

Assembly Bill No. 143

CHAPTER 12

An act to amend Sections 4511.1, 4519.10, 4581, 4620.3, 4620.4, 4648, 4685.8, 4688.21, 4851, 4857.1, 4860, 4861, and 4870 of, to add Section 4580.5 to, and to repeal Section 4784 of, the Welfare and Institutions Code, relating to developmental services, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2025. Filed with Secretary of State June 27, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 143, Committee on Budget. Developmental services.

(1) Existing law, the Lanterman Developmental Disabilities Services Act, requires the State Department of Developmental Services to contract with regional centers for the provision of services and supports for persons with developmental disabilities and their families. Under existing law, the services and supports are contained in an individual program plan (IPP), as specified.

Existing law requires the department to implement a statewide Self-Determination Program, available in every regional center catchment area to provide participants and their families, within an individual budget, with increased flexibility and choice, and greater control over decisions, resources, and needed and desired services and supports to implement their IPP. Existing law prescribes the process for allocating funds to, and within, the participant's individual budget.

This bill would make various changes to the Self-Determination Program, including, among others, establishing the participants' individual budget generally based on the services authorized instead of being based on purchase of service expenditures, requiring a regional center to certify that participants' spending plans satisfy certain criteria, and requiring the department to establish statewide standardized processes and procedures for the program, with community input, no later than March 1, 2027.

(2) Under existing law, contracts between the department and regional centers require regional centers to maintain specified service coordinator-to-consumer ratios and have expertise in certain topics in order to serve consumers. Existing law requires the department, through contracts, to require regional centers to implement implicit bias training, as specified. Existing law authorizes the training to be procured by the department or by a regional center that has obtained prior approval by the department.

This bill would make the departmental training requirements subject to an appropriation by the Legislature for that purpose. The bill would also state the intent of the Legislature that regional centers continue to implement

the implicit bias training to the extent they are able to, in the absence of a state appropriation.

(3) Existing law required the department, between April 1, 2022, and January 1, 2025, to incrementally implement rate reform to increase rates paid to developmental service providers. Existing law requires, in conjunction with the rate reform, the department to implement a quality incentive program that includes the development of a quality incentive payment structure for providers meeting quality measures or benchmarks, or both.

This bill would require, beginning in the 2026–27 fiscal year, a provider to be compliant with electronic visit verification, home- and community-based services rules, and applicable annual fiscal reviews and audit requirements as a condition of eligibility for the quality incentive program.

Existing law requires the department to implement a hold harmless policy, as specified, for providers whose rates exceed rate model recommendations, to freeze a provider's existing rates until June 30, 2026, and to subsequently adjust the provider's rates to equal the rates for other providers in the provider's service category and region. Existing law requires the department, beginning January 1, 2025, to implement a similar hold harmless policy for providers whose rates in effect on January 1, 2023, exceed 90% of the rate model.

This bill would shift the expiration date of the rate freezes to February 28, 2026.

Existing law requires that regional centers receive specialized funding allocations to facilitate applications for payments authorized to protect the health and safety of consumers, as specified, for non-English-speaking individuals served.

This bill would make that requirement subject to an appropriation by the Legislature.

(4) Existing law requires the department to assess a monthly fee to parents of children under 18 years of age who are receiving 24-hour out-of-home care services through a regional center or who are residents of a state hospital when the family's gross income is above 200% of the federal poverty level, as specified.

This bill would repeal those provisions relating to the monthly parental fee. The bill would also make technical, conforming changes.

(5) Existing law requires a regional center consumer to be referred to a provider of habilitation services if they are determined to be in need of habilitation services, among other factors. Existing law authorizes a regional center to vendor a new work activity or supported employment program after determining the capacity of the program to deliver effective services and assessing the ability of the program to comply with the requirements of CARF, the Rehabilitation Accreditation Commission, as defined. Existing law also defines additional terms relating to habilitation services, including group services to mean job coaching in a group supported employment placement at a job coach-to-consumer ratio of not less than 1 to 3 nor more

than 1 to 8 where services to a minimum of 3 consumers are funded by specified entities.

This bill would update the definition of CARF to mean the Commission on Accreditation of Rehabilitation Facilities. The bill would also update the definition of group service to include a coach-to-consumer ratio of not less than 1 to 2 instead of 1 to 3 and would also instead require a minimum of 2 consumers to be funded by specified entities.

Existing law authorizes regional centers to purchase habilitation services only from providers who are accredited community nonprofit agencies that provide work activity services or supported employment services, or both, and that have been vendored according to the provisions listed above.

This bill would remove the requirement that the providers be accredited community nonprofit agencies that provide work activity services or supported employment services, or both.

Existing law sets the hourly rate for supported employment services provided to consumers receiving individualized services and for group services at \$36.57 and requires job coaching hours for group services to be allocated on a prorated basis between a regional center and the Department of Rehabilitation when consumers are served in the same group. Existing law also requires that a new work activity program receive the statewide average rate, as determined by the department.

This bill would remove the hourly rate for both supported employment services and group services and would instead require the department to set a rate and post the rate to its internet website. The bill would also remove the requirements that job coaching hours for group services be allocated on a prorated basis and that a new work activity program receive the statewide average rate, and would instead require that the program receive the rate posted on the department's internet website.

(6) Existing law authorizes a consumer to choose a tailored day service or vouchered community-based training service, in lieu of, or in conjunction with, any other regional center vendored day program, look-alike day program, supported employment program, or work activity program. Existing law requires the hourly rate for the tailored day service option to be calculated in a specified manner. Existing law requires that hourly rate to remain in effect pending the department's review, as specified, and requires the review to be completed by June 30, 2024.

This bill would end use of the above-described calculation methodologies on June 30, 2025, and, commencing on July 1, 2025, would require the hourly rate for the tailored day service option for vendored programs to be set by the department and posted on its internet website.

(7) Existing law requires the Secretary of California Health and Human Services, in coordination with the department, to lead the development and implementation of the Master Plan for Developmental Services for the state. Existing law requires the secretary to solicit input through the Master Plan for Developmental Services Committee and submit to the Governor and the Legislature an initial report summarizing the recommended components of the master plan, as specified. Existing law requires the secretary and the

Director of Developmental Services to work with other state agencies, as necessary, to identify policies, efficiencies, and strategies necessary to implement the master plan. Existing law requires the secretary to annually submit master plan implementation updates to the Governor and the Legislature, as specified.

This bill would require the Master Plan for Developmental Services Committee to meet at least 2 times each year, as specified, and would set forth the information to be included in the initial report and recommendation updates, including, among other things, a narrative summary of the master plan committee meetings.

(8) This bill would appropriate \$2,789,000 from the General Fund to the State Department of Developmental Services for project planning activities at regional centers associated with the Life Outcomes Improvement System. Under the bill, these funds would be available for encumbrance or expenditure through June 30, 2026.

(9) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 4511.1 of the Welfare and Institutions Code is amended to read:

4511.1. (a) The Legislature finds and declares the following:

(1) Supporting service access and equity for persons with developmental disabilities and their families requires awareness, skill development, and training for regional center personnel.

(2) Ongoing implicit bias training enhances service access and equity in the developmental disabilities system.

(b) The department shall require regional centers to implement implicit bias training through its contracts pursuant to Section 4640.6 and shall establish course content and training frequency requirements for that training.

(c) All the regional center personnel shall comply with the implicit bias training requirements of paragraph (9) of subdivision (g) of Section 4640.6 and this section. This section shall additionally apply to regional center contractors involved in intake and assessment and eligibility determinations. The department shall specify the timelines by which training must be completed. Training shall be prioritized for regional center employees and contractors who are involved in eligibility determination or directly assist individuals and their families, or both, during the regional center intake and assessment processes, service coordination, and regional center employees who are involved in developing and implementing purchase of service policies and other policies, guidelines, instructions, or training materials utilized by regional centers when determining the service needs of consumers.

(d) The training described by this section may be procured either by the department or by a regional center that has obtained prior approval by the department. Each regional center and its contractors shall retain the training record of employees in their respective personnel files. Regional centers shall annually inform the department of the percentage of its contractors and regional center personnel, identified by job classification, who successfully have completed the training. A list and description of trainings procured by the department, or a regional center with approval by the department, shall be posted on the department's internet website.

(e) The department or regional center shall make reasonable efforts to procure training that considers all of the following:

(1) Trainers who are representative of the diversity of persons served by regional centers.

(2) Academic training in implicit bias or experience educating public benefit programs about implicit bias and its effects on people accessing and interacting with public benefit programs.

(3) The impact of implicit bias, explicit bias, and systemic bias on public benefit programs and the effect this can have on individuals seeking eligibility for and services through public benefit programs.

(4) Actionable steps trainees can take to recognize and address their own implicit biases.

(f) The training provided by the department and required by this section shall only be implemented subject to an appropriation by the Legislature for those purposes. It is the intent of the Legislature that regional centers continue to implement implicit bias training to the extent they are able to, in the absence of a state appropriation.

SEC. 2. Section 4519.10 of the Welfare and Institutions Code is amended to read:

4519.10. (a) The Legislature finds and declares all of the following:

(1) The current service provider rate structure in the system administered by the State Department of Developmental Services lacks transparency, remains complex, is not tied to person-centered outcomes, and varies across providers who provide the same service in the same region.

(2) In 2016, the Legislature funded a rate study to address the sustainability, quality, and transparency of community-based services for individuals with developmental disabilities.

(3) The department, with the help of a consultant, completed the rate study in 2019 and subsequently submitted the study's findings and recommendations to the Legislature. Among other things, the study recommended all of the following:

(A) Within each service category, rate models that include components that may be regularly updated.

(B) Regional differentials to account for regional variance in the cost of living and doing business.

(C) Enhanced rates for services delivered in other languages, including American Sign Language.

(D) An optional add-on for direct service professional levels and wage differentials based on training and demonstrated competency.

(E) The consolidation of certain service codes.

(4) The rate study's fiscal impact analysis indicated that full implementation of these rate models would cost an additional one billion one hundred million dollars (\$1,100,000,000) from the General Fund, or one billion eight hundred million dollars (\$1,800,000,000) of total funds, in the 2019–20 fiscal year.

(5) The recommendations from the rate study and the associated rate models have not been implemented, even as rate study findings informed supplemental rate increases for many service categories in the 2019–20 fiscal year and three additional service categories in the 2020–21 fiscal year.

(6) For Medi-Cal eligible consumers, the department receives federal Medicaid reimbursements to support home- and community-based services provided to those consumers.

(7) Direct service professionals employed by service providers are critical to the quality and provision of services and supports to individuals with intellectual and developmental disabilities.

(8) A prevailing need and challenge within the developmental services system is moving from a compliance-based system to an outcomes-based system. Outcome measures must reinforce the system's core values of meeting individual needs based on person-centered planning. The implementation of rates, pursuant to this section, should support this person-centered transformation through consideration of incentive payments, alternative payment models, alternative service delivery, lessons learned from the COVID-19 pandemic period, person-centered and culturally and linguistically sensitive and competent approaches, training of direct service professionals, compliance with the federal home- and community-based services rule set to take effect on March 17, 2023, and methods for assessing and reporting outcomes.

(9) To improve consumer outcomes and experiences and measure overall system performance, four goals should guide rate reform:

(A) Consumer experience.

(B) Equity.

(C) Quality and outcomes.

(D) System efficiencies.

(b) Therefore, it is the intent of the Legislature to phase in funding and policies beginning in the 2021–22 fiscal year to implement rate reform, which shall include a quality incentive program, create an enhanced person-centered, outcomes-based system, and complete this transformation by July 1, 2025.

(c) (1) (A) Commencing April 1, 2022, the department shall implement a rate increase for service providers that equals one-quarter of the difference between current rates and the fully funded rate model for each provider.

(B) Commencing January 1, 2023, and continuing through December 31, 2024, the department shall adjust rates to equal one-half of the difference between rates in effect March 31, 2022, and the fully funded rate model for

each provider, and additional funding shall be available for the quality incentive program described in subdivision (e).

(i) Notwithstanding any other law or regulation, it is the intent of the Legislature that the majority of the rate increase described in this subparagraph for the 2022–23 fiscal year be used for the purpose of enhancing wages and benefits for staff who spend a minimum of 75 percent of their time providing direct services to consumers.

(ii) Commencing January 1, 2023, a provider shall not spend a smaller percentage of the rate increase on direct care staff wages and benefit costs than the corresponding percentage included for direct care staff wages and benefit costs in the rate models for each specific service.

(iii) A provider granted a rate increase pursuant to this section shall maintain documentation, subject to audit by the department or regional center, that the portion of the rate increase identified in this subparagraph was used to increase wages, salaries, or benefits of eligible staff members spending a minimum of 75 percent of their time providing direct services to consumers at least at the same percentage as provided in the rate models.

(iv) For the purpose of this subparagraph, “direct services” are services, supports, care, supervision, or assistance provided by staff directly to a consumer to address the consumer’s needs, as identified in the individual program plan, and includes staff’s participation in training and other activities directly related to providing services to consumers, as well as program preparation functions as defined in Section 54302 of Title 17 of the California Code of Regulations.

(v) Commencing July 1, 2023, a vendor shall be in compliance with the home- and community-based final rule, effective March 17, 2014, or implementing a corrective action plan, to be eligible for the quality incentive program described in subdivision (e).

(C) (i) Commencing January 1, 2025, the department shall implement the fully funded rate models. The fully funded rate models shall be implemented using two payment components, a base rate equaling 90 percent of the rate model, and a quality incentive payment, equaling up to 10 percent of the rate model, to be implemented through the quality incentive program described in subdivision (e).

(ii) Notwithstanding any other law, commencing July 1, 2024, the rate models shall be updated to account for the current and any subsequent changes to the statewide minimum wage, as established by Section 1182.12 of the Labor Code, or other relevant statute.

(2) (A) Effective January 1, 2025, it is the intent of the Legislature that rates be uniform within service categories and adjusted for geographic cost differentials, including differentials in wages, the cost of travel, and the cost of real estate.

(B) Providers who were not identified as requiring a rate increase in the rate study are not eligible for rate adjustments pursuant to paragraph (1).

(d) (1) Beginning in the 2021–22 fiscal year, the department shall implement a hold harmless policy for providers whose rates exceed rate model recommendations. The policy shall freeze a provider’s existing rates

until February 28, 2026, after which time the provider's rates shall be adjusted to equal the rates for other providers in the provider's service category and region.

(2) Beginning January 1, 2025, the department shall also implement a hold harmless policy for providers whose rates in effect on January 1, 2023, exceed 90 percent of the rate model. The policy shall freeze a provider's base rate at the rate in effect on January 1, 2023, until February 28, 2026, after which time the provider's base rates shall be adjusted to equal the base rates for other providers in the provider's service category and region. The provider shall be eligible for a quality incentive payment that, when added to their base rate, equals the fully funded rate model.

(3) Notwithstanding paragraphs (1) and (2), the department may adjust rates as a result of reviews or audits.

(e) In conjunction with implementing rate reform, the department shall implement a quality incentive program in order to improve consumer outcomes, service provider performance, and the quality of services.

(1) (A) The department shall, with input from stakeholders, develop quality measures or benchmarks, or both, for consumer outcomes and regional center and service provider performance. Given the time necessary to identify and develop the measures or benchmarks described in this paragraph, the department may establish quality measures or benchmarks, or both, in the initial years of the quality incentive program that focus on building capacity, developing reporting systems, gathering baseline data, and similar activities while working towards meaningful outcome measures at the individual consumer level for all services. Measures or benchmarks, or both, shall initially include process- and performance-related measures for service providers and, by the conclusion of the 2025–26 fiscal year, shall also evolve to include outcome measures at the individual consumer level. In developing the proposed measures or benchmarks, or both, the department shall do all of the following:

(i) Gather public input through regularly held public meetings that are accessible both virtually and by telephone. Public meeting agendas and meeting materials shall be posted at least three days in advance of any meeting and shared by various means, including internet website updates, focus groups, and other communication.

(ii) Provide documents, which may include, but are not limited to, updates, concept papers, interim reports, proposals, and performance and quality measures and benchmarks, and revisions to these materials, to the Legislature and post these materials on an internet website for public comment at least 30 days, as required by the Centers for Medicare and Medicaid Services, prior to submitting a request for federal funding.

(iii) Seek input from subject matter experts to understand options for outcomes-based system structures using person-centered planning and alternative payment models.

(B) (i) On or before April 1, 2022, proposed quality measures or benchmarks, or both, shall be provided to the Legislature and posted for public comment, as described in subparagraph (A). After the department

has considered public comments and modified the proposed quality measures or benchmarks, or both, as needed, the measures or benchmarks, or both, shall be finalized and implemented in the 2022–23 fiscal year.

(ii) On or before April 1 of any subsequent year in which the department proposes new or revised quality measures or benchmarks, or both, the proposed measures or benchmarks, or both, shall be provided to the Legislature and posted for public comment, as described in subparagraph (A). After the department has considered public comments and modified the proposed quality measures or benchmarks, or both, as needed, the measures or benchmarks, or both, shall be finalized and implemented in the upcoming fiscal year.

(C) Beginning in the 2024–25 fiscal year, there will be opportunity for eligible providers to earn full quality incentive payments through one or more measures.

(D) Beginning in the 2026–27 fiscal year, a provider shall be compliant with electronic visit verification, home- and community-based services rules, and applicable annual fiscal reviews and audit requirements as a condition of eligibility for the quality incentive program.

(2) (A) The department shall develop a quality incentive payment structure for providers meeting the quality measures or benchmarks, or both, developed pursuant to paragraph (1). The department shall issue written directives to define the way quality incentive payments will be made to service providers based on quality measures or benchmarks, or both, developed and implemented under this subdivision.

(B) The department shall determine each provider’s quality incentive payment percentage prior to the start of the fiscal year, with the exception of the 2024–25 fiscal year, by measuring the provider’s performance against the quality measures or benchmarks for the most recently available reporting period. The department shall provide a written communication to the fiscal and policy committees of the Legislature that reports on the total amount of quality incentive payments estimated to be paid to providers pursuant to this section. This written communication shall be made as soon as is practicable, but no later than 60 days after the quality incentive payment percentages are determined and the providers are informed of their payments.

(f) On or before March 1, 2024, the department shall provide a status update to the Legislature regarding progress toward implementing rate reform and creating an enhanced person-centered, outcomes-based system. The status update may include, but is not limited to, information about all of the following:

(1) Additional changes that may be necessary to effectively implement rate reform, including adding and amending statutes, regulations, and other departmental policies.

(2) Compliance with rules of the federal Medicaid program, including the home- and community-based services final rule effective on March 17, 2014, and state compliance consistent with the current federal guidance, including all of the following:

(A) A definition of what it means to be compliant with the rules of the federal Medicaid program.

(B) Whether there are certain service categories that are unlikely to achieve compliance due to the structure of the service, and, if so, which categories this includes.

(C) Data about the total number of providers within each service category and the estimated number of providers that have not yet achieved compliance.

(3) Program and system improvement efforts made as a result of the state's home- and community-based services additional federal funding, including the one-time investment implemented beginning in the 2021–22 state fiscal year, including a description of how the department will build on the investments.

(g) For purposes of this section, “rate model” means a rate model included in the rate study submitted to the Legislature pursuant to Section 4519.8.

(h) 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 may implement, interpret, or make specific this section by means of written directives or similar instructions until regulations are adopted, which shall occur no later than June 30, 2028.

(i) Implementation of this section is contingent upon the approval of federal funding.

SEC. 3. Section 4580.5 is added to the Welfare and Institutions Code, to read:

4580.5. (a) The Legislature finds and declares all of the following:

(1) Pursuant to Chapter 47 of the Statutes of 2024 (Assembly Bill No. 162), the Legislature established its intent that the Master Plan for Developmental Services be developed with the intent to strengthen accessibility, quality, and equity for all consumers of the developmental services system and their families, no matter their demographic groups, geographic region, or socioeconomic status.

(2) In 2024, the California Health and Human Services Agency appointed members of the Master Plan for Developmental Services Committee and held roundtable discussions in communities across the state to learn about the lived experiences of individuals with intellectual and developmental disabilities, their families, and system partners.

(3) The California Health and Human Services Agency published the Master Plan for Developmental Services on March 28, 2025. As stated by the California Health and Human Services Agency, the Master Plan for Developmental Services is a community-driven vision with recommendations intended to improve the ways that California supports people with intellectual and developmental disabilities and their families into the future. These recommendations will inform California's ongoing work to provide better developmental services and supports, improve coordination across systems, and increase the attainment of desired life outcomes among individuals with intellectual and developmental disabilities.

(4) The Master Plan for Developmental Services states that the community’s recommendations will inform several State Department of Developmental Services workgroups, including, but not limited to, the Lived Experience Advisory Group, an expanded and renamed group formerly known as the Consumer Advisory Committee, the Quality Incentive Program workgroup, the Regional Center Performance Measures workgroup, and the Quality Assurance Advisory Group.

(b) It is the intent of the Legislature that the California Health and Human Services Agency, in consultation with relevant departments and agencies across state government, provide the Legislature with information on next steps and a structure for implementation of Master Plan for Developmental Services recommendations with ongoing updates on implementation progress.

SEC. 4. Section 4581 of the Welfare and Institutions Code is amended to read:

4581. (a) The Secretary of California Health and Human Services, in coordination with the State Department of Developmental Services, shall lead the development and implementation of the Master Plan for Developmental Services referenced in Governor Gavin Newsom’s January 2024 Budget proposal and in the subsequent proclamation by the Governor that declared March 2024 as Developmental Disabilities Awareness Month.

(b) Other state entities that interact with the State Department of Developmental Services shall be included in discussions with the Master Plan for Developmental Services Committee, as applicable. These entities shall include, but not be limited to, the State Department of Health Care Services, the State Department of Social Services, the Department of Rehabilitation, the California Department of Aging, the State Department of Education, and the agencies listed in subdivision (g).

(c) The Secretary of California Health and Human Services shall solicit input through the committee, or through other means, from individuals with intellectual and developmental disabilities and their families, professionals in the developmental services field, and a broad range of subject matter experts on topics that may include, but are not limited to, regional center board accountability and transparency and the evaluation of regional centers, including performance, equity, and diversity.

(d) When the California Health and Human Services Agency convenes meetings of the master plan committee, the information and materials about the work of the master plan committee shall be posted on the California Health and Human Services Agency’s internet website in a timely manner.

(e) By March 15, 2025, the Secretary of California Health and Human Services shall submit an initial report to the Governor and the Legislature that summarizes the recommended components of the master plan resulting from the master plan committee advisory process, the community roundtable discussions, and the public comment received.

(f) The Master Plan for Developmental Services Committee shall meet at least two times each year, commencing in 2025 and ending on March 15,

2036, or when the final master plan implementation update is submitted, whichever date is later.

(g) The secretary and the director shall work with other state agencies and departments, as necessary, to identify policies, efficiencies, and strategies necessary to implement the master plan, which may include any of the following:

- (1) The California Health and Human Services Agency.
- (2) The Government Operations Agency.
- (3) The State Department of Education.
- (4) The Labor and Workforce Development Agency.
- (5) The Transportation Agency.
- (6) The Business, Consumer Services, and Housing Agency.
- (7) The Behavioral Health Services Oversight and Accountability Commission.

(8) The office of the Treasurer.

(h) The workgroup shall solicit input from stakeholders and gather information on the experiences of Californians with intellectual and developmental disabilities and their families in the implementation process of the master plan.

(i) (1) By March 15, 2026, the California Health and Human Services Agency and the department shall provide an initial report on implementation of any master plan recommendations to the Governor and the Legislature that includes all of the following information:

(A) The administration's high-level priorities for the developmental services system through the 2027–28 fiscal year in light of the broad themes identified in the master plan's recommendations.

(B) A listing of the specific master plan recommendations that the administration considers to be feasible and likely to advance as near-term priorities. For each recommendation, all of the following shall be noted:

(i) Whether the recommendation may require an appropriation of additional funding.

(ii) Whether statutory changes may be required.

(iii) The extent to which the recommendation relates to existing efforts already underway.

(C) The existing or newly created workgroups to which each of the master plan's recommendations is related. It is the intent of the Legislature to provide information for individuals served, their families, stakeholders, and the general public to more clearly track progress on implementing recommendations.

(D) Budget change proposals in the Governor's Budget for the 2026–27 fiscal year that tie to master plan recommendations.

(2) (A) Following the initial report to be submitted by March 15, 2026, the California Health and Human Services Agency and the department shall submit master plan recommendation updates to the Governor and the Legislature annually beginning March 15, 2027, through March 15, 2036, inclusive. The updates shall include, but are not limited to, identification of any statutory changes as well as additional funding requirements considered

necessary to effectively implement recommendations from the plan and identification of recommendations that have been implemented.

(B) The updates shall also include a narrative summary of the Master Plan for Developmental Services Committee meetings that will occur at least two times per year pursuant to subdivision (f), including themes identified in public comment provided at these meetings. As part of these summaries, Master Plan for Developmental Services Committee members shall have the option to submit written commentary on the degree to which progress is made on the master plan's recommendations, as well as any suggestions for ongoing implementation of master plan recommendations.

(j) For any State Department of Developmental Services budget change proposal submitted through 2035, the department shall include a narrative description of how the proposal addresses any recommendations included in the Master Plan for Developmental Services, if applicable.

(k) Any funding needed to support program enhancements proposed in the master plan is subject to an appropriation by the Legislature for those purposes.

(l) A report to be submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 5. Section 4620.3 of the Welfare and Institutions Code is amended to read:

4620.3. (a) To provide more uniformity and consistency in the administrative practices and services of regional centers throughout the state, promote appropriateness of services, maximize efficiency of funding, address the state budget deficit, ensure consistency with Lanterman Act values, maintain the entitlement to services, and improve cost-effectiveness, the department, in collaboration with stakeholders, shall develop best practices for the administrative management of regional centers and for regional centers to use when purchasing services for consumers and families.

(b) In developing regional center administrative management best practices, the department shall consider the establishment of policies and procedures to ensure prudent fiscal and program management by regional centers; effective and efficient use of public resources; consistent practices to maximize the use of federal funds; detection and prevention of fraud, waste, and abuse; and proper contracting protocols.

(c) In developing purchase of services best practices, the department shall consider eligibility for the service; duration of service necessary to meet objectives set in an individual program plan; frequency and efficacy of the service necessary to meet objectives in an individual program plan; impact on community integration; service providers' qualifications and performance; rates; parental and consumer responsibilities pursuant to Sections 4646.4, 4659, and 4677 of this code and Section 95004 of the Government Code; and self-directed service options.

(d) The department shall ensure that implementation of best practices that impact individual services and supports are made through the individual program planning process provided for in this division or an individualized family service plan pursuant to Section 95020 of the Government Code,

and that consumers and families are notified of any exceptions or exemptions to the best practices and their appeal rights established in Section 4701.

(e) Purchase of services best practices developed pursuant to this section may vary by service category and may do all of the following:

(1) Establish criteria determining the type, scope, amount, duration, location, and intensity of services and supports purchased by regional centers for consumers and their families.

(2) Modify payment rates.

(3) Reflect family and consumer responsibilities, pursuant to Sections 4646.4, 4659, and 4677 of this code and Section 95004 of the Government Code.

(f) Purchase of services best practices shall include provisions for exceptions to ensure the health and safety of the consumer or to avoid out-of-home placement or institutionalization.

(g) Best practices developed pursuant to this section shall not do either of the following:

(1) Endanger a consumer's health or safety.

(2) Compromise the state's ability to meet its commitments to the federal Centers for Medicare and Medicaid Services for participation in the Home and Community-Based Services Waiver or other federal funding of services for persons with developmental disabilities.

(h) The department shall submit the proposed best practices to the fiscal and applicable policy committees of the Legislature by no later than May 15, 2011. This submission shall include a description of the process followed to collaborate with system stakeholders; the anticipated impact of the best practices, coupled with prior reductions on consumers, families, and providers; estimated cost savings associated with each practice; and draft statutory language necessary to implement the best practices. Implementation of the best practices shall take effect only upon subsequent legislative enactment.

SEC. 6. Section 4620.4 of the Welfare and Institutions Code is amended to read:

4620.4. (a) (1) The Legislature finds and declares that more than a quarter of Californians are foreign born, and more than 10 percent of the state's population speaks English "not well" or "not at all." Access to accurate, timely, understandable, and culturally sensitive and competent information and referral services for these communities is a critical need. A review of 2018-19 purchase of service expenditures reflects the following average per capita expenditures for all age groups by ethnicity, illustrating existing disparity gaps in the developmental services system:

(A) Twenty-seven thousand nine hundred thirty-one dollars (\$27,931) for individuals who are White.

(B) Twenty-two thousand nine hundred fourteen dollars (\$22,914) for individuals who are Black or African American.

(C) Fourteen thousand eight hundred thirty-six dollars (\$14,836) for individuals who are Asian.

(D) Eleven thousand seven hundred sixty dollars (\$11,760) for individuals who are Latinx or Hispanic.

(2) Language access and culturally competent services are critical components to advance health and human services equity and improve outcomes for all Californians served under the Lanterman Act.

(b) The State Department of Developmental Services shall administer an enhanced language access and cultural competency initiative for individuals with developmental disabilities, their caregivers, and their family members. The department shall require regional centers to implement this initiative through its contracts pursuant to Section 4640.6. The primary goal is to improve quality and facilitate more consistent access to information and services.

(c) Allowable uses of the funds provided to regional centers include, but are not limited to, all of the following:

(1) Identification of vital documents and internet website content for translation, as well as points of public contact in need of oral and sign language interpretation services.

(2) Orientations and specialized group and family information sessions with ample and publicized question and answer periods, scheduled at times considered most convenient for working families and in consultation with community leaders.

(3) Regular and periodic language needs assessments to determine threshold languages for document translation.

(4) Coordination and streamlining of interpretation and translation services.

(5) Implementation of quality control measures to ensure the availability, accuracy, readability, and cultural appropriateness of translations.

(d) The use of these funds shall not supplant any existing efforts or funds for similar purposes, but are intended to augment and provide maximum additional benefit to the greatest number of persons served, their caregivers, and their families.

(e) The department shall report annually, beginning January 10, 2022, as part of the Governor's Budget and the May Revision, how these funds are being utilized and what remaining needs for language access and culturally competent services are identified by people served, the community, and regional centers as the initiative implements.

(f) Subject to an appropriation by the Legislature, regional centers shall receive specialized funding allocations to facilitate applications for payments authorized to protect the health and safety of consumers, pursuant to paragraph (1) of subdivision (a) of Section 4681.6, for non-English-speaking individuals served. Funded activities shall include specialized outreach and case management services toward identifying which individuals might have an unaddressed need for a health and safety waiver and assisting with guiding individuals through the application process to meet those needs. Regional centers shall track the number of individuals served through this effort and provide this information to the department on at least an annual basis.

SEC. 7. Section 4648 of the Welfare and Institutions Code is amended to read:

4648. In order to achieve the stated objectives of a consumer's individual program plan, the regional center shall conduct activities, including, but not limited to, all of the following:

(a) Securing needed services and supports.

(1) It is the intent of the Legislature that services and supports assist individuals with developmental disabilities to achieve the greatest self-sufficiency possible and to exercise personal choices. The regional center shall secure services and supports that meet the needs of the consumer, as determined in the consumer's individual program plan, and within the context of the individual program plan, the planning team shall give highest preference to those services and supports that would allow minors with developmental disabilities to live with their families, adult persons with developmental disabilities to live as independently as possible in the community, and that allow all consumers to interact with persons without disabilities in positive, meaningful ways.

(2) In implementing individual program plans, regional centers, through the planning team, shall first consider services and supports in natural community, home, work, and recreational settings. Services and supports shall be flexible and individually tailored to the consumer and, if appropriate, the consumer's family.

(3) A regional center may, pursuant to vendorization or a contract, purchase services or supports for a consumer from an individual or agency that the regional center and consumer or, if appropriate, the consumer's parents, legal guardian, or conservator, or authorized representatives, determines will best accomplish all or part of that consumer's program plan.

(A) Vendorization or contracting is the process for identification, selection, and utilization of service vendors or contractors, based on the qualifications and other requirements necessary in order to provide the service.

(B) A regional center may reimburse an individual or agency for services or supports provided to a regional center consumer if the individual or agency has a rate of payment for vendored or contracted services established by the department, pursuant to this division, and is providing services pursuant to an emergency vendorization or has completed the vendorization procedures or has entered into a contract with the regional center and continues to comply with the vendorization or contracting requirements. The director shall adopt regulations governing the vendorization process to be utilized by the department, regional centers, vendors, and the individual or agency requesting vendorization.

(C) Regulations shall include, but not be limited to: the vendor application process, and the basis for accepting or denying an application; the qualification and requirements for each category of services that may be provided to a regional center consumer through a vendor; requirements for emergency vendorization; procedures for termination of vendorization; and

the procedure for an individual or an agency to appeal a vendorization decision made by the department or regional center.

(D) A regional center may vendorize a licensed facility for exclusive services to persons with developmental disabilities at a capacity equal to or less than the facility's licensed capacity. A facility already licensed on January 1, 1999, shall continue to be vendorized at their full licensed capacity until the facility agrees to vendorization at a reduced capacity.

(E) Effective July 1, 2009, notwithstanding any other law or regulation, a regional center shall not newly vendor a State Department of Social Services licensed 24-hour residential care facility with a licensed capacity of 16 or more beds, unless the facility qualifies for receipt of federal funds under the Medicaid program.

(4) Notwithstanding subparagraph (B) of paragraph (3), a regional center may contract or issue a voucher for services and supports provided to a consumer or family at a cost not to exceed the maximum rate of payment for that service or support established by the department. If a rate has not been established by the department, the regional center may, for an interim period, contract for a specified service or support with, and establish a rate of payment for, a provider of the service or support necessary to implement a consumer's individual program plan. Contracts may be negotiated for a period of up to three years, with annual review and subject to the availability of funds.

(5) In order to ensure the maximum flexibility and availability of appropriate services and supports for persons with developmental disabilities, the department shall establish and maintain an equitable system of payment to providers of services and supports identified as necessary to the implementation of a consumer's individual program plan. The system of payment shall include a provision for a rate to ensure that the provider can meet the special needs of consumers and provide quality services and supports in the least restrictive setting as required by law.

(6) The regional center and the consumer, or if appropriate, the consumer's parents, legal guardian, conservator, or authorized representative, including those appointed pursuant to subdivision (a) of Section 4541, subdivision (b) of Section 4701.6, or subdivision (e) of Section 4705, shall, pursuant to the individual program plan, consider all of the following when selecting a provider of consumer services and supports:

(A) A provider's ability to deliver quality services or supports that can accomplish all or part of the consumer's individual program plan.

(B) A provider's success in achieving the objectives set forth in the individual program plan.

(C) If appropriate, the existence of licensing, accreditation, or professional certification.

(D) (i) The cost of providing services or supports of comparable quality by different providers, if available, shall be reviewed, and the least costly available provider of comparable service, including the cost of transportation, who is able to accomplish all or part of the consumer's individual program plan, consistent with the particular needs of the consumer and family as

identified in the individual program plan, shall be selected. In determining the least costly provider, the availability of federal financial participation shall be considered. The consumer shall not be required to use the least costly provider if it will result in the consumer moving from an existing provider of services or supports to more restrictive or less integrated services or supports.

(ii) 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, with input from the community, issue a written directive defining the term “cost effective” for the purposes of all programs, including, but not limited to, the Self-Determination Program, no later than August 1, 2026. This directive shall remain in effect until regulations are adopted, but in no case for longer than two years following its issuance. Upon notification by the department to the Legislature that the written directive has been issued, clause (i) shall be ineffective.

(iii) For purposes of clause (ii), input from the community shall include, but not be limited to, consultation with the department’s Lived Experience Advisory Group, individuals and families, caregivers, advocates and associations, service providers, regional centers, the State Council on Developmental Disabilities Statewide Self-Determination Advisory Committee, and legislative staff. The department shall provide adequate notice, or 45 days at a minimum, for the community to review and provide feedback on the draft written directive, with review and consideration by the department of feedback prior to finalization for the August 1, 2026, deadline.

(E) The consumer’s choice of providers, or, if appropriate, the consumer’s parent’s, legal guardian’s, authorized representative’s, or conservator’s choice of providers.

(7) A service or support provided by an agency or individual shall not be continued unless the consumer or, if appropriate, the consumer’s parents, legal guardian, or conservator, or authorized representative, including those appointed pursuant to subdivision (a) of Section 4541, subdivision (b) of Section 4701.6, or subdivision (e) of Section 4705, is satisfied and the regional center and the consumer or, if appropriate, the consumer’s parents or legal guardian or conservator agree that planned services and supports have been provided, and reasonable progress toward objectives have been made.

(8) Regional center funds shall not be used to supplant the budget of an agency that has a legal responsibility to serve all members of the general public and is receiving public funds for providing those services.

(9) (A) To maximize federal financial participation and facilitate timely access to residential placements of consumers in foster care, the department shall enter into interagency agreements to obtain state and federal funding with the state departments that oversee the agencies that have the legal responsibility to serve all members of the general public and receive public funds for providing those services. The interagency agreement shall specify

the proportion or amount of funds reimbursed by each state department or other responsible agency. Following completion of the interagency agreement, the departments shall jointly notify the local agencies.

(B) Notwithstanding any other provision of law, and if specified in the joint notification received pursuant to subparagraph (A), regional centers shall fund the vendored residential service types specified in the joint notification provided to a regional center consumer who is a child or nonminor dependent who has been adjudged a dependent of the court pursuant to Section 300 or has not been adjudged a dependent of the court pursuant to Section 300 but is in the custody of the county welfare department, or has been adjudged a ward of the court pursuant to Section 601 or 602 and placed in the care and custody of the county probation department. The residential services and supports purchased by the regional center shall be consistent with the consumer's individual program plan regardless of the placing agency or placing authority. This section shall not apply to placements made in an institution for mental diseases, as defined in Section 435.1010 of Title 42 of the Code of Federal Regulations.

(C) This paragraph shall be implemented in consultation with the County Welfare Directors Association of California and the Association of Regional Center Agencies.

(10) (A) A regional center may, directly or through an agency acting on behalf of the center, provide placement in, purchase of, or follow-along services to persons with developmental disabilities in, appropriate community living arrangements, including, but not limited to, support service for consumers in homes they own or lease, foster family placements, health care facilities, and licensed community care facilities. In considering appropriate placement alternatives for children with developmental disabilities, approval by the child's parent or guardian shall be obtained before placement is made.

(B) Effective July 1, 2012, notwithstanding any other law or regulation, a regional center shall not purchase residential services from a State Department of Social Services licensed 24-hour residential care facility with a licensed capacity of 16 or more beds. This prohibition on regional center purchase of residential services does not apply to either of the following:

(i) A residential facility with a licensed capacity of 16 or more beds that has been approved to participate in the department's Home and Community Based Services Waiver or another existing waiver program or certified to participate in the Medi-Cal program.

(ii) A residential facility licensed as a mental health rehabilitation center by the State Department of Health Care Services under any of the following circumstances:

(I) The facility is eligible for Medicaid reimbursement and the individual's planning team determines that there are no less restrictive placements appropriate for the individual.

(II) There is an emergency circumstance in which the regional center determines that it cannot locate alternate federally eligible services to meet the consumer's needs. Under an emergency circumstance, an assessment

shall be completed by the regional center as soon as possible and within 30 days of admission. An individual program plan meeting shall be convened immediately following the assessment to determine the services and supports needed for stabilization and to develop a plan to transition the consumer from the facility into the community. If transition is not expected within 90 days of admission, an individual program plan meeting shall be held to discuss the status of transition and to determine if the consumer is still in need of placement in the facility. Commencing October 1, 2012, this determination shall be made after also considering resource options identified by the statewide specialized resource service. If it is determined that emergency services continue to be necessary, the regional center shall submit an updated transition plan that can cover a period of up to 90 days. In no event shall placements under these emergency circumstances exceed 180 days.

(III) The clients' rights advocate shall be notified of each admission and individual program planning meeting pursuant to this clause and may participate in all individual program planning meetings unless the consumer objects on their own behalf. For purposes of this subclause, notification to the clients' rights advocate shall include a copy of the most recent comprehensive assessment or updated assessment and the time, date, and location of the meeting, and shall be provided as soon as practicable, but not less than seven calendar days before the meeting.

(IV) If a consumer is placed in a mental health rehabilitation center by another entity, the mental health rehabilitation center shall inform the regional center of the placement within five days of the date the consumer is admitted. If an individual's records indicate that the individual is a regional center consumer, the mental health rehabilitation center shall make every effort to contact the local regional center or the department to determine which regional center to provide notice. As soon as possible within 30 days of admission to a mental health rehabilitation center due to an emergency pursuant to subclause (II), or within 30 days of notification of admission to a mental health rehabilitation center by an entity other than a regional center, an assessment shall be completed by the regional center.

(C) (i) Effective July 1, 2012, notwithstanding any other law or regulation, a regional center shall not purchase new residential services from, or place a consumer in, institutions for mental disease, as described in Part 5 (commencing with Section 5900) of Division 5, for which federal Medicaid funding is not available. Effective July 1, 2013, this prohibition applies regardless of the availability of federal funding.

(ii) The prohibition described in clause (i) shall not apply to emergencies, as determined by the regional center, if a regional center cannot locate alternate services to meet the consumer's needs. As soon as possible within 30 days of admission due to an emergency, an assessment shall be completed by the regional center. An individual program plan meeting shall be convened immediately following the assessment, to determine the services and supports needed for stabilization and to develop a plan to transition the consumer from the facility to the community. If transition is not expected

within 90 days of admission, an emergency program plan meeting shall be held to discuss the status of the transition and to determine if the consumer is still in need of placement in the facility. If emergency services continue to be necessary, the regional center shall submit an updated transition plan to the department for an extension of up to 90 days. Placement shall not exceed 180 days.

(iii) Effective January 1, 2020, the exception in clause (ii) shall no longer apply. As of this date, the prohibition in clause (i) shall not apply to acute crises when the following conditions are met prior to a regional center purchasing new residential services from, or placing a consumer in, an institution for mental disease:

(I) The regional center prepares an assessment for inclusion in the consumer's file detailing all considered community-based services and supports, including, but not limited to, rate adjustments, as provided by law, supplemental services, as set forth in subparagraph (F), emergency and crisis intervention services, as set forth in paragraph (11), community crisis home, pursuant to Article 8 (commencing with Section 4698) of Chapter 6, and an explanation of why those options could not meet the consumer's needs.

(II) The director of the regional center confirms that there are no community-based options that can meet the consumer's needs.

(iv) For purposes of this section, "acute crisis" has the same meaning as defined in paragraph (1) of subdivision (d) of Section 4418.7.

(v) When admission occurs due to an acute crisis, all of the following shall apply:

(I) If the regional center does not expect the consumer to transition back to a community setting within 72 hours, or if the consumer does not transition back to a community setting within 72 hours, the regional center shall do both of the following:

(ia) No later than 10 calendar days from the date the consumer is placed in the institution for mental disease, complete any documentation necessary to support the filing of a petition for commitment pursuant to Article 2 (commencing with Section 6500) of Chapter 2 of Part 2 of Division 6 and request the person authorized to present allegations pursuant to Section 6500 file a petition for commitment.

(ib) Complete a comprehensive assessment in coordination with the institution for mental disease staff. The comprehensive assessment shall include the identification of the services and supports needed for crisis stabilization and the timeline for identifying or developing the services and supports needed to transition the consumer back to a community setting. The regional center shall immediately submit a copy of the comprehensive assessment to the committing court. Immediately following the assessment, and not later than 30 days following admission, the regional center and the institution for mental disease shall jointly convene an individual program plan meeting to determine the services and supports needed for crisis stabilization and to develop a plan to transition the consumer into the community.

(II) If transition is not expected within 90 days of admission, an individual program plan meeting shall be held to discuss the status of the transition and to determine if the consumer is still in need of crisis stabilization.

(III) A consumer shall reside in an institution for mental disease no longer than six months before being placed into a community living arrangement, unless, prior to the end of the six months, all of the following have occurred:

(ia) The regional center has conducted an additional comprehensive assessment based on current information and determines that the consumer continues to be in an acute crisis.

(ib) The individual program planning team has developed a plan that identifies the specific services and supports necessary to transition the consumer into the community, and the plan includes a timeline to obtain or develop those services and supports.

(ic) The committing court has reviewed and, if appropriate, extended the commitment.

(IV) (ia) A consumer's placement at an institution for mental disease shall not exceed one year unless both of the following occur:

(Ia) The regional center demonstrates significant progress toward implementing the plan to transition the consumer into the community.

(Ib) Extraordinary circumstances exist beyond the regional center's control that have prevented the regional center from obtaining those services and supports within the timeline based on the plan.

(ib) If both of the circumstances under sub-subclause (ia) exist, the regional center may request, and the committing court may grant, an additional extension of the commitment, not to exceed 30 days.

(V) Institutions for mental disease staff shall assist the consumer with transitioning back to the consumer's prior residence, or an alternative community-based residential setting, within the timeframe described in this subparagraph.

(vi) The department shall monitor placements pursuant to this subparagraph and subsequent transitions back to community-based settings.

(vii) The clients' rights advocate shall be notified of each admission and individual program planning meeting pursuant to this subparagraph and may participate in all individual program planning meetings unless the consumer objects on their own behalf. For purposes of this clause, notification to the clients' rights advocate shall include a copy of the most recent comprehensive assessment or updated assessment and the time, date, and location of the meeting, and shall be provided as soon as practicable, but not less than seven calendar days before the meeting.

(viii) If a consumer is placed in an institution for mental disease by another entity, the institution for mental disease shall inform the regional center of the placement within five days of the date the consumer is admitted. If an individual's records indicate that the individual is a regional center consumer, the institution for mental disease shall make every effort to contact the local regional center or department to determine which regional center to provide notice. As soon as possible within 30 days of admission to an institution for mental disease due to an acute crisis pursuant to clause (ii),

or within 30 days of notification of admission to an institution for mental disease by an entity other than a regional center, an assessment shall be completed by the regional center.

(ix) Regional centers shall complete a comprehensive assessment of a consumer residing in an institution for mental disease as of July 1, 2012, for which federal Medicaid funding is not available, and for a consumer residing in an institution for mental disease as of July 1, 2013, without regard to federal funding. The comprehensive assessment shall be completed before the consumer's next scheduled individual program plan meeting and shall include identification of the services and supports needed and the timeline for identifying or developing those services needed to transition the consumer back to the community. Effective October 1, 2012, the regional center shall also consider resource options identified by the statewide specialized resource service. For each individual program plan meeting convened pursuant to this subparagraph, the clients' rights advocate for the regional center shall be notified of the meeting and may participate in the meeting unless the consumer objects on their own behalf. For purposes of this clause, notification to the clients' rights advocate shall include the time, date, and location of the meeting, and shall be provided as soon as practicable, but not less than seven calendar days before the meeting.

(D) (i) The transition process from a mental health rehabilitation center or institution for mental disease shall be based upon the individual's needs, developed through the individual program plan process, and shall ensure that needed services and supports will be in place at the time the individual moves. Individual supports and services shall include, if appropriate for the individual, wraparound services through intensive individualized support services. The transition shall be to a community living arrangement that is in the least restrictive environment appropriate to the needs of the individual and most protective of the individual's rights to dignity, freedom, and choice as described in subdivision (a).

(ii) Regional centers, through the individual program plan process, shall coordinate for the benefit of the regional center consumers residing in an institution for mental disease, pretransition planning, transition, and access to followup services to help ensure a smooth transition to the community. Individual support services shall include, but shall not be limited to, both of the following:

(I) Defined regional center contacts and visits with consumers and service providers during the 12 months following the consumer's movement date.

(II) Identification of issues that need resolution and an individualized support plan to address these issues.

(E) A person with developmental disabilities placed by the regional center in a community living arrangement shall have the rights specified in this division. These rights shall be brought to the person's attention by any means necessary to reasonably communicate these rights to each resident, provided that, at a minimum, the Director of Developmental Services prepare, provide, and require to be clearly posted in all residential facilities and day programs a poster using simplified language and pictures that is designed to be more

understandable by persons with intellectual disabilities and that the rights information shall also be available through the regional center to each residential facility and day program in alternative formats, including, but not limited to, other languages, braille, and audiotapes, if necessary to meet the communication needs of consumers.

(F) Consumers are eligible to receive supplemental services including, but not limited to, additional staffing, pursuant to the process described in subdivision (d) of Section 4646. Necessary additional staffing that is not specifically included in the rates paid to the service provider may be purchased by the regional center if the additional staff are in excess of the amount required by regulation and the individual's planning team determines the additional services are consistent with the provisions of the individual program plan. Additional staff should be periodically reviewed by the planning team for consistency with the individual program plan objectives in order to determine if continued use of the additional staff is necessary and appropriate and if the service is producing outcomes consistent with the individual program plan. Regional centers shall monitor programs to ensure that the additional staff is being provided and utilized appropriately.

(11) Emergency and crisis intervention services including, but not limited to, mental health services and behavior modification services, may be provided, as needed, to maintain persons with developmental disabilities in the living arrangement of their own choice. Crisis services shall first be provided without disrupting a person's living arrangement. If crisis intervention services are unsuccessful, emergency housing shall be available in the person's home community. If dislocation cannot be avoided, every effort shall be made to return the person to their living arrangement of choice, with all necessary supports, as soon as possible.

(12) Among other service and support options, planning teams shall consider the use of paid roommates or neighbors, personal assistance, technical and financial assistance, and all other service and support options that would result in greater self-sufficiency for the consumer and cost-effectiveness to the state.

(13) If facilitation as specified in an individual program plan requires the services of an individual, the facilitator shall be of the consumer's choosing.

(14) The community support may be provided to assist individuals with developmental disabilities to fully participate in community and civic life, including, but not limited to, programs, services, work opportunities, business, and activities available to persons without disabilities. This facilitation shall include, but not be limited to, any of the following:

(A) Outreach and education to programs and services within the community.

(B) Direct support to individuals that would enable them to more fully participate in their community.

(C) Developing unpaid natural supports when possible.

(15) If feasible and recommended by the individual program planning team, for purposes of facilitating better and cost-effective services for

consumers or family members, technology, including telecommunication technology, may be used in conjunction with other services and supports. Technology in lieu of a consumer's in-person appearances at judicial proceedings or administrative due process hearings may be used only if the consumer or, if appropriate, the consumer's parent, legal guardian, conservator, or authorized representative, gives informed consent. Technology may be used in lieu of, or in conjunction with, in-person training for providers, as appropriate.

(16) Other services and supports may be provided as set forth in Sections 4685, 4686, 4687, 4688, and 4689, when necessary.

(17) Notwithstanding any other law or regulation, effective July 1, 2009, regional centers shall not purchase experimental treatments, therapeutic services, or devices that have not been clinically determined or scientifically proven to be effective or safe or for which risks and complications are unknown. Experimental treatments or therapeutic services include experimental medical or nutritional therapy when the use of the product for that purpose is not a general physician practice. For regional center consumers receiving these services as part of their individual program plan (IPP) or individualized family service plan (IFSP) on July 1, 2009, this prohibition shall apply on August 1, 2009.

(b) (1) Advocacy for, and protection of, the civil, legal, and service rights of persons with developmental disabilities as established in this division.

(2) If the advocacy efforts of a regional center to secure or protect the civil, legal, or service rights of a consumer prove ineffective, the regional center or the person with developmental disabilities or the person's parents, legal guardian, or other representative may request advocacy assistance from the state council.

(c) The regional center may assist consumers and families directly, or through a provider, in identifying and building circles of support within the community.

(d) In order to increase the quality of community services and protect consumers, the regional center shall, if appropriate, take either of the following actions:

(1) Identify services and supports that are ineffective or of poor quality and provide or secure consultation, training, or technical assistance services for an agency or individual provider to assist that agency or individual provider in upgrading the quality of services or supports.

(2) Identify providers of services or supports that may not be in compliance with local, state, and federal statutes and regulations and notify the appropriate licensing or regulatory authority to investigate the possible noncompliance.

(e) If necessary to expand the availability of needed services of good quality, a regional center may take actions that include, but are not limited to, the following:

(1) Soliciting an individual or agency by requests for proposals or other means, to provide needed services or supports not presently available.

(2) Requesting funds from the Program Development Fund, pursuant to Section 4677, or community placement plan funds designated from that fund, to reimburse the startup costs needed to initiate a new program of services and supports.

(3) Using creative and innovative service delivery models, including, but not limited to, natural supports.

(f) Except in emergency situations, a regional center shall not provide direct treatment and therapeutic services, but shall utilize appropriate public and private community agencies and service providers to obtain those services for its consumers.

(g) If there are identified gaps in the system of services and supports consumers for whom no provider will provide services and supports contained in their individual program plan, the department may provide the services and supports directly.

(h) At least annually, regional centers shall provide the consumer, the consumer's parents, legal guardian, conservator, or authorized representative a statement of services and supports the regional center purchased for the purpose of ensuring that they are delivered. The statement shall include the type, unit, month, and cost of services and supports purchased.

SEC. 8. Section 4685.8 of the Welfare and Institutions Code is amended to read:

4685.8. (a) The department shall implement a statewide Self-Determination Program. The Self-Determination Program shall be available in every regional center catchment area to provide participants and their families, within an individual budget, increased flexibility and choice, and greater control over decisions, resources, and needed and desired services and supports to implement their IPP. As of July 1, 2021, the program shall begin to be available on a voluntary basis to all regional center consumers who are eligible for the Self-Determination Program.

(b) The department, in establishing the statewide program, shall do both of the following:

(1) Set targets and benchmarks as set forth in paragraph (1) of subdivision (r).

(2) Address all of the following:

(A) Oversight of expenditure of self-determined funds and the achievement of participant outcomes over time.

(B) Increased participant control over which services and supports best meet the participant's needs and the IPP objectives. A participant's unique support system may include the purchase of existing service offerings from service providers or local businesses, hiring their own support workers, or negotiating unique service arrangements with local community resources.

(C) Comprehensive person-centered planning, including an individual budget and services that are outcome based.

(D) Consumer and family training to ensure understanding of the principles of self-determination, the planning process, and the management of budgets, services, and staff.

(E) Choice of independent facilitators, who meet standards and certification requirements established by the department, and who can assist with the functions specified in paragraph (2) of subdivision (c).

(F) Choice of financial management services providers who meet standards and certification requirements established by the department, and who can carry out the functions specified in paragraph (1) of subdivision (c).

(G) Innovation that will more effectively allow participants to achieve their goals.

(H) Long-term sustainability of the Self-Determination Program by doing all of the following:

(i) Requiring IPP teams, when developing the individual budget, to determine the services, supports, and goods necessary for each consumer based on the needs and preferences of the consumer, and when appropriate the consumer's family; the effectiveness of each option in meeting the goals specified in the IPP; the cost effectiveness of each option, as specified in subparagraph (D) of paragraph (6) of subdivision (a) of Section 4648; and the utilization of available generic services, as defined by the department.

(ii) The department may review final individual budgets that are at or above a spending threshold determined by the department of all individual budgets and use information from its review in the aggregate to develop additional program guidance and verify compliance with federal and state laws and other requirements.

(I) Reduce barriers to participation and improve equity in enrollment by establishing, with community input, no later than March 1, 2027, statewide standardized processes and procedures, including, but not limited to, timelines for these processes and procedures. Input from the community shall include, but not be limited to, consultation with the department's Lived Experience Advisory Group, individuals and families, caregivers, advocates and associations, service providers, regional centers, the State Council on Developmental Disabilities Statewide Self-Determination Advisory Committee, and legislative staff and shall include adequate notice, or 45 days at a minimum, for the community to review and provide feedback on draft processes and procedures, with review and consideration by the department of feedback prior to finalization for the March 1, 2027, deadline. The standardized processes and procedures shall be consistently applied by regional centers. The standardized processes and procedures shall include, but not be limited to, all of the following:

(i) Enrollment.

(ii) Individual budgets.

(iii) Spending plans.

(iv) Financial management services.

(v) Access to transition supports.

(c) For purposes of this section, the following definitions apply:

(1) "Financial management services" means services or functions that assist the participant to manage and direct the distribution of funds contained in the individual budget, and ensure that the participant has the financial

resources to implement their IPP throughout the year. These may include bill paying services and activities that facilitate the employment of service and support workers by the participant, including, but not limited to, fiscal accounting, tax withholding, compliance with relevant state and federal employment laws, assisting the participant in verifying provider qualifications, including criminal background checks, and expenditure reports. The financial management services provider shall meet the applicable requirements of Title 17 of the California Code of Regulations and other specific qualifications or certifications established by the department.

(2) “Independent facilitator” means a person, selected and directed by the participant, who is not otherwise providing services to the participant pursuant to their IPP and is not employed by a person providing services to the participant. The independent facilitator may assist the participant in making informed decisions about the individual budget, and in locating, accessing, and coordinating services and supports consistent with the participant’s IPP. The independent facilitator is available to assist in identifying immediate and long-term needs, developing options to meet those needs, leading, participating, or advocating on behalf of the participant in the person-centered planning process and development of the IPP, and obtaining identified services and supports. The cost of the independent facilitator, if any, shall be paid by the participant out of the participant’s individual budget. An independent facilitator shall receive training in the principles of self-determination, the person-centered planning process, and the other responsibilities described in this paragraph at the independent facilitator’s own cost. The independent facilitator shall meet standards and certification requirements established by the department.

(3) “Individual budget” means the amount of regional center purchase of service funding available to the participant for the purchase of services and supports necessary to implement the IPP. The individual budget shall be determined using a fair, equitable, and transparent methodology.

(4) “IPP” means individual program plan, as described in Section 4646.

(5) “Participant” means an individual, and when appropriate, the participant’s parents, legal guardian or conservator, or authorized representative, who has been deemed eligible for, and has voluntarily agreed to participate in, the Self-Determination Program.

(6) “Self-determination” means a voluntary delivery system consisting of a defined and comprehensive mix of services and supports, selected and directed by a participant through person-centered planning, in order to meet the objectives in their IPP. Self-determination services and supports are designed to assist the participant to achieve personally defined outcomes in community settings that promote inclusion. The Self-Determination Program shall only fund services and supports provided pursuant to this division that the federal Centers for Medicare and Medicaid Services determines are eligible for federal financial participation.

(7) “Spending plan” means the plan the participant develops to use their available individual budget funds to purchase goods, services, and supports

necessary to implement their individual program plan (IPP). The spending plan shall identify the cost of each good, service, and support that will be purchased with regional center funds. The total amount of the spending plan cannot exceed the amount of the individual budget. A copy of the spending plan shall be attached to the participant's IPP.

(d) Participation in the Self-Determination Program is fully voluntary. A participant may choose to participate in, and may choose to leave, the Self-Determination Program at any time. A regional center shall not require or prohibit participation in the Self-Determination Program as a condition of eligibility for, or the delivery of, services and supports otherwise available under this division. Participation in the Self-Determination Program shall be available to any regional center consumer who meets the following eligibility requirements:

(1) The participant has a developmental disability, as defined in Section 4512, and is receiving services pursuant to this division.

(2) The consumer does not live in a licensed long-term health care facility, as defined in paragraph (44) of subdivision (a) of Section 54302 of Title 17 of the California Code of Regulations. An individual, and when appropriate the individual's parent, legal guardian or conservator, or authorized representative, who is not eligible to participate in the Self-Determination Program pursuant to this paragraph may request that the regional center provide person-centered planning services in order to make arrangements for transition to the Self-Determination Program, provided that the individual is reasonably expected to transition to the community within 90 days. In that case, the regional center shall initiate person-centered planning services within 60 days of that request.

(3) The participant agrees to all of the following terms and conditions:

(A) The participant shall receive an orientation that meets the standards set or developed by the department to the Self-Determination Program prior to enrollment, which includes the principles of self-determination, the role of the independent facilitator and the financial management services provider, person-centered planning, and development of a budget.

(B) The participant shall utilize the services and supports available within the Self-Determination Program only when generic services and supports are not available.

(C) The participant shall only purchase services and supports necessary to implement their IPP and shall comply with any and all other terms and conditions for participation in the Self-Determination Program described in this section.

(D) The participant shall manage Self-Determination Program services and supports within the participant's individual budget.

(E) The participant shall utilize the services of a financial management services provider of their own choosing and who is vendored by a regional center and who meets the qualifications in paragraph (1) of subdivision (c).

(F) The participant may utilize the services of an independent facilitator of their own choosing for the purpose of providing services and functions as described in paragraph (2) of subdivision (c). If the participant elects not

to use an independent facilitator, the participant may use their regional center service coordinator to provide the services and functions described in paragraph (2) of subdivision (c).

(G) If eligible, with the assistance of the regional center, if needed, timely apply for Medi-Cal in order to maximize federal funding. The participant may consider institutional deeming in order to qualify for Medi-Cal services.

(e) A participant who is not Medi-Cal eligible may participate in the Self-Determination Program and receive self-determination services and supports if all other program eligibility requirements are met and the services and supports are otherwise eligible for federal financial participation.

(f) The additional federal financial participation funds generated by the former participants of the self-determination pilot projects authorized pursuant to Section 13 of Chapter 1043 of the Statutes of 1998, as amended, or pursuant to Article 4 (commencing with Section 4669.2) of Chapter 5, shall be used to maximize the ability of Self-Determination Program participants to direct their own lives and to ensure the department and regional centers successfully implement the program as follows:

(1) First, to offset the cost to the department for the criminal background check conducted pursuant to subdivision (v) and other administrative costs incurred by the department in implementing the Self-Determination Program.

(2) With the remaining funds, the department, in consultation with stakeholders, including a statewide self-determination advisory workgroup, shall prioritize the use of the funds to meet the needs of participants, increase service access and equity, and reduce disparities, and to implement the program, including costs associated with all of the following:

(A) Independent facilitators to assist with a participant's initial person-centered planning meeting.

(B) Development of the participant's initial individual budget.

(C) Joint training of consumers, family members, regional center staff, and members of the local volunteer advisory committee established pursuant to paragraph (1) of subdivision (w).

(D) Regional center operations to increase support for transition to the Self-Determination Program or for caseload ratio enhancement.

(E) To offset the costs to the regional centers in implementing the Self-Determination Program.

(F) To support the Statewide Self-Determination Advisory Committee established pursuant to paragraph (2) of subdivision (w).

(g) If at any time during participation in the Self-Determination Program a regional center determines that a participant is no longer eligible to continue in, or a participant voluntarily chooses to exit, the Self-Determination Program, the regional center shall provide for the participant's transition from the Self-Determination Program to other services and supports. This transition shall include the development of a new IPP that reflects the services and supports necessary to meet the individual's needs. The regional center shall ensure that there is no gap in services and supports during the transition period.

(h) An individual determined to be ineligible for or who voluntarily exits the Self-Determination Program shall be permitted to return to the Self-Determination Program upon meeting all applicable eligibility criteria and upon approval of the participant's planning team, as described in subdivision (j) of Section 4512. An individual who has voluntarily exited the Self-Determination Program shall not return to the program for at least 12 months.

(i) An individual who participates in the Self-Determination Program may elect to continue to receive self-determination services and supports if the individual transfers to another regional center catchment area, provided that the individual remains eligible for the Self-Determination Program pursuant to subdivision (d). The balance of the participant's individual budget shall be reallocated to the regional center to which the participant transfers.

(j) The IPP team shall utilize the person-centered planning process to develop the IPP for a participant. The IPP shall detail the goals and objectives of the participant that are to be met through the purchase of participant-selected services and supports. The IPP team shall determine the individual budget to ensure the budget assists the participant to achieve the outcomes set forth in the participant's IPP and ensures their health and safety. The completed individual budget shall be attached to the IPP.

(k) The participant shall implement their IPP, including choosing and purchasing the services and supports allowable under this section necessary to implement the plan. A regional center shall not prohibit the purchase of any service or support that is otherwise allowable under this section.

(l) A participant shall have all the rights established in Sections 4646 to 4646.6, inclusive, and Chapter 7 (commencing with Section 4700).

(m) (1) Except as provided in paragraph (4), the IPP team shall determine the initial and any revised individual budget for the participant using the following methodology:

(A) (i) Except as specified in clause (ii), for a participant who is a current consumer of the regional center, their initial individual budget shall be the total amount of the most recently available 12 months of purchase of service authorizations, services authorized by the IPP team but not currently provided in a purchase of service authorization, less services paid for by the regional center outside of the self-determination program and one-time expenses. The IPP team shall discuss unmet needs for participants with no or low purchases of services.

(ii) An adjustment may be made to the amount specified in clause (i) if both of the following occur:

(I) The IPP team determines that an adjustment to this amount is necessary due to a change in the participant's circumstances, needs, or resources. When adjusting the budget, the IPP team shall document the specific reason for the adjustment in the IPP.

(II) The regional center certifies on the individual budget document that regional center expenditures for the individual budget, including any

adjustment, would have occurred regardless of the individual's participation in the Self-Determination Program.

(iii) For purposes of clauses (i) and (ii), the amount of the individual budget shall not be increased to cover the cost of the independent facilitator.

(B) For a participant who is either newly eligible for regional center services or who does not have 12 months of services included in the current IPP, the participant's individual budget shall be calculated as follows:

(i) The IPP team shall identify the services and supports needed by the participant and available resources, as required by Section 4646.

(ii) The regional center shall calculate the cost of providing the services and supports to be purchased by the regional center by using the average cost paid by the regional center for each service or support unless the regional center determines that the consumer has a unique need that requires a higher or lower cost. The IPP team also shall document the specific reason for the adjustment in the IPP. The regional center shall certify on the individual budget document that this amount would have been expended using regional center purchase of service funds regardless of the individual's participation in the Self-Determination Program.

(iii) For purposes of clauses (i) and (ii), the amount of the individual budget shall not be increased to cover the cost of the independent facilitator.

(2) The amount of the individual budget shall be available to the participant each year for the purchase of program services and supports. An individual budget shall be calculated no more than once in a 12-month period, unless revised to reflect a change in circumstances, needs, or resources of the participant using the process specified in clause (ii) of subparagraph (A) of paragraph (1).

(3) The spending plan shall be assigned to uniform budget categories developed by the department in consultation with stakeholders and distributed according to the timing of the anticipated expenditures in the IPP and in a manner that ensures that the participant has the financial resources to implement the IPP throughout the year.

(4) The department, in consultation with stakeholders, may develop alternative methodologies for individual budgets that are computed in a fair, transparent, and equitable manner and are based on consumer characteristics and needs, and that include a method for adjusting individual budgets to address a participant's change in circumstances or needs.

(n) Participants may transfer funds between service codes and budget categories upon the approval of the regional center or the participant's IPP team. The regional center shall provide timely authorizations to the participant's financial management service.

(o) Consistent with the implementation date of the IPP, the IPP team shall annually ascertain from the participant whether there are any circumstances or needs that require a change to the annual individual budget. Based on that review, the IPP team shall calculate a new individual budget consistent with the methodology identified in subdivision (m).

(p) (1) The department, as it determines necessary, may adopt regulations to implement the procedures set forth in this section. Any regulations shall

be adopted in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) Notwithstanding paragraph (1) and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and only to the extent that all necessary federal approvals are obtained, the department, without taking any further regulatory action, shall implement, interpret, or make specific this section by means of program directives or similar instructions until the time regulations are adopted. It is the intent of the Legislature that the department be allowed this temporary authority as necessary to implement program changes only until completion of the regulatory process.

(q) The department, in consultation with stakeholders, shall develop informational materials about the Self-Determination Program. The department shall ensure that regional centers are trained in the principles of self-determination, the mechanics of the Self-Determination Program, and the rights of consumers and families as candidates for, and participants in, the Self-Determination Program.

(r) Each regional center shall be responsible for implementing the Self-Determination Program as a term of its contract under Section 4629. As part of implementing the program, the regional center shall do all of the following:

(1) Meet the Self-Determination targets approved by the department, meet benchmarks established by the department in areas including timely enrollment, diversity of consumers served, and reduction of disparities in the individual budget of participants from racial and ethnic communities, and be eligible for incentives for exceeding these targets and benchmarks once the department has established a performance incentives program.

(2) Develop and implement an outreach and training plan about the Self-Determination program for the diverse communities served by the regional center, including in congregate settings. Information shall be provided in plain language, in alternative formats and alternative modes of communication and provide language access as required by state and federal law. Obtain input from stakeholders, including consumers and families that reflect the ethnic and language diversity of the regional center's consumers, about the effectiveness of this outreach and training and other activities that may be effective in reducing disparities in these programs.

(3) Annually report the enrollment, individual budget data, and purchase of service expenditure data for the Self-Determination Program consistent with the criteria in subdivisions (a) to (c), inclusive, of Section 4519.5.

(4) Assist eligible participants and their families in applying for Medi-Cal, in order to maximize federal funding and assist interested participants who wish to pursue institutional deeming in order to qualify for Medi-Cal services.

(5) At least annually, in addition to annual certification, conduct an additional review of all final individual budgets for participants at the regional center which are at or above a spending threshold that is specified

by the department through directive consistent with federal and state requirements. This information may be used in the aggregate to provide training, program guidance, and verify compliance with state and federal requirements.

(6) Certify the spending plan to verify that goods and services satisfy all of the following:

(A) Address the individual's desired outcomes identified in the individual program plan.

(B) Are not available from generic services, as defined by the department.

(C) Are eligible for federal financial participation.

(7) Contract with local consumer or family-run organizations and consult with the local volunteer advisory committee established pursuant to paragraph (1) of subdivision (w) to conduct outreach through local meetings or forums to consumers and their families to provide information about the Self-Determination Program and to help ensure that the program is available to a diverse group of participants, with special outreach to underserved communities.

(8) Collaborate with the local consumer or family-run organizations identified in paragraph (1) to jointly conduct training about the Self-Determination Program. The regional center shall consult with the local volunteer advisory committee established pursuant to paragraph (1) of subdivision (w) in planning for the training, and the local volunteer advisory committee may designate members to represent the advisory committee at the training.

(9) Train all service coordinators and fair hearing specialists in the principles of self-determination, the mechanics of the Self-Determination Program, and the rights of consumers and families. The training shall be conducted in collaboration with the local volunteer advisory committee.

(10) Provide payment to the financial management services provider for spending plan expenses through a not less than semi-monthly pay schedule.

(s) The financial management services provider shall provide the participant and the regional center service coordinator with a monthly individual budget statement that describes the amount of funds allocated by budget category, the amount spent in the previous 30-day period, and the amount of funding that remains available under the participant's individual budget.

(t) Only the financial management services provider is required to apply for vendorization in accordance with Subchapter 2 (commencing with Section 54300) of Chapter 3 of Division 2 of Title 17 of the California Code of Regulations for the Self-Determination Program. All other service and support providers shall not be on the federal debarment list and shall have applicable state licenses, certifications, or other state required documentation, including documentation of any other qualifications required by the department, but are exempt from the vendorization requirements set forth in Title 17 of the California Code of Regulations when serving participants in the Self-Determination Program.

(u) The regional center shall pay the full costs of the participant's financial management services provider.

(v) To protect the health and safety of participants in the Self-Determination Program, the department shall require a criminal background check in accordance with all of the following:

(1) The department shall issue a program directive that identifies nonvendored providers of services and supports who shall obtain a criminal background check pursuant to this subdivision. At a minimum, these staff shall include both of the following:

(A) Individuals who provide direct personal care services to a participant.

(B) Other nonvendored providers of services and supports for whom a criminal background check is requested by a participant or the participant's financial management service.

(2) Subject to the procedures and requirements of this subdivision, the department shall administer criminal background checks consistent with the department's authority and the process described in Sections 4689.2 to 4689.6, inclusive.

(3) The department shall electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice of nonvendored providers of services and supports, as specified in paragraph (1), for purposes of obtaining information as to the existence and content of a record of state or federal convictions and state or federal arrests and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on their own recognizance pending trial or appeal.

(4) When received, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the department.

(5) The Department of Justice shall provide a state or federal response to the department pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(6) The department shall request from the Department of Justice subsequent notification service, as provided pursuant to Section 11105.2 of the Penal Code, for persons described in paragraph (1).

(7) The Department of Justice shall charge a fee sufficient to cover the cost of processing the request described in this subdivision.

(8) The fingerprints of any provider of services and supports who is required to obtain a criminal background check shall be submitted to the Department of Justice prior to employment. The costs of the fingerprints and the financial management service's administrative cost authorized by the department shall be paid by the services and supports provider or the provider's employing agency. Any administrative costs incurred by the department pursuant to this subdivision shall be offset by the funds specified in subdivision (g).

(9) If the criminal record information report shows a criminal history, the department shall take the steps specified in Section 4689.2. The department may prohibit a provider of services and supports from becoming employed, or continuing to be employed, based on the criminal background check, as authorized in Section 4689.6. The provider of services and supports who has been denied employment shall have the rights set forth in Section 4689.6.

(10) The department may utilize a current department-issued criminal record clearance to enable a provider to serve more than one participant, as long as the criminal record clearance has been processed through the department and no subsequent arrest notifications have been received relative to the cleared applicant.

(11) Consistent with subdivision (h) of Section 4689.2, the participant or financial management service that denies or terminates employment based on written notification from the department shall not incur civil liability or unemployment insurance liability.

(w) To ensure the effective implementation of the Self-Determination Program and facilitate the sharing of best practices and training materials commencing with the implementation of the Self-Determination Program, local and statewide advisory committees shall be established as follows:

(1) Each regional center shall establish a local volunteer advisory committee to provide oversight of the Self-Determination Program and identify a regional center liaison to the committee. The regional center and the State Council on Developmental Disabilities shall each appoint one-half of the membership of the committee. The committee shall consist of the regional center clients' rights advocate, consumers, family members, and other advocates, and community leaders, including a representative from a family resource center. A majority of the committee shall be consumers and their family members. The committee shall reflect the multicultural diversity and geographic profile of the catchment area. The committee shall review the development and ongoing progress of the Self-Determination Program, including whether the program advances the principles of self-determination and is operating consistent with the requirements of this section, and may make ongoing recommendations for improvement to the regional center and the department. Annually, the regional center shall confirm, in writing, that the committee meets the requirements specified in this paragraph and provide the department with the name of the staff liaison and the names of the committee members, the positions they fill on the committee, and which entity appointed them to the committee.

(2) The State Council on Developmental Disabilities shall form a volunteer committee, to be known as the Statewide Self-Determination Advisory Committee, comprised of the chairs of the 21 local advisory committees or their designees. The council shall convene the Statewide Self-Determination Advisory Committee twice annually, or more frequently in the sole discretion of the council. The Statewide Self-Determination Advisory Committee shall meet by teleconference or other means established by the council to identify self-determination best practices, effective

consumer and family training materials, implementation concerns, systemic issues, ways to enhance the program, and recommendations regarding the most effective method for participants to learn of individuals who are available to provide services and supports. The council shall synthesize information received from the Statewide Self-Determination Advisory Committee, local advisory committees, and other sources, share the information with consumers, families, regional centers, and the department, and make recommendations, as appropriate, to increase the program's effectiveness in furthering the principles of self-determination.

(x) The department shall annually provide the following information to the appropriate policy and fiscal committees of the Legislature:

(1) Number and characteristics of participants, by regional center, including the number of participants who entered the program upon movement from a developmental center.

(2) Types and amount of services and supports purchased under the Self-Determination Program, by regional center.

(3) Range and average of individual budgets, by regional center, including adjustments to the budget to address the adjustments permitted in clause (ii) of subparagraph (A) of paragraph (1) of subdivision (m).

(4) The number and outcome of appeals concerning individual budgets, by regional center.

(5) The number and outcome of fair hearing appeals, by regional center.

(6) The number of participants who voluntarily withdraw from the Self-Determination Program and a summary of the reasons why, by regional center.

(7) The number of participants who are subsequently determined to no longer be eligible for the Self-Determination Program and a summary of the reasons why, by regional center.

(y) (1) The State Council on Developmental Disabilities shall issue an interim report to the Legislature, in compliance with Section 9795 of the Government Code, no later than June 30, 2021, on the status of the Self-Determination Program authorized by this section, barriers to its implementation, and recommendations to enhance the effectiveness of the program. The interim report shall provide an update to the program's status, each regional center's cap on participation and progress toward that cap, the most recent statewide and per-regional-center participant count, and the historical trend in the statewide participation count since the start of the program. The department shall assist in providing available information to the council in order to facilitate the timely issuance of the report.

(2) The council, in collaboration with the protection and advocacy agency identified in Section 4900 and the federally funded University Centers for Excellence in Developmental Disabilities Education, Research, and Service, may work with regional centers to survey participants regarding participant satisfaction under the Self-Determination Program and, when data is available, the traditional service delivery system, including the proportion of participants who report that their choices and decisions are respected and supported and who report that they are able to recruit and hire qualified

service providers, and to identify barriers to participation and recommendations for improvement.

(3) The council, in collaboration with the protection and advocacy agency identified in Section 4900 and the federally funded University Centers for Excellence in Developmental Disabilities Education, Research, and Service, shall issue a report to the Legislature, in compliance with Section 9795 of the Government Code, by June 30, 2023, on the status of the Self-Determination Program authorized by this section, and provide recommendations to enhance the effectiveness of the program. This review shall include the program's effectiveness in furthering the principles of self-determination, including all of the following:

(A) Freedom, which includes the ability of adults with developmental disabilities to exercise the same rights as all citizens to establish, with freely chosen supporters, family and friends, where they want to live, with whom they want to live, how their time will be occupied, and who supports them; and for families to have the freedom to receive unbiased assistance of their own choosing when developing a plan and to select all personnel and supports to further the life goals of a minor child.

(B) Authority, which includes the ability of a person with a disability, or family, to control a certain sum of dollars in order to purchase services and supports of their choosing.

(C) Support, which includes the ability to arrange resources and personnel, both formal and informal, that will assist a person with a disability to live a life in the community that is rich in community participation and contributions.

(D) Responsibility, which includes the ability of participants to take responsibility for decisions in their own lives and to be accountable for the use of public dollars, and to accept a valued role in their community through, for example, competitive employment, organizational affiliations, spiritual development, and general caring of others in their community.

(E) Confirmation, which includes confirmation of the critical role of participants and their families in making decisions in their own lives and designing and operating the system that they rely on.

SEC. 9. Section 4688.21 of the Welfare and Institutions Code is amended to read:

4688.21. (a) The Legislature places a high priority on opportunities for adults with developmental disabilities to choose and customize day services to meet their individualized needs; have opportunities to further the development and support of employment and volunteer activities; direct their services; pursue postsecondary education; establish and support paid internship program opportunities; and increase their ability to lead integrated and inclusive lives. To further these goals, a consumer may choose a tailored day service or vouchered community-based training service, in lieu of, or in conjunction with, any other regional center vendored day program, look-alike day program, supported employment program, or work activity program.

(b) (1) A tailored day service shall include an individualized service design, as determined through the individual program plan (IPP), and developed through a person-centered planning process that reflects and maximizes individual preferences and goals, and approved by the regional center. This service design may include, but may not be limited to, the following:

(A) Fewer days or hours than in the program's approved day program, look-alike day program, supported employment program, or work activity program design.

(B) Flexibility in the duration, location, including by remote electronic communications, and intensity of services to meet the consumer's individualized needs.

(C) Prioritize the development or support of competitive, integrated employment, volunteer activities, or pursuit of postsecondary education; establish and support paid internship program opportunities; maximize consumer direction of the service; and increase the consumer's ability to lead an integrated and inclusive life.

(2) The type and amount of tailored day service shall be determined through the IPP process, pursuant to Section 4646. The IPP shall contain, but not be limited to, the following:

(A) A detailed description of the consumer's individualized choices and needs and how these choices and needs will be met.

(B) The type and amount of services and staffing needed to meet the consumer's individualized choices and needs, and unique health and safety and other needs.

(3) The staffing requirements set forth in Section 55756 of Title 17 of the California Code of Regulations and subdivision (p) of Section 4851 of this code shall not apply to a tailored day service.

(4) Commencing July 1, 2022, until June 30, 2025, inclusive, for vendored programs wishing to offer a tailored day service option, the hourly rate for the tailored day service option shall be calculated using a base rate, defined as twice the amount of the rate model or models for "Community-Based Day, Community Only, 1:2." The calculation of the rate shall be as follows:

(A) Effective July 1, 2022, the hourly rate shall equal 80 percent of the base rate.

(B) The rate established in subparagraph (A) shall remain in effect pending the department's review, in coordination with stakeholders, of implementation of this section, as amended by the act that added this paragraph. The review, to be completed by June 30, 2024, shall include development of recommendations that may include, but not be limited to, modifying the scope of the service or establishing a rate model specific to the service. The department shall provide an update to the Legislature on the status of the review no later than January 10, 2024.

(5) Commencing on July 1, 2025, for vendored programs wishing to offer a tailored day service option, the hourly rate for the tailored day service option shall be set by the department and posted on its internet website.

(6) The hold harmless policy defined in subdivision (d) of Section 4519.10 shall apply for vendored programs offering a tailored day service as of June 30, 2022, with an hourly rate that exceeds the rate calculated pursuant to this subdivision.

(7) Tailored day services shall not be delivered on the same day as any other regional center vendored day program, look-alike day program, supported employment program, or work activity program unless all of the following apply:

(A) A consumer has a plan identified in their individual program plan for transitioning from a work activity program to competitive integrated employment, paid internship, or postsecondary education.

(B) The transition plan is developed through a person-centered planning process that reflects and maximizes individual preferences and goals.

(C) The duration of the delivery of tailored day services on the same day or days as a work activity program or supported employment services is no longer than six months.

(8) The total monthly hours of tailored day services shall not exceed the number of days in the month tailored day services are authorized, multiplied by four.

(9) The regional center shall ensure that the vendor is capable of complying with, and will comply with, the consumer's IPP, individual choice, and health and safety needs.

(10) Effective July 1, 2011, and prior to the time of development, review, or modification of a consumer's IPP, regional centers shall provide information about tailored day service to eligible adult consumers. A consumer may request information about tailored day services from the regional center at any time and may request an IPP meeting to secure those services.

(c) (1) A vouchered community-based training service is defined as a consumer-directed service that assists the consumer in the development of skills required for competitive integrated employment, the paid internship program, participation in volunteer activities, or any combination of these, and the assistance necessary for the consumer to secure employment, a paid internship, or volunteer positions or pursue secondary education.

(2) Implementation of vouchered community-based training service is contingent upon the approval of the federal Centers for Medicare and Medicaid Services.

(3) Vouchered community-based training service shall be provided in natural environments in the community, separate from the consumer's residence.

(4) A consumer, parent, or conservator vendored as a vouchered community-based training service shall utilize the services of a financial management services (FMS) entity. The regional center shall provide information about available financial management services and shall assist the consumer in selecting a FMS vendor to act as coemployer.

(5) A parent or conservator shall not be the direct support worker employed by the vouchered community-based training service vendor.

(6) If the direct support worker is required to transport the consumer, the vouchered community-based training service vendor shall verify that the direct support worker can transport the consumer safely and has a valid California driver's license and proof of insurance.

(7) The rate for vouchered community-based training service shall be the most recent rate posted on the department's public internet website. The rate includes employer-related taxes and all transportation needed to implement the service, except as described in paragraph (8). The rate does not include the cost of the FMS.

(8) A consumer vendored as a vouchered community-based training service shall also be eligible for a regional center-funded bus pass, if appropriate and needed.

(9) Vouchered community-based training service shall be limited to a maximum of 150 hours per quarter. The services to be provided and the service hours shall be documented in the consumer's IPP.

(10) A direct support worker of vouchered community-based training service shall be an adult who possesses the skill, training, and experience necessary to provide services in accordance with the IPP.

(11) Effective July 1, 2011, and prior to the time of development, review, or modification of a consumer's IPP, regional centers shall provide information about vouchered community-based training service to eligible adult consumers.

(12) The type and amount of vouchered community-based training service shall be determined through the IPP process pursuant to Section 4646. The IPP shall contain, but not be limited to, the following:

(A) A detailed description of the consumer's individualized choices and needs and how these choices and needs will be met.

(B) The type and amount of services and staffing needed to meet the consumer's individualized choices and unique health and safety and other needs.

(d) The department may adopt emergency regulations for tailored day service or vouchered community-based training service. The adoption, amendment, repeal, or readoption of a regulation authorized by this subdivision is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement that it describe specific facts showing the need for immediate action. A certificate of compliance for these implementing regulations shall be filed within 24 months following the adoption of the first emergency regulations filed pursuant to this subdivision.

SEC. 10. Section 4784 of the Welfare and Institutions Code is repealed.

SEC. 11. Section 4851 of the Welfare and Institutions Code is amended to read:

4851. The definitions contained in this chapter shall govern the construction of this chapter, with respect to habilitation services provided through the regional center, and unless the context requires otherwise, the following terms shall have the following meanings:

(a) “Habilitation services” means community-based services purchased or provided for adults with developmental disabilities, including services provided under the Work Activity Program and the Supported Employment Program, to prepare and maintain them at their highest level of vocational functioning, or to prepare them for referral to vocational rehabilitation services.

(b) “Individual program plan” means the overall plan developed by a regional center pursuant to Section 4646.

(c) “Individual habilitation service plan” means the service plan developed by the habilitation service vendor to meet employment goals in the individual program plan.

(d) “Department” means the State Department of Developmental Services.

(e) “Work activity program” includes, but is not limited to, sheltered workshops or work activity centers, or community-based work activity programs certified pursuant to subdivision (f) or accredited by CARE, the Commission on Accreditation of Rehabilitation Facilities.

(f) “Certification” means certification procedures developed by the Department of Rehabilitation.

(g) “Work activity program day” means the period of time during which a Work Activity Program provides services to consumers.

(h) “Supported employment program” means a program that meets the requirements of subdivisions (l) to (q), inclusive.

(i) “Consumer” means any adult who receives services purchased under this chapter.

(j) “Accreditation” means a determination of compliance with the set of standards appropriate to the delivery of services by a work activity program or supported employment program, developed by CARE, the Commission on Accreditation of Rehabilitation Facilities, and applied by the commission or the department.

(k) “CARE” means the Commission on Accreditation of Rehabilitation Facilities.

(l) “Supported employment” means paid work that is integrated in the community for individuals with developmental disabilities.

(m) “Integrated work” means the engagement of an employee with a disability in work in a setting typically found in the community in which individuals interact with individuals without disabilities other than those who are providing services to those individuals, to the same extent that individuals without disabilities in comparable positions interact with other persons.

(n) “Supported employment placement” means the employment of an individual with a developmental disability by an employer in the community, directly or through contract with a supported employment program. This includes provision of ongoing support services necessary for the individual to retain employment.

(o) “Allowable supported employment services” means the services approved in the individual program plan and specified in the individual

habilitation service plan for the purpose of achieving supported employment as an outcome, and may include any of the following:

- (1) Job development, to the extent authorized by the regional center.
- (2) Program staff time for conducting job analysis of supported employment opportunities for a specific consumer.
- (3) Program staff time for the direct supervision or training of a consumer or consumers while they engage in integrated work unless other arrangements for consumer supervision, including, but not limited to, employer supervision reimbursed by the supported employment program, are approved by the regional center.
- (4) Community-based training in adaptive functional and social skills necessary to ensure job adjustment and retention.
- (5) Counseling with a consumer's significant other to ensure support of a consumer in job adjustment.
- (6) Advocacy or intervention on behalf of a consumer to resolve problems affecting the consumer's work adjustment or retention.
- (7) Ongoing support services needed to ensure the consumer's retention of the job.

(p) "Group services" means job coaching in a group supported employment placement at a job coach-to-consumer ratio of not less than 1 to 2 nor more than 1 to 8 where services to a minimum of two consumers are funded by the regional center or the Department of Rehabilitation. For consumers receiving group services, job coaching shall be provided at the worksite.

(q) "Individualized services" means job coaching and other supported employment services for regional center-funded consumers in a supported employment placement at a job coach-to-consumer ratio of 1 to 1, and that decrease over time until stabilization is achieved. Individualized services may be provided on or off the jobsite.

SEC. 12. Section 4857.1 of the Welfare and Institutions Code is amended to read:

4857.1. Regional centers may purchase habilitation services only from providers who are vendored as described in Section 4861 and regulations promulgated pursuant to that section. Habilitation services providers who, on July 1, 2004, are providing services to consumers shall be deemed to be an approved vendor.

SEC. 13. Section 4860 of the Welfare and Institutions Code is amended to read:

4860. (a) (1) The hourly rate for supported employment services shall be set by the department and posted to its internet website.

(2) Job coach hours spent in travel to consumer worksites may be reimbursable for individualized services only when the job coach travels from the vendor's headquarters to the consumer's worksite or from one consumer's worksite to another, and only when the travel is one way.

(b) The hourly rate for group services shall be set by the department and posted to its internet website. Consumers in a group shall be scheduled to start and end work at the same time, unless an exception that takes into

consideration the consumer's compensated work schedule is approved in advance by the regional center. The department, in consultation with stakeholders, shall adopt regulations to define the appropriate grounds for granting these exceptions. When the number of consumers in a supported employment placement group drops to fewer than the minimum required in subdivision (p) of Section 4851, the regional center may terminate funding for the group services in that group, unless, within 90 days, the program provider adds one or more regional centers, or Department of Rehabilitation-funded supported employment consumers to the group.

(c) When Section 4855 applies, fees shall be authorized for the following:

(1) A three-hundred-sixty-dollar (\$360) fee shall be paid to the program provider upon intake of a consumer into a supported employment program. No fee shall be paid if that consumer completed a supported employment intake process with that same supported employment program within the previous 12 months.

(2) A seven-hundred-twenty-dollar (\$720) fee shall be paid upon placement of a consumer in an integrated job, except that no fee shall be paid if that consumer is placed with another consumer or consumers assigned to the same job coach during the same hours of employment.

(3) A seven-hundred-twenty-dollar (\$720) fee shall be paid after a 90-day retention of a consumer in a job, except that no fee shall be paid if that consumer has been placed with another consumer or consumers, assigned to the same job coach during the same hours of employment.

(d) Notwithstanding paragraph (4) of subdivision (a) of Section 4648, the regional center shall pay the supported employment program rates established by this section.

(e) The department, with regional center participation, shall conduct an annual survey of providers, in a format determined by the department, to collect the following information:

(1) The number of employment placements in the previous 12 months.

(2) Types of employment in which consumers are placed.

(3) The cost components of the rates in subdivisions (a) and (b), including, but not limited to, the amount used for hourly wages of job coaches, administration, and placement search costs.

(4) The number of hours each consumer works and the consumer's hourly wage.

(5) Any other information determined by the department.

(f) In its 2017–18 May Revision fiscal estimate, the department shall describe the results of the survey described in subdivision (e).

SEC. 14. Section 4861 of the Welfare and Institutions Code is amended to read:

4861. The regional center may vendor new work activity or supported employment programs, after determining the capacity of the program to deliver effective services, and assessing the ability of the program to comply with CARF requirements.

(a) Programs that receive the regional center's approval to provide supported employment services shall receive rates in accordance with Section 4860.

(b) A new work activity program shall receive the rate posted on the department's internet website.

(c) The regional center may purchase services from new work activity programs and supported employment programs, even though the program is not yet accredited by CARF, if all of the following apply:

(1) The vendor can demonstrate that the program is in compliance with certification standards established by the Department of Rehabilitation, to allow a period for becoming CARF accredited.

(2) (A) The program commits, in writing, to apply for accreditation by CARF within three years of the approval to purchase services by the regional center.

(B) CARF shall accredit a program within four years after the program has been vendored.

(d) The regional center may approve or disapprove proposals submitted by new or existing vendors based on all of the following criteria to the extent that it is federally permissible:

(1) The need for a work activity or supported employment program.

(2) The capacity of the vendor to deliver work activity or supported employment services effectively.

(3) The ability of the vendor to comply with the requirements of this section.

(4) The ability of the vendor to achieve integrated paid work for consumers served in supported employment.

SEC. 15. Section 4870 of the Welfare and Institutions Code is amended to read:

4870. (a) To encourage competitive integrated employment opportunities statewide for individuals with developmental disabilities, the department shall establish guidelines and oversee a program, to the extent funds are appropriated in the annual Budget Act for this purpose, to increase paid internship opportunities for individuals with developmental disabilities that produce outcomes consistent with the individual program plan. The department shall consult with the State Council on Developmental Disabilities, regional centers, employers, supported employment provider organizations, and clients' rights advocates, to establish a program that shall be administered by community service providers and that meets all of the following criteria:

(1) Internships shall not exceed 1,040 hours per year for each individual placed in an internship.

(2) Payments for internship hours under this program shall include all required employer-related costs.

(3) Individuals participating in an internship shall be paid at or above minimum wage and equal to the customary wage paid by the employer for the same or similar work performed by individuals who do not have disabilities.

(4) A payment of seven hundred fifty dollars (\$750) shall be made to the regional center service provider if both of the following apply:

(A) On or after July 1, 2021, the regional center provider places an individual in a paid internship opportunity.

(B) That individual remains in the paid internship after 30 consecutive days.

(5) An additional payment of one thousand dollars (\$1,000) shall be made to the regional center provider for an individual described in paragraph (4) who remains in the paid internship for 60 consecutive days.

(6) Placements shall be made into competitive, integrated work environments.

(7) Placements shall be made into internships that develop vocational skills that will facilitate paid employment opportunities in the future.

(8) Regional centers shall increase awareness of these internships to consumers outside of current employment programs through outreach to consumers once the program is implemented, as well as during the individual program plan process.

(b) The department shall require annual reporting by regional centers and vendors that ensures program accountability and achievement of program goals. This shall include, but is not limited to, all of the following:

(1) The number of interns placed who might not otherwise have achieved the placement absent this internship program.

(2) Types of employment in which interns are placed.

(3) Length of internships.

(4) Demographic information of interns.

(5) Amount of each intern placement payment.

(6) Employment-related supports provided by another agency or individual to the intern.

(7) Number of interns who subsequently entered paid employment, including salary and benefit information.

(8) Any additional information, as determined by the department.

(c) (1) The department shall include in its annual May Revision fiscal estimate a description of the implementation of the program, including, but not limited to, a description of the stakeholder consultation, the data described in subdivision (b), aggregated by regional center and statewide, and any recommendations for program changes that may be necessary or desirable to maximize program effectiveness and accountability.

(2) It is the intent of the Legislature that the amounts included in this section be considered for changes or adjustments as part of the budget process that develops the budget for the 2025–26 fiscal year.

(d) Consistent with the individual program plan, the program shall increase sustained and appropriate competitive integrated employment placements by regional center service providers, as follows:

(1) A payment of one thousand dollars (\$1,000) shall be made to the regional center service provider that, on or after July 1, 2016, places an individual into competitive integrated employment, and the individual is

still competitively employed after 30 consecutive days, as described in subdivision (o) of Section 4851 and subdivision (d) of Section 4868.

(2) An additional payment of one thousand two hundred fifty dollars (\$1,250) shall be made to the regional center service provider for an individual described in paragraph (1) who remains in competitive integrated employment for six consecutive months.

(3) An additional payment of one thousand five hundred dollars (\$1,500) shall be made to the regional center service provider for an individual described in paragraphs (1) and (2) who remains in competitive integrated employment for 12 consecutive months.

(4) Notwithstanding paragraphs (1) to (3), inclusive, effective July 1, 2021, until June 30, 2025, the competitive integrated employment incentive payments for each milestone shall be as follows:

(A) A payment of two thousand dollars (\$2,000) if the individual is still engaged in competitive employment after 30 consecutive days, as described in subdivision (o) of Section 4851 and subdivision (d) of Section 4868.

(B) An additional payment of two thousand five hundred dollars (\$2,500), if the individual in subparagraph (A) remains in competitive integrated employment for six consecutive months.

(C) An additional payment of three thousand dollars (\$3,000), if the individual in subparagraph (B) remains in competitive integrated employment for 12 consecutive months.

(e) Regional centers shall annually report to the department the payments for placements pursuant to subdivision (d). The information shall be reported in a format determined by the department, and shall include the number of individuals placed in internships or other employment as described in this section each year.

(f) The payments made pursuant to this section shall not be in addition to the placement payments made pursuant to subdivision (c) of Section 4860.

(g) Regional center service providers that place individuals into internships under subdivision (a) are not eligible for the employment placement incentives under this section, until the individual is transitioned into a competitive integrated employment placement that is not funded as an internship.

SEC. 16. The sum of two million seven hundred eighty-nine thousand dollars (\$2,789,000) is hereby appropriated from the General Fund to the State Department of Developmental Services for project planning activities at regional centers associated with the Life Outcomes Improvement System. These funds shall be available for encumbrance or expenditure through June 30, 2026.

SEC. 17. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.