



# AB 763 (Salas) Independent Living Center Funding

## ***Purpose***

To authorize 3 Independent Living Centers (ILC) to receive a minimum base state funding of \$235,000 annually that is currently available to 25 other ILCs.

The ILCs are the Disability Resources Agency for Independent Living (DRAIL), serving Amador, Calaveras, Tuolumne, Mariposa, Stanislaus, and San Joaquin Counties; the Independent Living Center of Kern County (ILCKC), serving Kern County; and the Placer Independent Resources Services, Inc., serving Placer, El Dorado, and Alpine Counties.

## ***Background***

California's 28 ILCs are independent, nonprofit entities located throughout the state. They are primarily federally-funded and overseen by the Department of Rehabilitation (DOR).

ILCs work with people with all types of disabilities to help them live, learn, and work independently in their communities. Consumers receive: (1) Independent Living Skills Training; (2) Information and Referral Services; (3) Direct and Systems Change Advocacy; (4) Peer Counseling and Support; (5) Personal Assistant Services; (6) Accessible Housing Referral; (7) Assistive Technology Services; (8) Transitions to Community-based Living Assistance to Remain Living their Communities; and (9) Youth Transition Coordination.

Independent Living (IL) is a vested civil right under federal and state law. Living independently with Home and Community-Based Services (HCBS) is a viable alternative to more costly institutionalization in nursing homes and other settings.

Last year, Assembly Member Salas authored a similar bill, Assembly Bill 2565, that garnered virtual unanimous bipartisan support. Following extensive negotiations with the Administration, the bill led to an agreement to move the bill to Inactive Status in exchange for a \$705,000 General Fund appropriation for the 3 ILCs in the FY 2016-17 Budget Act and an additional \$705,000 in the FY 2017-18 Governors Budget.

Unfortunately, the funding was omitted in the Governor's proposed budget that was released for the upcoming fiscal year.

## ***What Does AB 763 Do?***

Like AB 2565, this bill would resolve a long-standing funding inequity that resulted when the 3 ILCs were not included in the minimum base state funding formula available to the other 25 ILCs. This is because they were established after the enactment of the original state enabling legislation governing IL programs and services. Although they receive funding from other sources, resolving this funding inequity is part of a broader effort to address the underfunding of all ILCs.

AB 763 would also address this funding inequity and would also delete an existing statutory provision that has been subject to differing administrative interpretations. The change would avoid one such interpretation that could result in some ILCs receiving increased funding, while still others could end up losing significant funding. This clarification would help resolve potential service disruptions in the state IL Network.

## ***History of IL Funding***

Originally, a small number of ILCs were created with federal establishment grants. The first state General Fund allocation for ILCs was \$2 million in 1979. Since 1997, the minimum funding commitment to ILCs has been \$9.7 million annually. FY 2014-2015 funding is \$12.5 million to support a total of 28 ILCs in 50 locations throughout California for over 100,000 people with disabilities.

Please note that no state General Fund dollars are currently appropriated for ILCs because they are primarily supported with federal Social Security reimbursements through the Department of Rehabilitation (DOR). Currently, these reimbursements are based upon DOR's successful job placements of people with disabilities.

In 1998, an annual base state funding level (referred to as "AB 204" funding) was set at \$235,000, with the exception of the 3 ILCs.

All 28 ILCs receive federal funding directly from the Administration for Community Living in the form of Title 7C grants. The total amount of funding California ILCs receive is approximately \$7.7 million annually.

However, there is an enormous difference in the amount of funding that each ILC receives. The highest amount is \$531,000 and the lowest \$68,000 annually. The 28 ILCs share a total of \$20.2 million dollars through state and federal funding annually, which is about \$900 per individual receiving direct services.

## ***Stagnant IL Funding Has Created Large Underserved and Un-Served Populations***

Although ILCs must provide mandatory core services to people with disabilities, funding has failed to keep pace with the demand for IL services. Moreover, the lack of any funding increases or COLAs and rising costs to staff and operate an ILC has left substantial numbers of un-served and underserved people with disabilities in the catchment areas of all 28 ILCs.

For example, the 3 ILCs are overwhelmed with demands for IL services. If state funding is available, they would hire more staff and open branch offices in large rural underserved and un-served populations.

## ***Conclusion***

Although AB 763 would authorize funding for the 3 ILCs, it does not make a General Fund appropriation. However, a modest \$705,000 minimum base state funding level for the 3 ILCs would be a wise and prudent investment and would resolve the funding inequity and bring the 3 ILCs up to the minimum base state funding as the problem of the underfunding of all ILCs continues to be addressed.

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