10 (e) Any funds allocated under this chapter to any independent  
11 living center, other than as part of the initial allocation for each  
12 fiscal year, shall be made by contract amendment. Any contract  
13 amendment shall require the provision of services in addition to  
14 those required by the contract being amended. All those services  
15 required by contract amendment shall not be performed prior to  
16 the date the contract amendment is approved by the state.

17 (f) To the extent funds are appropriated by the Legislature for  
18 the purpose of providing assistive technology services described  
19 in subdivision (d) of Section 19801, two hundred ten thousand  
20 dollars (\$210,000) of those funds shall be allocated to the nonprofit  
21 contractor selected by the Department of Rehabilitation to  
22 coordinate delivery of assistive technology services and the  
23 remainder shall be allocated equally among independent living  
24 centers. The nonprofit contractor shall provide statewide assistive  
25 technology information and referral and serve as a resource to the  
26 independent living centers' assistive technology service programs.

27 (g) To the extent funds are appropriated by the Legislature, after  
28 allocation of base grant and incentive funds and assistive  
29 technology funds, remaining funds shall be allocated by the  
30 department among independent living centers on the basis of the  
31 ratio of the total of the general population in an independent living  
32 center's geographic service areas as compared to the total of the  
33 general population in all independent living centers geographic  
34 services area statewide. The department shall adopt regulations  
35 for the distribution of population funds by June 30, 1999.

36 ~~(h) The department shall not redirect funds allocated in the~~  
37 ~~2016-17 fiscal year for the support of independent living centers,~~  
38 ~~including funding for assistive technology, funding based on~~  
39 ~~population, or incentive funding, to provide the funding for the~~  
40 ~~base grant funds for an independent living center that has been~~

- 1 ~~both established and maintained using federal funding under Title~~
- 2 ~~VII(e) of the federal Rehabilitation Act of 1973, as amended, as~~
- 3 ~~their primary base grant, as required by subdivision (b) pursuant~~
- 4 ~~to the act that added this subdivision.~~

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