

**ASSEMBLY BILL**

**No. 1320**

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**Introduced by Assembly Member Bordonaro**

February 28, 1997

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An act to amend Sections 19352, 19352.5, 19352.8, 19353, 19353.5, 19354, 19354.5, 19356.6, and 19806 of the Welfare and Institutions Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1320, as introduced, Bordonaro. Developmentally disabled.

Existing law requires the State Department of Rehabilitation to implement a habilitation services program to provide work-activity program services for individuals with developmental disabilities.

This bill would revise the responsibilities and membership of habilitation teams in determining the appropriate services to be provided to recipients, revise eligibility requirements, and revise procedures for the sanction of providers under the program.

Existing law provides for the grant of awards to independent living centers during a fiscal year.

This bill would provide for the grant of the awards at the beginning of a fiscal year.

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. Section 19352 of the Welfare and  
2 Institutions Code is amended to read:

3 19352. As used in this chapter:

4 (a) “Habilitation services” means those  
5 community-based services purchased or provided for  
6 adults with developmental disabilities including work  
7 activity and supported employment, to prepare and  
8 maintain them at their highest level of vocational  
9 functioning, or to prepare them for referral to vocational  
10 rehabilitation services.

11 (b) “Individual program plan” means the overall plan  
12 developed by a regional center pursuant to Section 4646.

13 (c) “Individual habilitation component” means the  
14 plan developed for each eligible ~~person~~ *individual* for  
15 whom services are purchased under this chapter.

16 (d) “Department” means the Department of  
17 Rehabilitation.

18 (e) “Work-activity program” includes, but is not  
19 limited to, sheltered workshops, ~~or workshops~~ or  
20 work-activity centers, *or community-based work activity*  
21 *programs* accredited under departmental regulations.

22 (f) “Habilitation team” means a group, which shall be  
23 established for each work-activity program or supported  
24 employment services, which shall be composed of the  
25 following members:

26 (1) The regional center case manager.

27 (2) The work-activity *or supported employment*  
28 program case-responsible ~~person~~ *individual*.

29 (3) A habilitation specialist designated by the  
30 department.

31 (4) The work-activity *or supported employment*  
32 program consumer, and where appropriate, his or her  
33 parent, legal guardian, or conservator.

34 (5) *In cases where the work-activity or supported*  
35 *employment consumer is also a vocational rehabilitation*  
36 *consumer, the vocational rehabilitation counselor.*



1 (g) “Work-activity program day” means the period of  
2 time during which a work-activity program provides  
3 services to clients.

4 (h) “Full day of service” means, for purposes of billing,  
5 a day in which the consumer attends a minimum of the  
6 declared and approved work-activity program day, less 30  
7 minutes, excluding the lunch period.

8 (i) “Half day of service” means, for purposes of billing,  
9 (1) all days of attendance in which the consumer’s  
10 attendance does not meet the criteria for billing for a full  
11 day of service as defined in subdivision (h), and (2) the  
12 consumer attends the work activity program not less than  
13 two hours excluding the lunch period.

14 (j) “Supported employment program” means a  
15 program which meets the requirements of Sections  
16 19356.6 and 19356.7.

17 (k) “Consumer” means any ~~person~~ *individual* who  
18 receives services purchased under this chapter.

19 (l) “Consumer with special needs” means any ~~person~~  
20 *individual* who needs an enriched program of services  
21 due to multiple disabling conditions or other unique  
22 needs of the consumer which include, but shall not be  
23 limited to, mobility impairments, blindness, deafness, or  
24 psychiatric impairment.

25 (m) “Accreditation” means a determination of  
26 compliance with the set of standards appropriate to the  
27 delivery of services by a work-activity program or  
28 supported employment program, developed by the  
29 Commission on Accreditation of Rehabilitation Facilities,  
30 and applied by the commission or the department.

31 SEC. 2. Section 19352.5 of the Welfare and Institutions  
32 Code is amended to read:

33 19352.5. (a) The habilitation team shall meet when it  
34 is necessary to do any of the following:

35 (1) Determine if the services available at the  
36 work-activity program or supported employment  
37 program best meet the needs of the consumer.

38 (2) Determine initial eligibility.

39 (3) Develop an individual habilitation component.

40 (4) Review continued eligibility.



1 (5) Determine if the consumer would be better served  
 2 by another work-activity or supported employment  
 3 program.

4 (6) Determine the appropriateness of job placement.

5 (b) (1) If the habilitation specialist disagrees with the  
 6 team, the habilitation specialist shall make the final  
 7 decision subject to appeal to the department by the  
 8 consumer or his or her designated representative.

9 (2) The habilitation specialist shall substantiate any  
 10 decision made pursuant to paragraph (1) by doing all of  
 11 the following:

12 (A) Stating in writing the reasons for disagreement  
 13 and the decision.

14 (B) Stating that the decision is not made for fiscal  
 15 reasons.

16 SEC. 3. Section 19352.8 of the Welfare and Institutions  
 17 Code is amended to read:

18 19352.8. ~~(a)~~ Only decisions made by the habilitation  
 19 team or habilitation specialist with respect to the  
 20 appropriateness of the service available from the  
 21 provider, and eligibility for services or development of  
 22 the individual habilitation component provisions listed in  
 23 paragraphs (1) to (6), inclusive, of subdivision (a) of  
 24 Section 19352.5 are subject to appeal. If a work-activity  
 25 program or supported employment program consumer  
 26 appeals a decision made pursuant to ~~Section 19353.5~~  
 27 paragraphs (1) to (6), inclusive, of subdivision (a) of  
 28 Section 19352.5 to the department, the consumer shall,  
 29 pending the outcome of the appeal, continue to receive  
 30 the same level of services provided prior to appeal.

31 ~~(b) If a work-activity program consumer appeals a~~  
 32 ~~decision made pursuant to Section 19354.1 to the~~  
 33 ~~department, the consumer shall, pending the outcome of~~  
 34 ~~the appeal, continue to receive the same level of service~~  
 35 ~~provided prior to appeal.~~

36 SEC. 4. Section 19353 of the Welfare and Institutions  
 37 Code is amended to read:

38 19353. ~~A person~~ An individual shall be eligible for  
 39 habilitation services under this chapter when all of the  
 40 following exist:



1 (a) The ~~person~~ *individual* is an adult who has been  
2 diagnosed as having a developmental disability.

3 (b) The disability is so severe that the ~~person~~  
4 *individual* does not presently have potential for  
5 competitive employment.

6 (c) The degree of the ~~person's~~ *individual's* disability  
7 has been determined by the department to be too severe  
8 to allow the ~~person~~ *individual* to benefit from vocational  
9 rehabilitation services, *the degree to which the individual*  
10 *is mutually served by the vocational rehabilitation*  
11 *program, and if the individual is determined to need*  
12 *extended supported employment services following*  
13 *successful rehabilitation by the department's vocational*  
14 *rehabilitation program.*

15 (d) The ~~person~~ *individual* is determined to be in need  
16 of habilitation services in an individual program plan  
17 developed by a regional center pursuant to Section 4646.

18 (e) The department verifies, as necessary, that the  
19 ~~person~~ *individual* meets the eligibility criteria for  
20 habilitation services specified in subdivisions (a) to (d),  
21 inclusive, and the habilitation specialist signs a statement  
22 that the ~~person~~ *individual* is eligible for habilitation  
23 services.

24 SEC. 5. Section 19353.5 of the Welfare and Institutions  
25 Code is amended to read:

26 19353.5. (a) When the department has made its  
27 determination of eligibility pursuant to subdivision (e) of  
28 Section 19353, the individual shall be placed in a  
29 work-activity program or, *if placed on the waiting list for*  
30 *vocational rehabilitation services, a supported*  
31 *employment program, and shall be deemed*  
32 *presumptively eligible for the period not to exceed 90*  
33 *days.*

34 (b) During the period of presumptive eligibility, the  
35 work-activity program or supported employment  
36 program in which the ~~person~~ *individual* is placed shall  
37 evaluate the performance of the individual in all of the  
38 following areas:

39 (1) Appropriate behavior to safely conduct himself or  
40 herself in a work setting.



1 (2) Adequate attention span to reach a productivity  
2 level in paid work.

3 (3) Ability to understand simple instructions within a  
4 reasonable length of time.

5 (4) Ability to communicate basic needs and  
6 understand basic receptive language.

7 (5) Attendance level.

8 (c) (1) During the period of presumptive eligibility,  
9 the habilitation team shall, utilizing the findings of the  
10 work-activity or supported employment program made  
11 pursuant to this section, determine the initial eligibility of  
12 the individual.

13 (2) The habilitation team shall meet only as necessary  
14 under Section 19352.5.

15 SEC. 6. Section 19354 of the Welfare and Institutions  
16 Code is amended to read:

17 19354. The individual program plan shall remain in  
18 effect as the overall service plan that is the responsibility  
19 of the regional center except that the department shall be  
20 responsible for the ~~development~~ *approval* of the  
21 individual habilitation component of the individual  
22 program plan *developed by the work-activity or*  
23 *supported employment program*, and the purchase of  
24 habilitation services.

25 SEC. 7. Section 19354.5 of the Welfare and Institutions  
26 Code is amended to read:

27 19354.5. (a) The department shall monitor, evaluate,  
28 and audit habilitation services providers for program  
29 effectiveness taking into consideration criteria,  
30 including, but not limited to, all of the following:

31 (1) Service quality assurance.

32 (2) Cost effectiveness.

33 (3) Cost containment.

34 (4) Protections for ~~persons~~ *individuals* receiving  
35 services.

36 (5) An equitable rate system.

37 (6) Compliance with applicable standards of the  
38 Commission on Accreditation of Rehabilitation Facilities.

39 (b) (1) The department may impose immediate  
40 sanctions on providers of work-activity programs and



1 supported employment programs for noncompliance  
2 with accreditation or services standards contained in  
3 regulations adopted by the department, and safety  
4 violations which pose a threat to consumers of habilitation  
5 services. These sanctions shall include, but need not be  
6 limited to, a moratorium on new referrals, imposition of  
7 a corrective plan as specified in regulations, removal of  
8 consumers from a service area where dangerous  
9 conditions or abusive conditions exist, and termination of  
10 approval for habilitation funding.

11 (2) A moratorium on new referrals ~~shall~~ *may* be the  
12 first formal sanction to be taken except in instances where  
13 consumers are at imminent risk of abuse or other harm.  
14 *In the case where a moratorium on new referrals is the*  
15 *first formal sanction, a corrective plan shall be developed*  
16 *simultaneously by the habilitation specialist.* The  
17 moratorium shall be in place only until the conditions  
18 cited are corrected *per the corrective plan* as determined  
19 by the habilitation specialist.

20 (3) A corrective plan ~~shall be the second formal~~  
21 ~~sanction to be taken in the event the moratorium does not~~  
22 ~~produce timely results~~ *is a formal sanction that shall be*  
23 *taken simultaneously with a moratorium on new*  
24 *referrals, or may be taken as a single sanction in*  
25 *circumstances that do not require a moratorium, as*  
26 *determined by the habilitation specialist.* Noncompliance  
27 with the conditions and timelines of the corrective plan  
28 shall result in termination of approval for habilitation  
29 funding.

30 (4) Removal of consumers from a program shall only  
31 take place where dangerous or abusive conditions are  
32 present, or upon termination of approval for habilitation  
33 funding. In instances of removal for health and safety  
34 reasons, consumers may return, at their option, when the  
35 corrections are made by the program, as determined by  
36 the department.

37 (5) Any provider sanctioned under paragraph (2),  
38 (3), or (4) may request an administrative review.

39 (A) The sanctioned provider shall submit its request  
40 for an administrative review, in writing, no later than 30



1 calendar days following written notice from the  
2 department on the sanctions imposed. The response shall  
3 be addressed to the Chief Deputy Director of the  
4 Department of Rehabilitation. The request for  
5 administrative review shall specify the reasons the  
6 appellant believes the sanctions should not be imposed  
7 and shall include supporting documentation. The  
8 department shall convene a Habilitation Services  
9 Program administrative review committee within 30  
10 calendar days of receipt of a timely written request for an  
11 administrative review. The committee shall be made up  
12 of the Chief Deputy Director of the Department of  
13 Rehabilitation and the deputy directors or their  
14 designees. A written decision of the committee shall be  
15 mailed to the appellant within 15 working days of the  
16 administrative review.

17 (B) A provider sanctioned under paragraph (4) may  
18 also request an expedited administrative review from the  
19 deputy director directly responsible for the  
20 administration of the Habilitation Services Program. The  
21 expedited review request shall be made by 4 p.m. of the  
22 first full-working day following removal of the consumers.  
23 A telephone request to the deputy director, or his or her  
24 designee, stating a wish to appeal the removal of  
25 consumers and a statement of reasons shall be accepted  
26 when followed by written confirmation received in the  
27 deputy director's office no later than five working days  
28 after the action to remove consumers is taken. The  
29 expedited administrative review by the deputy director,  
30 or his or her designee, shall take place within five working  
31 days of receipt of a timely request. A written decision shall  
32 be issued within five working days of the expedited  
33 administrative review. The provider sanctioned under  
34 paragraph (4) may exercise the administrative review  
35 procedure referenced in subparagraph (A) in lieu of, or  
36 in addition to, the expedited administrative review. In  
37 the event both options are exercised, the regular  
38 administrative review shall serve as a second level  
39 review.



1 (6) Any provider sanctioned under paragraph (4)  
2 shall have a right to a formal review by the Office of  
3 Administrative Hearings under Chapter 7 (commencing  
4 with Section 10950) of Part 2.

5 SEC. 8. Section 19356.6 of the Welfare and Institutions  
6 Code is amended to read:

7 19356.6. (a) The definitions contained in this  
8 subdivision shall govern the construction of this section,  
9 with respect to services provided through the  
10 Habilitation Services Program, and unless the context  
11 requires otherwise, the following terms shall have the  
12 following meanings:

13 (1) "Supported employment" means paid work that is  
14 integrated in the community for ~~persons~~ *individuals* with  
15 developmental disabilities whose vocational handicap is  
16 so severe that they would be unable to achieve this  
17 employment without specialized services and would not  
18 be able to retain this employment without an appropriate  
19 level of ongoing postemployment support services.

20 (2) "Integrated work" means the engagement of an  
21 employee with a disability in work in a natural  
22 community employment setting, including, but not  
23 limited to, groups and individual placements, in which  
24 the degree of integration is measured by the extent to  
25 which the disabled employee has opportunities to  
26 interact with nondisabled individuals other than those  
27 providing direct support services to the disabled  
28 employee.

29 (3) "Group placement" means the employment of a  
30 group containing at least three, but not more than eight,  
31 ~~persons~~ *individuals* with developmental disabilities  
32 working together in an integrated work setting in the  
33 community.

34 (4) "Individual placement" means the employment of  
35 a ~~person~~ *individual* with a developmental disability by an  
36 employer in the community, directly or through contract  
37 with a supported employment program, and providing  
38 supported employment services which are intended to  
39 lead to employer-paid and employer-supervised  
40 employment, and where services decrease as the



1 individual adjusts to the job; and providing ongoing  
2 postemployment services necessary for the individual to  
3 retain the job.

4 (5) “Allowable supported employment services”  
5 means the services approved in the individual  
6 habilitation component and provided, to the extent  
7 allowed by the Habilitation Services Program, for the  
8 purpose of achieving supported employment as an  
9 outcome for ~~persons~~ *individuals* with developmental  
10 disabilities, which may include any of the following:

11 (A) Program staff time spent conducting task analysis  
12 on a supported employment opportunity for a specific  
13 consumer or group of consumers.

14 (B) Program staff time spent in the direct supervision  
15 or training of a consumer or consumers while they are  
16 engaged in integrated work designed to achieve  
17 supported employment unless other arrangements for  
18 consumer supervision, such as employer supervision  
19 reimbursed by the work-activity program, are approved  
20 by the Habilitation Services Program.

21 (C) Social skills training which is necessary to ensure  
22 job adjustment and retention, and which is provided in an  
23 integrated setting, unless otherwise approved by the  
24 Habilitation Services Program.

25 (D) Training in certain independent living skills, such  
26 as independent travel or money management, which is  
27 necessary to ensure job adjustment and retention and  
28 which is provided in the community, unless otherwise  
29 approved by the Habilitation Services Program.

30 (E) Counseling with family, care providers, or others  
31 to ensure necessary support to consumers’ job adjustment  
32 or to overcome problems affecting their job  
33 performance.

34 (F) Direct action to advocate on behalf of a consumer  
35 to resolve problems affecting the consumer’s work  
36 adjustment or retention of an integrated job.

37 (G) Intervention with the employer to review a  
38 consumer’s job performance, resolve job problems or  
39 facilitate the employer’s hiring of the consumer as an  
40 employee.



1 (H) In the case of groups which must take equipment  
2 or materials to and from the worksite, the time the group  
3 members spend preparing for, and ending, the day's  
4 work.

5 (I) In the case of individual placements, job  
6 development to the extent authorized by the Habilitation  
7 Services Program, and ongoing postemployment support  
8 services needed to ensure the consumer's retention of the  
9 job.

10 (J) In the case of developing group placement job  
11 sites, the staff time spent obtaining and arranging the  
12 jobsite for the first three consumers employed in the  
13 group placement.

14 ~~(b) (1) Notwithstanding subdivision (c) of Section~~  
15 ~~19353, the department's habilitation services and~~  
16 ~~vocational rehabilitation programs may mutually serve~~  
17 ~~individuals whose individual written rehabilitation~~  
18 ~~program provides for placement into supported~~  
19 ~~employment, or who are in vocational rehabilitation~~  
20 ~~extended evaluation.~~

21 ~~(2) Section 19351 shall not be interpreted to limit the~~  
22 ~~authority provided by this subdivision to mutually serve~~  
23 ~~consumers.~~

24 ~~(e)~~(1) The Habilitation Services Program shall set  
25 hourly rates for supported employment services  
26 provided in accordance with this section. The  
27 Habilitation Services Program shall apply those rates to  
28 those work-activity programs or program components of  
29 work-activity programs approved by the department to  
30 provide community-integrated services under former  
31 paragraph (3) of subdivision (d) of Section 19356.5, and  
32 to new programs or components approved by the  
33 Habilitation Services Program to provide supported  
34 employment services following enactment of this section.  
35 Both of these categories of programs or components shall  
36 be required to comply with the criteria set forth in  
37 subdivision (b) of Section 19356.7 to receive approval  
38 from the Habilitation Services Program.

39 (2) (A) The hourly rate for supported employment  
40 services provided to consumers in group placements shall



1 be four dollars (\$4) per client or, in the case of new  
2 components of existing programs, the work-activity  
3 program's daily rate converted to an hourly rate  
4 according to the formula set forth in subdivision ~~(d)~~ (c),  
5 whichever hourly rate is the higher.

6 (B) The Habilitation Services Program may, at its  
7 discretion, set a higher hourly rate for supported  
8 employment services provided to individual consumers  
9 in a group placement, based upon the additional cost to  
10 provide ancillary services to the individual within the  
11 group placement in accordance with ratesetting  
12 procedures set forth in regulations, when there is  
13 documentation that demonstrates a need for a higher rate  
14 because of the nature and severity of the disabilities of the  
15 individual consumer, as determined by the Habilitation  
16 Services Program.

17 (C) A consumer in group placement for which a  
18 higher rate, due to the nature and severity of the  
19 consumer's disability, had been in effect on December 31,  
20 1996, shall continue to be funded at the higher rate until  
21 he or she is no longer employed in the specific group  
22 placement receiving the higher rate, or until it is  
23 determined that the nature and severity of the  
24 consumer's disability no longer justifies the higher rate.

25 (3) The hourly rate for supported employment  
26 services provided to consumers in individual placement  
27 shall be twenty dollars (\$20) per consumer for one-to-one  
28 services. If more than one consumer is receiving  
29 supported employment services simultaneously at the  
30 same site, the amount to be reimbursed per hour of  
31 service provided shall not exceed the approved hourly  
32 rate for the supported employment program regardless  
33 of the number of consumers receiving service during the  
34 hour.

35 (4) These hourly rates shall be subject to rate  
36 adjustments provided by law commencing with the  
37 1987-88 fiscal year.

38 (5) (A) Commencing July 1, 1991, the department  
39 shall add to each supported employment program rate an  
40 amount that is the equivalent of the hourly



1 reimbursement received by the program for  
2 administrative services delivered during the period of  
3 July 1, 1990, to March 31, 1991, inclusive.

4 (B) For programs approved after July 1, 1991,  
5 pursuant to Section 19356.7, the statewide average for  
6 hourly reimbursement for administrative services shall  
7 be applied to the rate.

8 (6) It is the intent of the Legislature that, commencing  
9 July 1, 1996, the department establish rates for both  
10 habilitation services and vocational rehabilitation  
11 supported employment services pursuant to this section.

12 ~~(d)~~

13 (c) (1) When a consumer receives traditional  
14 work-activity services and supported employment  
15 services during the same payment period, the  
16 Habilitation Services Program shall convert the daily rate  
17 for the traditional work-activity services into an hourly  
18 rate for the purpose of paying for those traditional  
19 work-activity services received by that consumer. In its  
20 conversion of the daily rate into any hourly rate, the  
21 Habilitation Services Program shall use the formula in  
22 paragraph (2).

23 (2) The daily rate of the work-activity program shall  
24 be divided by the number of hours in the program day of  
25 the traditional work-activity program during the  
26 historical period on which its rate is based, or as of the date  
27 the Habilitation Services Program approved the  
28 work-activity program as a new provider of habilitation  
29 services plus 5 percent.

30 ~~(e)~~

31 (d) If a consumer has been placed on a waiting list for  
32 vocational rehabilitation as a result of the department's  
33 order of selection regulations, the Habilitation Services  
34 Program may pay for those supported employment  
35 services leading to job development set forth in  
36 subparagraphs (A), (C), (D), (E), (I), and (J) of  
37 paragraph (5) of subdivision (a).

38 SEC. 9. Section 19806 of the Welfare and Institutions  
39 Code is amended to read:



1 19806. (a) For each fiscal year commencing with the  
2 1984–85 fiscal year, an independent living center shall not  
3 be required to provide any matching funds through  
4 private contributions as a condition of receiving state  
5 funds except to acquire state incentive funds. An  
6 independent living center whose allocation of funds  
7 pursuant to this chapter, excluding state incentive funds,  
8 is less than one hundred fifty thousand dollars (\$150,000)  
9 shall, to the extent funds are appropriated by the  
10 Legislature and allocated in accordance with regulations  
11 adopted by the department, receive, during the 1984–85  
12 fiscal year, an amount of state funds pursuant to this  
13 section, in an amount equal to 50 percent of the  
14 difference between one hundred fifty thousand dollars  
15 (\$150,000) and the independent living center’s allocation  
16 under this chapter. During the 1985–86 fiscal year, and  
17 each fiscal year thereafter, until the 1994–95 fiscal year,  
18 each independent living center shall receive, to the  
19 extent funds are appropriated by the Legislature and  
20 allocated in accordance with regulations adopted by the  
21 department, except for state incentive funds, at least one  
22 hundred fifty thousand (\$150,000) in funds allocated  
23 under this chapter. Beginning with the 1994–95 fiscal  
24 year, and each fiscal year thereafter, each independent  
25 living center shall receive, to the extent funds are  
26 appropriated by the Legislature and allocated in  
27 accordance with regulations adopted by the department,  
28 excluding state incentive funds, at least one hundred  
29 seventy-five thousand dollars (\$175,000) in funds  
30 allocated under this chapter. However, beginning with  
31 the 1994–95 fiscal year, and for each fiscal year thereafter,  
32 state funds may be replaced by reimbursements under  
33 the Supplemental Security Disability Insurance and the  
34 Supplemental Security Income programs provided for  
35 under Titles II and XVII of the Federal Social Security  
36 Act, Subchapter II (commencing with Section 401) and  
37 Subchapter XVII (commencing with Section 1381) of  
38 Chapter 7 of Title 42 of the United States Code to the  
39 extent appropriated by the Legislature and allocated by  
40 the department to independent living centers under this



1 chapter. Beginning with the 1996–97 fiscal year, and each  
2 year thereafter, to the extent such funds from the Social  
3 Security Act are not appropriated by the Legislature as  
4 were appropriated in the 1995–96 fiscal year, an amount  
5 equal to the combined state and federal fund allocation  
6 to independent living centers in the Budget Act of 1995  
7 shall be appropriated to, and allocated by, the  
8 department to independent living centers under this  
9 chapter.

10 (b) (1) In addition to funds received pursuant to  
11 subdivision (a), and subject to the limitations of  
12 subdivision (c), to the extent funds are appropriated by  
13 the Legislature, and allocated in accordance with  
14 regulations adopted by the department, each  
15 independent living center shall have the amount of its  
16 private contributions which, for any fiscal year, exceeds  
17 the amount of private contributions received by the  
18 independent living center during the 1982–83 fiscal year  
19 matched by state incentive funds on the basis of one  
20 dollar (\$1) in state incentive funds for each one dollar  
21 (\$1) received in private contributions.

22 (2) Available state incentive funds shall be allocated  
23 ~~during~~ *at the beginning of* each fiscal year based upon the  
24 private contributions received by the independent living  
25 center in the ~~immediately~~ *second* preceding fiscal year.

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

32 (4) The amount of private contributions claimed by an  
33 independent living center for each fiscal year, including  
34 the 1982–83 fiscal year, shall be verified by the  
35 department by utilizing appropriate financial records  
36 including, but not limited to, independent audits. Audits  
37 may be performed by the department up to three years  
38 from the close of the fiscal year during which state  
39 incentive funds were received by the independent living  
40 center being audited.



1 (c) The maximum amount of incentive funds as  
2 defined in subdivision (d) that may be acquired by any  
3 independent living center in any single fiscal year shall be  
4 computed as follows:

5 (1) Each independent living center funded under  
6 Section 19803 shall be entitled to acquire state incentive  
7 funds as specified in subdivision (b) in an amount not to  
8 exceed the total available state incentive funds, divided  
9 by the number of independent living centers then funded  
10 under Section 19803.

11 (2) Incentive funds remaining after the initial  
12 allocation pursuant to paragraph (1) shall be allocated  
13 among centers with remaining unmatched private  
14 contributions. Each center with remaining unmatched  
15 private contributions shall be allowed to match  
16 remaining incentive funds in an amount equal to the total  
17 remaining incentive funds divided by the number of  
18 centers with remaining private contributions.  
19 Subsequent distributions shall be made pursuant to the  
20 formula described in the preceding sentence and shall be  
21 repeated as many times as is necessary to allocate  
22 incentive funds to the greatest extent possible.

23 (3) State incentive funds not distributed to  
24 independent living centers under paragraph (1) or (2)  
25 shall not be allocated under Section 19803 nor retained by  
26 the department for distribution as state incentive funds  
27 in later fiscal years.

28 (d) For purposes of this section:

29 (1) "Private funds" does not include any funds  
30 originating from any entity of the federal, state, city, or  
31 county government or any political subdivision thereof.

32 (2) "State incentive funds" means state funds  
33 appropriated by the Legislature for purposes of this  
34 chapter, except those funds allocated by the department  
35 pursuant to Section 19803 and subdivision (a) of this  
36 section.

37 (e) Any funds allocated under this chapter to any  
38 independent living center, other than as part of the initial  
39 allocation for each fiscal year, shall be made by contract  
40 amendment. Any such contract amendment shall require



1 the provision of services in addition to that required by  
2 the contract being amended. All such services required  
3 by contract amendment shall not be performed prior to  
4 the date the contract amendment is approved by the  
5 state.

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