



HOUSE REPUBLICAN POLICY COMMITTEE HEARING

SEPTEMBER 13, 2010

TESTIMONY OF BARBARA ORSTEIN, M.ED., CRC; EXECUTIVE DIRECTOR

Sixteen years ago, Act 139 was enacted, establishing state funded Centers for Independent Living (CILs) and the funding mechanism for them. This legislation was modeled after federal legislation and contains similar requirements as CILs operated under the Federal Government. The CIL line item in the budget is directed through the office of Vocational Rehabilitation in the Department of Labor and Industry. It is our understanding that at no time are federal funds used to supplement or backfill the funding allocated by the General Assembly. The funding is strictly state funding.

Act 139 mandates that the Centers for Independent Living or CILs are operated by individuals with disabilities. This means that the CILs are consumer controlled. More than 51 % of their staffs and boards are persons with disabilities. CILs operate under the rules of a non-profit 501(c) (3). The Boards of Directors have by-laws and as such approve and oversee a budget. They also have independent audits as required in Rider B Grant Contracts.

Independent Living services not only include the four core services of information and referral; independent living skills training; peer mentoring; and individual and grassroots advocacy but also include 15 additional services as listed in Act 139. Services related to securing housing; assistive technology; personal assistance services; deaf and hard of hearing services including interpreter services; services and technical assistance related to the implementation of the Americans with Disabilities Act. And if that is not enough CILs are also responsible for supporting,

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assisting, or maintaining life in the community; referral for and assistance with transportation; individual and group community integration activities; training to develop skills which promote self-empowerment; exploration of career options; community awareness programs to enhance the understanding and integration into society of individuals with disabilities, and finally communicating the programmatic and civil needs and rights of persons with disabilities to state and local planners responsible for community services and such other services.

The CILs mission and mandate is to be service providers to persons with disabilities and their families in their respective communities. Instead, the Commonwealth is attempting to turn CILs into accountants. The CILs as mandated in Act 139 are to function independently; however the Commonwealth's obsession over paperwork pulls the CILs away from their mission.

The CILs are more than willing to be transparent and account for their funds. That is why annual Independent Audits are required under Rider B. It is also why all invoices and receipts are required to be available on site for review by the Commonwealth.

The Commonwealth will say that they are understaffed and not able to conduct on-site monitoring. It should be noted that this is not a recent problem as may be alluded to. The most recent on-site monitoring occurred in 2006 at two CILs and some CILs have not been monitored in almost a decade. The CILs should not be excessively burdened due to the difficulties the Commonwealth states. It is apparent that OVR is not concerned about programmatic review, as demonstrated by their lack of monitoring, but is over managing the financial operations of the CILs as demonstrated by their requests for excessive paperwork, proof of expenses and the completion of a spreadsheet that is not compatible with accounting software.

Recently OVR participated in a joint training of fiscal responsibilities of CILs. It should be noted that there is not one written policy or procedure for submission of paperwork to the office. For example, recently one CIL was informed that they could submit profit and loss statements as a means for review. This can be

forwarded directly from the accounting software as can numerous other types of reports. The current system is requesting that general accounting as found in the CIL software be submitted on a non-accounting spreadsheet.

While at first glance the submission of invoices and receipts, along with a required spreadsheet does not appear difficult, it is really not that simple. CILs use accounting software programs, which includes a general ledger. They do not use a budget spreadsheet to track expenses. The two are not compatible. Budget revisions can take up to a week to prepare by skilled accountants. This is unacceptable. These new methods for submission of budget amendments, using a spreadsheet which can fill a conference table, and submitting receipts and invoices for every supply no matter how small, are time consuming and take valuable resources away from CILs fulfilling their obligations to the consumers they are designed to serve.

Recently, the CILs were informed that they no longer need to submit receipts for items less than \$250 (line item not aggregate). There are very few expenses that fall under \$250, so this is by no means a "savings of time" for the CILs.

In addition to funding cuts, the CILs are having increased financial burdens as it is, yet there is no compensation to cover the costs of these additional burdens the Commonwealth is placing on CILs. These burdens clearly have an adverse impact on the very people the CILs are mandated to serve and is clearly not what the statute or Rider B intended.

You will hear from two CIL Executive Directors today. These Directors know first-hand the time and effort that is required to comply with the Commonwealth's demands. You will hear that the more time that is spent on the financial burdens that have been imposed, the less time there is for consumers. Beyond the time that is spent on this burdensome activity, you will hear about line items that have been denied or reduced without cause. This too, hurts the very consumers CILs are to serve. You will also hear about possible solutions that will reduce the burdensome methods now required and at the same time provide the

transparency desired by the Commonwealth, the CIL Boards of Directors, the consumers the CILs serve, and the public at large.