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**State of Connecticut Funding Formula for  
Centers for Independent Living Regions:  
Adapted from Indiana's Funding Allocation Model Formula**

*Commissioned by:*

CT State Independent Living Council

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*Funding allocation estimates and report prepared by:*

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**DISCLAIMER:** This funding allocation model is an adaptation of a model developed by the Illinois Network of Centers for Independent Living and adapted by the Indiana Business Research Center (2009), [http://icoil.org/documents/082009/ICOIL\\_Formula\\_Funding -  
\\_FULL\\_REPORT\\_.pdf](http://icoil.org/documents/082009/ICOIL_Formula_Funding_-_FULL_REPORT_.pdf). The model has been adapted for the State of Connecticut's county populations, land areas, and employment levels, along with the current inflation factor. All other components of the model have been retained and should not be modified except under the advice of a trained economist, statistician, or professional with an equivalent skill set.

**Executive Summary**

A funding allocation formula was developed for the State of Connecticut’s Centers for Independent Living service regions. The model was adapted from the funding allocation model used for Indiana’s Centers for Independent Living (Indiana Business Research Center, 2009). The funding formula is based upon the average score across three main indicators, based upon US Census and state employment estimates for each CT County. The three indicators are:

- (1) Service Index – The level of service need in the county based upon the number of persons with a self-reported disability
- (2) Worker Disability index – The rate of disability within the worker age range (18-64) in the county compared to the statewide rate
- (3) Economic Distress Index. – The job density for the county compared the statewide job density.

The average score for the above three factors is calculated for each county. Using this average score, funding in terms of year 2000 dollars is calculated as \$1000 multiplied by the average score for each county. This dollar amount was then converted to 2016 dollars by multiplying by the inflation factor of 1.403 (a 40.3% inflation rate).

The total funding for each region was calculated by adding funding amounts for all and/or portions of the counties served. If more than one center served a county, then the percentage of that county served by the center was based upon the population of the persons within zip codes served for that county served by the center. The percentage of total funds for each region was also calculated. The total funds estimated under the model for the State of Connecticut is \$5.6 million with \$2,750,000 coming from the \$550,000 base funding for each center and \$2,840,831 being the amount estimated to provide the five core services under the funding allocation formula. Below is the distribution of funds by service region:

	<i>Base Funding</i>	<i>Formula Funding</i>	<i>Total Funding</i>	<i>Total Percent State Funding for Each Region</i>
<b>Connecticut (statewide)</b>	2,750,000	\$2,840,831	\$5,590,831	
<b><i>Region</i></b>				
Access Independence	\$550,000	\$352,473	\$902,473	16.1%
Center for Disability Rights	\$550,000	\$604,969	\$1,154,969	20.7%
Disabilities Network of Eastern Connecticut	\$550,000	\$716,235	\$1,266,235	22.6%
Independence Northwest	\$550,000	\$511,509	\$1,061,509	19.0%
Independence Unlimited	\$550,000	\$655,645	\$1,205,645	21.6%

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In order to use the results of the formula, each region would receive the calculated percentage of total state funding or the suggested funding, depending on the amount of funding available.

A more detailed description of each index and the funding formula is provided below, for more complete details on each index please see the funding formula report prepared for the Indiana Council on Independent Living (Indiana Business Research Center, 2009). Please see the following link: [http://icoil.org/documents/082009/ICOIL\\_Formula\\_Funding\\_-\\_FULL\\_REPORT\\_.pdf](http://icoil.org/documents/082009/ICOIL_Formula_Funding_-_FULL_REPORT_.pdf)

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**Formula Indices**

The formula is based upon three indices. The following describes in more detail each of these indices.

*Service Index*

The Service index score is based upon the estimated population of persons with a disability, 18 and older, for each county for the year 2016. The estimated populations are based upon the 5-year American Community Survey for 2014, Table B18101. This table contained both total population counts and counts of persons with a disability. These estimates are further adjusted to account for population increase over 2015 and 2016 using the average yearly increase of 0.011%, as provided by US Census Bureau estimates for the State of Connecticut. The service index score is based upon specified population ranges as provided by the Indiana funding formula. The population ranges and corresponding service index score is provided in the table below:

<b>Estimated Number of Disabled</b>	<b>Service Index Score</b>
0-999	100
1,000-4,999	200
5,000-9,999	300
10,000-14,999	400
15,000-39,999	500
40,000-69,999	600
70,000-99,999	700
100,000-149,999	800
150,000-199,999	900
200,000+	1000

The range of service index scores for the counties was 400-700, with an average score of 537.5.

*Worker Disability Index*

The Worker Disability Index Score is based upon the ratio of the county’s population percentage with a work disability to the state’s population percentage with a work disability. The percentage of the population with a work disability is obtained from the 5-year American Community Survey for 2014, utilizing those with a disability between the ages of 18 and 64. The final score is obtained by multiplying the ratio by 100. Thus, if the county’s disability percentage were equal to the state’s then they would have a score of 100, if they had a lower rate then the score would drop below 100, and if it were greater then it would go above 100. The range of scores for the counties was 78-135, with an average of 102.

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### *Economic Distress Index*

The economic distress index score is based upon the ratio of the county's job density as compared to the state's job density. Job density is calculated as the employment density (number of non-agricultural jobs per square mile) divided population density (population per square mile). The number of jobs for all industries for each county was obtained from the First Quarter estimates for 2016, from the US Bureau of Labor Statistics,

[http://data.bls.gov/cew/apps/table\\_maker/v4/table\\_maker.htm#type=2&st=09&year=2016&qtr=1&own=0&ind=10&supp=0](http://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm#type=2&st=09&year=2016&qtr=1&own=0&ind=10&supp=0)

Where the number of agricultural jobs was also obtained for the first quarter of 2016 from the US Bureau of Labor Statistics,

[http://data.bls.gov/cew/apps/table\\_maker/v4/table\\_maker.htm#type=2&st=09&year=2016&qtr=1&own=5&ind=11&supp=0](http://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm#type=2&st=09&year=2016&qtr=1&own=5&ind=11&supp=0)

In order to get the total number of non-agricultural jobs, the agricultural job count is subtracted from the all-inclusive job count. The job density is then computed as the total number of agricultural jobs divided by the land area for the county and state. The final score is calculated as the ratio of the county job density to the state, multiplied by 100. Thus, if the county's job density is the same as the state's then they get a score of 100, a score above 100 implies a higher job density than the state, and below 100 implies a lower job density for the county as compared the state. The range of the final scores was 79-182, with an average of 120.

### **Funding Formula**

The final funding recommended to provide the five core IL services is based upon the average of the three index scores for each county. The final percentage of funding for each CIL can be computed solely by the average of the funding formula scores, but for reference purposes the estimated funding need for 2016 is also computed. Multiplying the average score by \$1000 provides the estimated funding for each county. This value is then adjusted for inflation from the year 2000 until 2016, roughly 40.3%, where the \$1000 is assumed to be in year 2000 dollars like the original Indiana funding formula. This provides an estimated total state funding of \$5.6 million with \$2,750,000 coming from the \$550,000 base funding for each center and \$2,840,831 being the amount estimated to provide the five core services under the funding allocation formula. The funding for the regions, both estimated 2016 funding and percentage of funding, is computed as the sum of all counties served by the CIL region. The excel workbook provides the estimated 2016 funding for each CIL region and by county.

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## Use of Funding Formula

***Strategic thinking about the IL system from a statewide perspective is now possible.*** For the first time, State Independent Living Councils (SILCs), Designated State Entities (DSEs) and state independent living center associations now have a ***data-driven*** way to look at the distribution of people with disabilities in their state. They can more easily determine where Independent Living Centers and branch offices could be placed. With the creation of an economic-based funding formula, that is, a funding formula that looks at objective numbers rather than social services based criteria; advocates can present a picture of a statewide IL services system and its cost. They can demonstrate whether the system is under-funded and which areas are un- or under-funded. The SILC, ILCs, DSE and consumers can now work together with objective data to develop catchment areas that meet the needs of the state. Finally, a funding formula that gives each ILC a set percentage of funding raises the possibility of better collaboration on advocacy to increase the total state funding level for IL services. Here are a few ways to use the data:

### 1. Catchment area issues

The funding formula demonstrates the current catchment area or service region for each ILC in the state. It shows information on number of people potentially to be served and the amount it might take to do that on a county-by-county basis. Being able to see the number of people with disabilities and the dollar amount needed to serve by county can be very helpful in determining catchment area or regional services area sizes. Such a picture can make it easier to determine the location of new Centers and/or branch offices for existing Centers. Each state will want to set its criteria on the number of consumers that can be served, in how large of an area and how much of a budget, on average, for the catchment areas.

With the existing service areas pictured on a map, planners can easily see if areas are too big or have too many people to serve efficiently and effectively. While Title VII C funded counties cannot be moved around, moving around state or other funded counties could be discussed and agreed upon among the Center directors and their boards. Inequities in funding and service territory can be more easily addressed in a non-emotional or more objective manner based on the formula numbers. States that have unserved counties can strategically develop their new catchment areas in advance of funding availability.

In terms of catchment areas or service regions, we recommend two things. First, that the service regions be based on counties for ease of getting accurate numbers. Alternatively, a percentage of the county could be used if Centers share a county, but everyone must agree on that percentage. Or, if a county is to be split, then consider using zip codes. Census tracts could be used but it will require centers to identify what tracts their consumers live in which adds to the burden of collecting more demographic information.

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Next, the way that this formula balances larger population versus rural space is through landmass and job density. This can limit the funding amount for a Center who only covers one or two counties. Counties that have lots of population will typically have lots of jobs (a measure of poverty). These counties will most likely have other disability service providers available to share the provision of services. As a result, highly populated areas' funding level will decrease a bit.

In other words, rural centers may have to provide services that urban centers would refer out to other providers in their community. This is how balance is achieved between lots of consumers versus many square miles to travel. If the goal is to have more equity in funding across the Centers, the catchment or service areas may need to be adjusted. The funding formula gives you the information to make such adjustments.

## **2. Demonstrating need**

One of the advantages of this formula is that it shows how much money will be needed to serve the entire population of people with disabilities within the age range you select. In other states, the age ranges has been 18 and up to allow for the many seniors that CILs serve.

Having a data driven plan that demonstrates how IL services will be provided across the state and a budget detailing where dollars will flow should help policy makers understand your goals. Advocacy at the state and county levels should be more effective with complete and better objective data. Comparing the statewide funding that is currently available to what is needed will objectively demonstrate unmet need. For example, in Colorado, during the availability of ARRA funding, we were able to show the Rehabilitation Services Administration (RSA) that the IL system was funded at less than a quarter of what it needed. RSA then agreed with the SILC that a new center was not possible at this time.

Another way of examining need is to look at who is getting services currently. The map of the existing IL system can show planners where there are large populations of people with disabilities living. Comparing the number of people served in each county through the "704" report with the consumer population of that county can provide an assessment of whether areas are getting a fair proportion of IL services. This is another data driven argument that can be used to increase state or local funding.

There are several ways to demonstrate need using this data but this explanation gets you started. Another source of information on need can be had through the National Disability Stats Center, funded by the National Institute on Disability Rehabilitation Research. They will provide a FREE comprehensive study of the demographics of your state's disability population on several levels-statewide, by county and by ILC catchment or service region. This information is based on the 2010 Census and the most recent American Community Survey. A state-specific report from the National Disability Stats Center will give you the most frequent disability types in an area, ethnic and age breakout and other information. A



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detailed demographic description of consumers by state and catchment area will add valuable details about need to the formula information. This information is also very helpful to Centers who are writing grants for funding and SILCs who want to better understand their statewide constituency.

To start the process of getting a state specific demographic report, contact Andrew Houtenville, senior research director ([Andrew.houtenville@unh.edu](mailto:Andrew.houtenville@unh.edu)).

### **3. Funding**

Perhaps most importantly, this formula determines a county-by- county and service area-by-service area funding level for serving people with disabilities in that area. The dollar amount can be translated to a percentage of the total state IL funding amount. For example if a state needs \$10 million to provide independent living services to its residents with disabilities between the ages of 18-64 and there are 8 catchment or service areas, each area will have a percentage of that \$10 million. The percentage is based on the formula and most likely will be different for each area.

No one expects that the entire amount to fund a state IL system will become immediately available. This is a funding target to work toward with federal, state and county policy makers. As new money becomes available (Part B, state funds or other dollars that the SILC and DSE might agree upon) each Center will know how much of the funding they are getting in advance. They will get their percentage of the state total. So, if Center Q is 15.4% of the total state funding for IL, that center will get 15.4% of any new funds. This alone could end the fighting among centers about who should get more money and unite them in advocating together to increase the total IL funding level in a state.

Planners for the state IL system will have to determine 1) what services will be funded (suggest the five core services), 2) what funds will go into the formula, and 3) whether the formula applies to new dollars or is retroactively applied. Obviously there are political considerations here. Additionally, planners will want to examine how much of the proposed funding level each center has already achieved. This could impact the priority criteria for funding that SILCs must set in their State Plan for Independent Living (SPIL). Centers closer to their targeted amount may have to wait or take less funding until other centers in the state get closer to their targeted amount.

### **Summary**

A data driven funding formula will revolutionize the discussion of funding for independent living services. For the first time, we are able to use the data that so many advocates fought hard to get collected. Finally, all of us can sit down and discuss funding, service areas and needs based on data driven information. School districts do it, county governments do it, now Statewide Independent Living Councils and their stakeholders can do it, too. We can use

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an economic formula to determine how much is needed to truly serve our consumers, just like other public service entities.

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## Conclusions

Overall this funding model appears to adequately adjust for a CIL region's service need, worker disability, and economic distress, along with inflation and the base operational funding needed for a CIL to provide the five cores IL services. Provided at the end of the report are the final count of individuals with a disability, estimated funding in 2016 dollars, and overall percentage of the estimated funding for the entire state, for each. The detailed calculations, along with formula based estimated funding is provided in the accompanied Excel workbook. The Excel workbook has 7 worksheets:

- 1) Service Index – Calculations and table entries for each county to compute the Service index Score
- 2) Worker Disability Index – Calculations and table entries for each county to compute the Worker Disability Score
- 3) Economic Distress Index - Calculations and table entries for each county to compute the Economic Distress Score
- 4) Funding Formula – Calculations and table entries to compute the allocation percentages and estimated funding, along with suggested funding in 2016 dollars.
- 5) Region Areas Funding with Counties– Provides the allocation percentages and estimated funding by region and counties, along with suggested funding in 2016 dollars.
- 6) Region Areas Funding– Provides the allocation percentages and estimated funding by CIL region.

## Funding Formula Result Tables

### Centers for Independent Living Service Regions

	Total Population	Number of Individuals with a Disability	Service Area Size (Square Miles)	Base Funding	Formula Funding	Total Funding	Total Percent State Funding for Each Region
<b>Connecticut (statewide)</b>	2,747,388	347,109	4,842	2,750,000	\$2,840,831	\$5,590,831	
<b>Region</b>							
Access Independence	603,291	64,230	537	\$550,000	\$352,473	\$902,473	16.1%
Center for Disability Rights	630,246	81,570	837	\$550,000	\$604,969	\$1,154,969	20.7%
Disabilities Network of Eastern Connecticut	317,593	45,171	1,252	\$550,000	\$716,235	\$1,266,235	22.6%
Independence Northwest	419,666	51,029	1,165	\$550,000	\$511,509	\$1,061,509	19.0%
Independence Unlimited	776,592	105,110	1,051	\$550,000	\$655,645	\$1,205,645	21.6%

### Counties

	County	% of County	Funding 2016	Population 18+ 2016	Persons with Disability Population 18+ 2016	Land Area (sq. mi) 2016
<b>Connecticut (statewide)</b>			2,840,831	2,747,388	347,109	4842.36
<b>Region</b>						
Access Independence	Fairfield County	86	\$352,473	603,291	64,230	537
Center for Disability Rights	Middlesex County	100	\$277,829	130,411	14,780	369
Center for Disability Rights	New Haven County	74	\$316,987	493,682	65,904	447
Center for Disability Rights	New London County	3	\$10,154	6,153	887	20
Disabilities Network of Eastern Connecticut	New London County	97	\$328,298	198,934	28,664	645
Disabilities Network of Eastern Connecticut	Tolland County	23	\$71,348	27,522	2,844	94
Disabilities Network of Eastern Connecticut	Windham County	100	\$316,589	91,137	13,663	513
Independence Northwest	Fairfield County	14	\$57,379	98,210	10,456	87
Independence Northwest	Litchfield County	100	\$342,755	148,000	17,418	921
Independence Northwest	New Haven County	26	\$111,374	173,456	23,155	157
Independence Unlimited	Hartford County	100	\$416,784	684,455	95,589	735
Independence Unlimited	Tolland County	77	\$238,861	92,137	9,521	316

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### **Funding Formula Results Figures**

Two figures are provided that display the number of individuals with a disability within a county and the estimated amount of funding per county (without the base amount included) needed to provide the five core independent living services.

Figure 1 – 2016 distribution of persons with disabilities among the counties within the State of Connecticut

Figure 2 – 2016 distribution of recommended funding from the formula (excludes base funding) among the counties within the State of Connecticut