

March 27, 2026

Senator Caroline Menjivar
Chair, Senate Budget Subcommittee #3 on Health and Human Services

Assemblymember Dr. Corey A. Jackson
Chair, Assembly Committee on Budget, Subcommittee #2 on Human Services

RE: Department of Developmental Services (4300) – Proposed Trailer Bill Language

Honorable Senator Menjivar and Assemblymember Dr. Jackson:

California’s regional centers are a network of 21 community-based non-profits, represented by the Association of Regional Center Agencies (ARCA). The regional centers coordinate services for, and advocate on behalf of, nearly 500,000 Californians with intellectual and developmental disabilities (IDD). We thank you for this opportunity to comment on the Governor’s proposed Budget for FY 2026-27 for the Department of Developmental Services (DDS).

ARCA appreciates that the construction of a state Budget and all its fiscal and policy provisions is no small task in the easiest of circumstances. Each year, there are many moving pieces that must come together into a comprehensive package that lays out a cohesive plan for state spending for the coming fiscal year. These are by no means the easiest circumstances or times. With fewer federal resources available and stricter rules regarding their expenditure, California must pivot and respond to those changes that have ripple effects across all state programs. Additionally, major reforms that are underway in the developmental services field include rate reform, IT infrastructure, employment for individuals served by regional centers, and best positioning the system to enhance its effectiveness as it continues to grow.

The volume of proposed Trailer Bill Language specific to DDS speaks to these complexities. ARCA appreciates the opportunity to share its perspective and those of its member regional centers on various pieces that have been introduced.

1. Rate Reform/Quality Incentive Program Contract Exemption

ARCA supports this proposal as it would permit DDS to continue its contract with Burns and Associates at its discretion for ongoing rate model implementation work, which promotes efficiency and consistency.

2. Life Outcomes Improvement System

ARCA appreciates the continued investment in modernizing regional centers’ information technology systems, which will provide significant benefits to California’s developmental services system and those it supports. ARCA appreciates its productive conversations with DDS related to the proposed language including greater allowance for adjusting existing systems to meet emerging needs and the inclusion of

user acceptance testing for the new software system before implementation to minimize workflow interruption during implementation.

3. Remote Services

The pandemic period accelerated the pace of change in the delivery of developmental services nationwide. Prior to this time, California's services were provided almost exclusively in-person, most times on a fixed schedule. Very quickly beginning in March 2020, the state authorized the provision of services remotely and individuals served by regional centers, their families, service providers, and regional centers pivoted and innovated. Remote access to services in a variety of areas, including day programs, independent living services, and supported employment have continued since the pandemic under DDS's directive authority.

Many individuals have expressed appreciation for this service option, particularly to meet their service needs in case of illness, other emergency, or because they live in geographically dispersed communities. Some individuals and their families have expressed a preference for more in-person options instead. Given limited insight into the volume of remote services being provided, ARCA recommends the proposed WIC §4648(a)(3)(B)(iii) be amended as follows:

(iii) Following consultation with stakeholders, no later than December 31, 2027, notwithstanding ~~Notwithstanding~~ the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department ~~shall may~~ implement, interpret, or make specific the provisions of this subparagraph by means of written directives or similar instructions on topics that include but are not limited to service provider reporting requirements regarding the volume of remote services provided and quality assurance protocols, including for documenting the individual's choice to receive remote services. These written directives or similar instructions shall be valid until regulations are adopted, which shall occur no later than October 31, 2029.

4. Regional Center Oversight /Fiscal Allocation Letter

ARCA supports the proposal to authorize DDS to make fiscal allocations to regional centers during the contract period without the involvement of the Department of General Services. This will enable DDS to be more nimble in meeting community needs when fiscal information suggests allocation adjustments, many of them between regional centers, are necessary to continue paying vendors in a timely way for the services they have been authorized to provide and have delivered.

ARCA recognizes the need for service provider capacity expansion, including in areas with fewer service provider options. Regional centers work closely with local service providers to shape their services. Regional center staff also carry out critical quality assurance and quality improvement activities to support effective service provision. Given this, ARCA recommends the following amendment to the proposed language in Welfare and Institutions Code (WIC) §4435.1 (e)(2) as well as the striking the language in proposed Section 11 related to the physical location of service providers:

(2) No later than March 1, 2028, in consultation with stakeholders, the department shall ~~end the practice and processes known as courtesy vendorization~~ streamline the vendorization process with the intent of removing barriers to the statewide accessibility of services, while maintaining necessary quality assurance oversight. ~~Thereafter, service providers seeking to provide services through authorizations from more than one regional center shall not be required to seek~~

~~vendorization from regional centers beyond their initially vendorizing regional center.~~ Service providers shall give preference to providing services to individuals served by the service provider's initially vendorizing regional center.

ARCA appreciates the intent to update the monetary contract amount that requires governing board approval. If adjusted for inflation over time, the \$250,000 amount first introduced in 2011 would now be approximately \$363,000. Overall regional center budgets have risen faster than the rate of inflation, so this update also ensures regional center boards are focused on the most impactful contracts regional centers enter into in the course of conducting business.

Volunteer regional center boards fulfill a variety of critical functions, including contracting with DDS for operation of the regional center and providing a forum for community members to provide input and help shape local service delivery. Balancing governing board membership and qualifications requires careful consideration in order to support effective governance of local regional centers while maintaining the active leadership of those served by regional centers and their families, which is central to the Lanterman Act.

Statute requires board membership that reflects the ethnic, racial, geographic, and disabilities of the community they serve. Compliance measures include the expectation that racial and ethnic composition among board members be within 6 percentage points of each group's overall community representation as measured by the annual American Community Survey. Regional center board development or nominating committees are charged with identifying and advancing potential members for board consideration who collectively promote compliance with these complex expectations.

Vendor advisory committee representative board members are distinct in that they represent their peers on the governing board but are inherently limited in their voting role and cannot serve as officers. Given these distinctions, they should be considered differently and not included in either the proposed count of board members nor in the required demographic matching between the board and the community.

ARCA believes regional centers and those they serve deserve strong, well-trained, well-qualified board members who receive robust feedback from self-advocates, family members, service providers, system partners, and the community at large. This is one of the reasons that as an organization we have devoted significant time in our annual in-person trainings for regional center board members.

ARCA strongly supports the requirement that all regional center boards have the benefit of an advisory group of self-advocates supported by the center. It is important to center the work and the decisions being made in the needs and perspectives of those the regional center was designed to support, and these advisory committees one important way to gather needed feedback and ideas.

To the greatest extent possible, barriers to board membership should be limited, including artificial shortening of the board terms of committed members, overly stringent professional requirements, and voluminous training ahead of joining the governing board.

ARCA's suggested comprehensive amendments to the proposed modifications to WIC §4622 are as follows:

4622. The state shall contract only with ~~agencies,~~ agencies to serve as regional centers as described in Section 4620, the governing boards of which conform to all of the following ~~criteria:~~ criteria by no later than July 1, 2027:

(a) The governing board shall be composed of a minimum of 10 and no more than 15, ~~exclusive of the advisory committee representative referenced in subsection (i).~~ individuals with demonstrated interest in, or knowledge of, developmental disabilities. ~~Any existing member of the governing board as of June 30, 2027 in excess of the 15 member limit shall be permitted to complete their current term.~~

(b) ~~The membership of the governing board shall include persons with legal, management or board governance, financial, and developmental disability program expertise. Board governance expertise may not be acquired solely by serving on a regional center board. The governing board of the regional center shall include members with financial expertise and members with management or board governance expertise by August 15, 2020.~~ (e)

(b) The membership of the governing board shall include representatives of the various categories of disability to be served by the regional center. ~~possess expertise in all of the following topics:~~

(1) Legal, as evidenced by at least two years of experience in the practice of law, ~~legal services, regulatory or healthcare compliance, or other similar profession.~~

(2) Management, as evidenced by at least two years of management experience managing subordinate supervisors.

(3) Board governance, as evidenced by at least one year of experience serving on the board of an entity that is not a regional center or its parent organization.

(4) Fiscal or financial, as evidence by at least two years of paid work experience in fiscal or financial subjects.

(5) Developmental disability programs, as evidenced by at least one year of paid or unpaid policy advocacy work at the municipal, county, or state level, or at least three years of service or program administration, beyond personal or family lived experience with a developmental disability.

(d)

(c) The governing board, ~~exclusive of the advisory committee representative referenced in subsection (i).~~ shall reflect the ~~geographic~~ geographic, disability, and ethnic characteristics of the area ~~to be~~ served by the regional center.

(e) ~~A minimum of 50 percent of the members of the governing board shall be persons with developmental disabilities or their parents or legal guardians. No less than 25 percent of the members of the governing board shall be persons with developmental disabilities.~~

(d) ~~The~~ A minimum of 50 percent of the members of the governing board shall ~~be encourage~~ persons with intellectual or developmental disabilities and their parents, legal guardians, or family members. ~~No less than 25 percent of the members~~

of the governing board shall be persons with intellectual or developmental disabilities to become members of the governing board and its committees.

~~(f)~~

(e) Members of the governing board shall not be permitted to serve more than seven years within each eight-year period.

~~(g) (1) The regional center shall provide necessary training and support to these board members to facilitate their understanding and participation, including issues relating to linguistic and cultural competency.~~

(f) (1) All members of the governing board, prior to within twelve months of assuming their role and annually thereafter to maintain their role, shall complete trainings provided by or approved by the department. Training topics shall include, but are not limited to, the following topics:

(A) Board management and operations, including the following:

(i) Mission.

(ii) Bylaws.

(iii) Organization structure.

(iv) Roles and responsibilities.

(v) Policies.

(vi) Fiduciary responsibilities.

(vii) Conflicts of interest.

(viii) Robert's Rules of Order or other boardsmanship rules.

(B) Ethics.

(C) Regional center contract requirements.

(D) Legal requirements for open meetings, catchment description, and demographics.

(E) Overviews of the programs and services under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500)) and early start program under Title 14 (commencing with Section 95000) of the Government Code.

(2) The annual training required by paragraph (1) may be shorter than the initial training, as determined by the department following consultation with regional centers.

~~(2)~~

(3) Governing board members who do not meet the training requirements specified in paragraphs (1) and (2) shall be suspended from participation in the governing board until such time as they complete the required training.

~~(3)~~(4) As part of its monitoring responsibility, the department shall review and approve the method by which the training and support are provided to board members to ensure verify that it enables maximum understanding and participation by board members.

~~(3) Each regional center shall post on its internet website information regarding the training and support provided to board members.~~

(g) Whenever possible, materials and information provided to board members shall be in plain language so that a member of the community with no prior experience serving on a public or charitable board of directors can understand their responsibilities and exercise appropriate oversight as board members of the regional center.

(h) The governing board ~~may~~ shall appoint a consumers' advisory committee composed of persons with developmental disabilities representing the various categories of disability served by the regional center. ~~The committee shall designate two of its members to serve on the governing board as full voting members.~~

(i) (1) The governing board shall annually review the performance of the director of the regional center.

(2) The governing board shall review the performance of the regional center executive director on an annual basis on metrics that include, but are not limited to, the following:

(A) The regional center's compliance with contract objectives.

(B) Compliance with required audits.

(C) Clean annual independent fiscal audit with no significant material findings.

~~(2)~~

(3) The governing board shall also annually review the performance of the regional center in providing services that are linguistically and culturally appropriate and may provide recommendations to the executive director of the regional center based on the results of that review.

(k) No member of the board who is an employee or member of the governing board of a provider from which the regional center purchases client services shall do any of the following:

(1) Serve as an officer of the board.

(2) Vote on any fiscal matter affecting the purchase of services from any regional center provider.

(3) Vote on any issue other than as described in paragraph (2), in which the member has a financial interest, as defined in Section 87103 of the Government Code, and determined by the regional center board. The member shall provide a list of the member's financial interests, as defined in Section 87103, to the regional center board.

~~Nothing~~

(l) Nothing in this section shall prevent the appointment to a regional center governing board of a person who meets the criteria for more than one of the categories listed above.



Given the size and complexity of regional centers and the significant fiduciary responsibilities of their boards, providing board members with appropriate legal support to carry out their roles is appropriate. Given this is a new fiscal pull on regional center operations that are already stretched thin, this is an item that will require dedicated funding to implement. ARCA recommends the proposed WIC §4625.6 be amended as follows for the sake of clarity:

- 4625.6. (a) ~~To Subject to a specific appropriation for this purpose, ensure compliance with applicable laws and regulations, and to assist with governance and organizational structure,~~ the governing board of the regional center shall retain ~~or employ~~ an attorney by no later than July 1, 2027, to provide general legal advice and counsel on board governance and the scope of board duties. The attorney shall have at least five years of legal experience in representing a private or nonprofit public benefit corporation, government agency, or other public entity.
- (b) To ensure the delivery of independent legal advice, an attorney retained ~~or employed~~ by the governing board of the regional center shall not be an employee of the regional center.
- (c) The board's attorney shall be present at all regional center board meetings and executive committee meetings where final ~~decisions are made~~ action is taken.
- (d) To permit adequate time for recruitment of an appropriately qualified attorney as described in subdivision (a), in the event of a vacancy in this area of not more than six months, the governing board and its executive committee shall be permitted to take final action in the absence of a retained attorney.

5. Federal Access Rule

ARCA appreciates the need to update California's processes in this area to align with new federal expectations. ARCA would support this proposal if both the implementation date were extended to February 1, 2027 to allow greater time for regional center staff and community training and if fiscal resources needed to carry out regional centers' new responsibilities in implementing the outlined grievance procedures are included in the final FY 2026-27 Budget.

6. Employment Access Alignment

ARCA supports the concept of better alignment of employment support services across departments. ARCA also supports the removal of the barrier for national certification for employment providers, which yields little benefit to those served. It should be noted, however, that additional workload related to establishing employment providers meet alternative standards will fall to regional centers, and there is no proposed funding to support that function.

7. Regional Center Supported Living Services 40-Hour Work Week

ARCA supports the concept of maintaining current practice and allowing workers in Supported Living Services to receive overtime compensation when they work in excess of 40 hours per week. This has been long-standing policy that has the potential to be upended by federal rulemaking and threatens to decrease these workers' overall wages, which threatens the stability of service delivery for those served by regional centers.

While there may be differing perspectives about how best to achieve the aims of the Lanterman Act, these policy discussions are important and impact the lives, goals, services, and supports of so many. ARCA looks

forward to continuing conversations with people served, their family members, the Legislature, the Administration, and community organizations in the coming months about these impactful issues.

Sincerely,

/s/

Amy Westling

Executive Director

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