

**Subpart C—Grants to Centers for Independent Living (Centers) in States in Which Federal Funding Exceeds State Funding**

**§ 366.20 When does the Secretary award grants to centers?**

The Secretary awards grants to centers in a State in a fiscal year if—

(a) The amount of Federal funds allotted to the State under section 721(c) and (d) of the Act to support the general operation of centers is greater than the amount of State funds earmarked for the same purpose, as determined pursuant to §§ 366.29 and 366.31; or

(b) The Director of a designated State unit (DSU) does not submit to the Secretary and obtain approval of an application to award grants under section 723 of the Act and § 366.32(a) and (b).

(Authority: 29 U.S.C. 796f-1 and 796f-2(a)(2))

**§ 366.21 What are the application requirements for existing eligible agencies?**

To be eligible for assistance, an eligible agency shall submit—

(a) An application at the time, in the manner, and containing the information that is required;

(b) An assurance that the eligible agency meets the requirements of § 366.2; and

(c) The assurances required by section 725(c) of the Act and subpart F of this part.

(Approved by the Office of Management and Budget under control number 1820-0018)

(Authority: 29 U.S.C. 796f-1(b))

**§ 366.22 What is the order of priorities?**

(a) In accordance with a State's allotment and to the extent funds are available, the order of priorities for allocating funds among centers within a State is as follows:

(1) Existing centers, as described in § 366.23, that comply with the standards and assurances in section 725(b) and (c) of the Act and subparts F and G of this part first receive the level of funding each center received in the previous year. However, any funds received by

an existing center to establish a new center at a different geographical location pursuant to proposed § 366.2(b)(2) are not included in determining the level of funding to the existing center in any fiscal year that the new center applies for and receives funds as a separate center.

(2) Existing centers that meet the requirements of paragraph (a)(1) of this section then receive a cost-of-living increase in accordance with procedures consistent with section 721(c)(3) of the Act.

(3) New centers, as described in § 366.2(b), that comply with the standards and assurances in section 725(b) and (c) of the Act and subparts F and G of this part.

(b) If, after meeting the priorities in paragraphs (a)(1) and (2) of this section, there are insufficient funds under the State's allotment under section 721(c) and (d) of the Act to fund a new center under paragraph (a)(3) of this section, the Secretary may—

(1) Use the excess funds in the State to assist existing centers consistent with the State plan; or

(2) Reallot these funds in accordance with section 721(d) of the Act.

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(Authority: 29 U.S.C. 711(c) and 796f-1(e))

**§ 366.23 What grants must be made to existing eligible agencies?**

(a) In accordance with the order of priorities established in § 366.22, an eligible agency may receive a grant if the eligible agency demonstrates in its application that it—

(1) Meets the requirements in § 366.21 or § 366.24;

(2) Is receiving funds under part C of title VII of the Act on September 30, 1993; and

(3) Is in compliance with the program and fiscal standards and assurances in section 725(b) and (c) of the Act and subparts F and G of this part. (The indicators of minimum compliance in subpart G of this part are used to determine compliance with the evaluation standards in section 725(b) of the Act.)

(b) For purposes of this section, an eligible agency is receiving funds under