

ASSEMBLY BILL

No. 1660

Introduced by Committee on Human Services (Aroner (Chair), Ashburn (Vice Chair), Ducheny, Shelley, and Strom-Martin)

March 11, 1999

An act to amend Sections 19356.6, 19356.7, and 19806 of the Welfare and Institutions Code, relating to human services, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1660, as introduced, Committee on Human Services. Developmental services.

Existing law provides for habilitation services for adults with developmental disabilities. Under existing law, provisions relating to the submission and approval of proposals for funding supported employment programs and components under the Habilitation Services Program become inoperative on July 1, 1999, and will be repealed on January 1, 2000.

This bill would extend those provisions for one year.

Existing law provides a formula for the allocation of funding to independent living centers for individuals with disabilities.

This bill would revise and recast the method of calculating and allocating that funding.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. 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 19356.6 of the Welfare and
2 Institutions Code is amended to read:

3 19356.6. (a) The definitions contained in this
4 subdivision shall govern the construction of this section,
5 with respect to services provided through the
6 Habilitation Services Program, and unless the context
7 requires otherwise, the following terms shall have the
8 following meanings:

9 (1) "Supported employment" means paid work that is
10 integrated in the community for individuals with
11 developmental disabilities whose vocational disability is
12 so severe that they would be unable to achieve this
13 employment without specialized services and would not
14 be able to retain this employment without an appropriate
15 level of ongoing postemployment support services.

16 (2) "Integrated work" means the engagement of an
17 employee with a disability in work in a setting typically
18 found in the community in which individuals interact
19 with nondisabled individuals other than those who are
20 providing services to those individuals, to the same extent
21 that nondisabled individuals in comparable positions
22 interact with other persons.

23 (3) "Supported employment placement" means the
24 employment of an individual with a developmental
25 disability by an employer in the community, directly or
26 through contract with a supported employment
27 program, and the provision of supported employment
28 services and, the provision of ongoing postemployment
29 services necessary for the individual to retain
30 employment. Services for those individuals receiving
31 one-to-one training and support services from a
32 supported employment program shall decrease as the
33 individual adjusts to his or her employment and the
34 employer assumes many of those functions.



1 (4) For individuals receiving postemployment
2 support services at a job coach-to-client ratio of
3 one-to-one or one-to-two, postemployment services may
4 be provided on or off the jobsite, except that no ancillary
5 services may be provided pursuant to subparagraph (A)
6 of paragraph (2) of subdivision (b).

7 (5) For individuals receiving postemployment
8 support services at a job coach-to-client ratio of other than
9 one-to-one or one-to-two, ancillary services may be
10 provided, except that all postemployment and ancillary
11 services shall be provided at the worksite.

12 (6) “Allowable supported employment services”
13 means the services approved in the individual
14 habilitation component and provided, to the extent
15 allowed by the Habilitation Services Program for the
16 purpose of achieving supported employment as an
17 outcome for individuals with developmental disabilities,
18 which may include any of the following:

19 (A) Program staff time spent conducting job analysis
20 of supported employment opportunities for a specific
21 consumer.

22 (B) Program staff time spent in the direct supervision
23 or training of a consumer or consumers while they engage
24 in integrated work unless other arrangements for
25 consumer supervision, such as employer supervision
26 reimbursed by the supported employment program, are
27 approved by the Habilitation Services Program.

28 (C) Training occurring in the community, in adaptive
29 functional and social skills necessary to ensure job
30 adjustment and retention such as social skills, money
31 management, and independent travel.

32 (D) Counseling with a consumer’s significant others to
33 ensure support of a consumer in job adjustment.

34 (E) Advocacy or intervention on behalf of a consumer
35 to resolve problems affecting the consumer’s work
36 adjustment or retention.

37 (F) Job development to the extent authorized by the
38 Habilitation Services Program.

39 (G) Ongoing postemployment support services
40 needed to ensure the consumer’s retention of the job.



1 (b) (1) The Habilitation Services Program shall set
2 rates for supported employment services provided in
3 accordance with this section. The Habilitation Services
4 Program shall apply those rates to those work-activity
5 programs or program components of work-activity
6 programs approved by the department to provide
7 supported employment and to new programs or
8 components approved by the Habilitation Services
9 Program to provide supported employment services.
10 Both of these categories of programs or components shall
11 be required to comply with the criteria set forth in
12 subdivision (b) of Section 19356.7 to receive approval
13 from the Habilitation Services Program.

14 (2) The hourly rate for supported employment
15 services shall be twenty-seven dollars and fifty cents
16 (\$27.50). If more than one consumer is receiving
17 supported employment services simultaneously from the
18 same job coach, the following shall apply:

19 (A) The total amount reimbursed for that service shall
20 not exceed the authorized rate for supported
21 employment services. In addition, the Habilitation
22 Services Program may set a higher hourly rate for
23 supported employment services provided to an
24 individual in this configuration, based upon the additional
25 cost to provide ancillary services, when there is a
26 documented and demonstrated need for a higher rate
27 because of the nature and severity of the disabilities of the
28 consumer, as determined by the Habilitation Services
29 Program.

30 (B) In addition, fees shall be authorized for the
31 following:

32 (i) A two hundred dollar (\$200) fee shall be paid upon
33 intake of a consumer into an agency's supported
34 employment program, unless that individual has
35 completed a supported employment intake process with
36 that same agency within the past 12 months, in which case
37 no fee shall be paid.

38 (ii) A four hundred dollar (\$400) fee shall be paid upon
39 placement of an individual in an integrated job, unless
40 that individual is placed with another consumer or



1 consumers assigned to the same job coach during the
2 same hours of employment, in which case no fee shall be
3 paid.

4 (iii) A four hundred dollar (\$400) fee shall be paid
5 after a 90-day retention of a consumer in a job, unless that
6 individual has been placed with another consumer or
7 consumers, assigned to the same job coach during the
8 same hours of employment, in which case no fee shall be
9 paid.

10 (3) These rates shall take effect July 1, 1998.

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

15 (c) If a consumer has been placed on a waiting list for
16 vocational rehabilitation as a result of the department's
17 order of selection regulations, the Habilitation Services
18 Program may pay for those supported employment
19 services leading to job development set forth in
20 subparagraph (B) of paragraph (2) of subdivision (b).

21 (d) This section shall become inoperative on July 1,
22 ~~1999~~ 2000, and, as of January 1, ~~2000~~ 2001, is repealed,
23 unless a later enacted statute, that becomes operative on
24 or before January 1, ~~2000~~ 2001, deletes or extends the
25 dates on which it becomes inoperative and is repealed.

26 SEC. 2. Section 19356.7 of the Welfare and Institutions
27 Code is amended to read:

28 19356.7. (a) Proposals for funding of new, and
29 modifications to existing, supported employment
30 programs and components by the Habilitation Services
31 Program shall be submitted to the Habilitation Services
32 Program and shall contain sufficient information to
33 enable the Habilitation Services Program to act on the
34 proposal under this section.

35 (b) Provided that sufficient funding is available to
36 finance services by supported employment programs and
37 components, the Habilitation Services Program may
38 approve or disapprove proposals based on all of the
39 following criteria:



- 1 (1) The need for a supported employment program or
2 component.
- 3 (2) The capacity of the program to deliver supported
4 employment services effectively.
- 5 (3) The ability of the program to comply with
6 accreditation requirements of the Habilitation Services
7 Program. The accreditation standards adopted by the
8 department shall be the standards developed by the
9 Commission of Rehabilitation Facilities and published in
10 the most current edition of the Standards Manual for
11 Organizations Serving People with Disabilities, as well as
12 any subsequent amendments to the manual.
- 13 (4) A profile of an average consumer in the program
14 or component, showing the planned progress toward
15 self-reliance as an employee, measured, as appropriate, in
16 terms of decreasing support services.
- 17 (5) The ability of the program to achieve integrated
18 paid work on the average for consumers served.
- 19 (c) The Habilitation Services Program may purchase
20 supported employment services at the rates authorized in
21 Section 19356.6 only from supported employment
22 programs or components approved under this section.
- 23 (d) For purposes of evaluating the effectiveness of the
24 entire program, and individual supported employment
25 programs or components, the Habilitation Services
26 Program may monitor supported employment programs
27 or components to determine whether the performance
28 agreed upon in the approved proposal is being achieved.
29 When the performance of a supported employment
30 program or component does not comply with the criteria
31 according to which it was approved for funding pursuant
32 to subdivision (b), the Habilitation Services Program may
33 establish prospective performance criteria for the
34 program or component, with which the program or
35 component shall comply as a condition of continued
36 funding.
- 37 (e) The department shall adopt regulations to
38 implement the requirements of Sections 19352, 19356.6,
39 and this section, in consultation with the California
40 Rehabilitation Association, the United Cerebral Palsy



1 Association, and the Association of Retarded Citizens of
2 California.

3 (f) This section shall become inoperative on July 1,
4 ~~1999~~ 2000, and, as of January 1, ~~2000~~ 2001, is repealed,
5 unless a later enacted statute, that becomes operative on
6 or before January 1, ~~2000~~ 2001, deletes or extends the
7 dates on which it becomes inoperative and is repealed.

8 SEC. 3. Section 19806 of the Welfare and Institutions
9 Code is amended to read:

10 19806. (a) ~~(1) For each fiscal year commencing with~~
11 ~~the 1984-85 fiscal year, an~~ An independent living center
12 shall not be required to provide any matching funds
13 through private contributions as a condition of receiving
14 state funds except to acquire state incentive funds. ~~Each~~

15 (b) Each independent living center, except those
16 centers which have been both established and
17 maintained using federal funding under Title VII(c) of
18 the federal Rehabilitation Act of 1973, as amended, as
19 their primary base grant, as determined by the
20 department, shall receive, to the extent funds are
21 appropriated by the Legislature, at least two hundred
22 thirty-five thousand dollars (\$235,000) in base grant funds
23 allocated by the department. The department shall
24 allocate to those centers with Title VII(c) base grant
25 funds of less than two hundred thirty-five thousand
26 dollars (\$235,000) an amount that, when combined with
27 the Title VII(c) grant, equals two hundred thirty-five
28 thousand dollars (\$235,000).

29 ~~(2)~~

30 (c) State funds may be replaced by reimbursements
31 under the Supplemental Security Disability Insurance
32 and the Supplemental Security Income programs
33 provided for under Titles II and XVII of the Federal
34 Social Security Act, Subchapter II (commencing with
35 Section 401) and Subchapter XVII (commencing with
36 Section 1381) of Chapter 7 of Title 42 of the United States
37 Code to the extent appropriated by the Legislature and
38 allocated by the department to independent living
39 centers under this chapter. Beginning with the 1998-99
40 fiscal year, and each year thereafter, to the extent these



1 funds from the Social Security Act are not appropriated
2 by the Legislature as were appropriated in the 1997-98
3 fiscal year, an amount equal to the combined state and
4 federal fund allocation to independent living centers in
5 the Budget Act of 1997 shall be appropriated to, and
6 allocated by, the department to independent living
7 centers under this chapter.

8 ~~(b) (1) For the 1998-99 fiscal year, in addition to funds~~
9 ~~received pursuant to subdivision (a), and subject to the~~
10 ~~limitations of subdivision (c), to the extent funds are~~
11 ~~appropriated by the Legislature, and allocated in~~
12 ~~accordance with regulations adopted by the department,~~
13 ~~each independent living center shall have the amount of~~
14 ~~its private contributions which, exceeds the amount of~~
15 ~~private contributions received by the independent living~~
16 ~~center during the 1982-83 fiscal year matched by state~~
17 ~~incentive funds on the basis of one dollar (\$1) in state~~
18 ~~incentive funds for each one dollar (\$1) received in~~
19 ~~private contributions.~~

20 ~~(2) For the 1998-99 fiscal year,~~

21 ~~(d) (1) Until the funds available for allocation as state~~
22 ~~incentive funds equals or exceeds one million dollars~~
23 ~~(\$1,000,000), available state incentive funds shall be~~
24 ~~allocated at the beginning of each fiscal year based upon~~
25 ~~the average amount of private contributions received by~~
26 ~~the independent living center in the second and third~~
27 ~~preceding fiscal years.~~

28 ~~(3) For the 1998-1999 fiscal year and subsequent fiscal~~
29 ~~years, in addition to funds received pursuant to~~
30 ~~subdivision (a), and subject to the limitations of~~
31 ~~subdivision (c), to the extent funds are appropriated by~~
32 ~~the Legislature, and allocated in accordance with~~
33 ~~regulations adopted by the department, each~~
34 ~~independent living center shall have the amount of its~~
35 ~~private contributions matched by state incentive funds~~
36 ~~on the basis of one dollar (\$1) in state incentive funds for~~
37 ~~each one dollar (\$1) received in private contributions.~~

38 ~~(4) For the 1999-2000 fiscal year and subsequent fiscal~~
39 ~~years, available state incentive funds shall be allocated at~~
40 ~~the beginning of each fiscal year based upon the average~~



1 amount of private contributions received by the
2 independent living center in the second and third
3 preceding fiscal year.

4 (5)

5 (2) When the total funds available for allocation as
6 state incentive funds equals or exceeds one millions
7 dollars (\$1,000,000), and each year thereafter, the
8 maximum amount of incentive funds that may be
9 allocated to any independent living center in any single
10 fiscal year shall be computed as follows:

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

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

25 (3) For the purpose of determining eligibility for state
26 incentive funds, ~~for the 1998-99 fiscal year and all~~
27 ~~subsequent fiscal years~~, any independent living center
28 that uses a fiscal year other than the state fiscal year may
29 elect to use a different fiscal year so long as the closing
30 date of the fiscal year so elected does not precede the
31 closing date of the equivalent state fiscal year by more
32 than 11 months.

33 ~~(6) For the 1998-99 fiscal year and all subsequent fiscal~~
34 ~~years, the~~

35 (4) The amount of private contributions claimed by an
36 independent living center for each fiscal year shall be
37 verified by the department by utilizing appropriate
38 financial records including, but not limited to,
39 independent audits. Audits may be performed by the
40 department up to three years from the close of the fiscal



1 year during which state incentive funds were received by
2 the independent living center being audited.

3 ~~(e) For the 1998-99 fiscal year, if the total amount of~~
4 ~~incentive funds available for distribution is one million~~
5 ~~dollars (\$1,000,000) or more the maximum amount of~~
6 ~~incentive funds as defined in subdivision (d) that may be~~
7 ~~acquired by any independent living center in any single~~
8 ~~fiscal year shall be computed using the formula defined~~
9 ~~in subparagraph (4). If the amount of incentive funds~~
10 ~~available for distribution is less than one million dollars~~
11 ~~(\$1,000,000) for the 1998-99 fiscal year then the maximum~~
12 ~~amount of incentive funds as defined in subdivision (d)~~
13 ~~that may be acquired by any independent living center~~
14 ~~in any single fiscal year shall be computed as follows:~~

15 ~~(1) Each independent living center shall be entitled to~~
16 ~~acquire state incentive funds as specified in subdivision~~
17 ~~(b) in an amount not to exceed the total available state~~
18 ~~incentive funds, divided by the number of independent~~
19 ~~living centers then funded.~~

20 ~~(2) Incentive funds remaining after the initial~~
21 ~~allocation pursuant to paragraph (1) shall be allocated~~
22 ~~among centers with remaining unmatched private~~
23 ~~contributions. Each center with remaining unmatched~~
24 ~~private contributions shall be allowed to match~~
25 ~~remaining incentive funds in an amount equal to the total~~
26 ~~remaining incentive funds divided by the number of~~
27 ~~centers with remaining private contributions.~~
28 ~~Subsequent distributions shall be made pursuant to the~~
29 ~~formula described in the preceding sentence and shall be~~
30 ~~repeated as many times as is necessary to allocate~~
31 ~~incentive funds to the greatest extent possible.~~

32 ~~(3) State incentive funds not distributed to~~
33 ~~independent living centers under paragraph (1) or (2)~~
34 ~~shall not be allocated nor retained by the department for~~
35 ~~distribution as state incentive funds in later fiscal years.~~

36 ~~(4) For the 1998-99 and subsequent fiscal years, if the~~
37 ~~total funds available for allocation as state incentive funds~~
38 ~~is one millions dollars (\$1,000,000) or more, the maximum~~
39 ~~amount of incentive funds that may be acquired by any~~



1 ~~independent living center in any single fiscal year shall be~~
2 ~~computed as follows:~~

3 ~~(A) “Pool One” is defined as 60 percent of all state~~
4 ~~incentive funds and “Pool Two” is defined as 40 percent~~
5 ~~of all state incentive funds. Each independent living~~
6 ~~center shall be entitled to an equal portion of Pool One,~~
7 ~~not to exceed the amounts raised pursuant to subdivision~~
8 ~~(b).~~

9 ~~(B) Incentive funds from Pool One not used after the~~
10 ~~initial allocation pursuant to paragraph (1) shall be added~~
11 ~~to Pool Two for allocation among centers with remaining~~
12 ~~unmatched private contributions. Pool Two shall be~~
13 ~~awarded in direct proportion to each center’s percentage~~
14 ~~of the total incentive match funds raised by those~~
15 ~~independent living centers with remaining unmatched~~
16 ~~private contributions.~~

17 ~~(C)~~
18 (5) State incentive funds that are not distributed to
19 independent living centers ~~under subparagraph (A) or~~
20 ~~subparagraph (B)~~ shall not be allocated or retained by
21 the department for distribution as state incentive funds
22 in later fiscal years.

23 ~~(d)~~
24 (e) For purposes of this section:
25 (1) “Private funds” does not include any funds
26 originating from any entity of the federal, state, city, or
27 county government or any political subdivision thereof.
28 Notwithstanding the provisions of this section, fees for
29 services may be included as private contributions by an
30 independent living center for purposes of determining its
31 allocation of incentive funds.

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 subdivisions ~~(a) and (f)~~ (b), (c), and (g) of
36 this section.

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



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

7 ~~(f)~~

8 (g) To the extent funds are appropriated by the
9 Legislature, after allocation of base grant and incentive
10 funds, remaining funds shall be allocated by the
11 department among independent living centers on the
12 basis of the ratio of the total of the general population in
13 an independent living center's geographic service areas
14 as compared to the total of the general population in all
15 independent living centers geographic services area
16 statewide. The department shall adopt regulations for the
17 distribution of population funds by June 30, 1999.

18 SEC. 4. This act is an urgency statute necessary for the
19 immediate preservation of the public peace, health, or
20 safety within the meaning of Article IV of the
21 Constitution and shall go into immediate effect. The facts
22 constituting the necessity are:

23 In order for habilitation services to be provided
24 continuously during the current calendar year and for
25 revisions to the funding formula for independent living
26 centers to take effect at the earliest possible time, it is
27 necessary that this act take effect immediately.

