

BEFORE THE
OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF CALIFORNIA

In the Matter of:

CLAIMANT,

vs.

NORTH LOS ANGELES COUNTY REGIONAL
CENTER,

Service Agency.

OAH No. 2018110894

DECISION

Matthew Goldsby, Administrative Law Judge with the Office of Administrative Hearings, heard this matter on January 17, 2019, at Chatsworth, California.

Aaron Abramowitz, Attorney at Law, appeared and represented the North Los Angeles County Regional Center (Service Agency).

Claimant's mother appeared and represented claimant, who was also present.¹

The record was closed and the matter was submitted for decision on January 17, 2019.

¹ Claimant and his family are not identified by name to protect their privacy.

STATEMENT OF ISSUES

The issue in this matter is whether the Service Agency should be required to fund claimant's ongoing attendance at Exceptional Minds and reimburse claimant and his family for out-of-pocket expenses incurred to pay for his past attendance.

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EVIDENCE CONSIDERED

Documents: Exhibits 1-4; A-G.

Official Notice: Decision dated June 17, 2016, *In the matter of Claimant v. Harbor Regional Center*, OAH case number 2016020673; Decision dated November 5, 2015, *In the matter of Claimant v. North Los Angeles County Regional Center*, OAH case number 201504270.

Testimony: Anna Polin, Resource Developer for the Service Agency; Aaron Abramowitz, Attorney at Law; and claimant's mother.

FACTUAL FINDINGS

BACKGROUND FACTS

1. Claimant is a 25-year-old male receiving regional center services based on a diagnosis of autism. Claimant was assessed throughout his childhood and found to have "severe language impairment," "below average verbal comprehension," and "continuing communication and daily living deficits." (Ex. F.)

2. Claimant graduated from high school in 2012 and attended two years of college at Alaska Christian College, earning an Associates of Arts degree. He has worked

as a courtesy clerk at a Safeway grocery store, and as a maintenance worker at Alaska Christian College and at a McDonald's restaurant. (Ex. E.)

3. Claimant's mother was appointed his guardian by the Superior Court for the State of Alaska. Based on the most recent investigator report, "the guardianship continues to be appropriate for [claimant] at this time." (Ex. G.)

4. Paul E. Turner, Ph.D., a Clinical Psychologist, evaluated claimant on October 15, 2016. His summary and conclusions included a diagnosis of autism spectrum disorder with noted "deficits in social emotional reciprocity, reciprocal communication, and a failure to initiate or respond to social situations." (*Id.*)

5. Claimant's mother testified that claimant has drawn since he was four years old. During an evaluation on May 30, 2014, Dr. Turner observed that claimant had "a very restricted and repetitive pattern of behavior with his fixed interests and preoccupations with drawing and copying cartoons and Transformers." (Ex. F.) As an adult, claimant developed an interest and special talent in animation. Claimant pursued educational courses in animation, attending summer camps at UCLA in 2012 and 2013 and a two-week summer camp at Exceptional Minds in 2016. In 2016, claimant enrolled in the Institute of American Indian Arts, which offered courses in fine art, but had no programming in animation.

6. Claimant's parents decided to sell their home in Alaska and move to California to support and encourage claimant in the pursuit of an education in animation. Claimant enrolled in the full-time animation program at Exceptional Minds in September 2017. After establishing residency in California, claimant applied for regional center services with the Service Agency and was determined to be eligible for supports and services based on a diagnosis of autism. Claimant currently resides alone in a room

rented from a family friend in Sherman Oaks, within walking distance of Exceptional Minds.

EXCEPTIONAL MINDS PROGRAM

7. Exceptional Minds is a non-profit organization in Sherman Oaks, California. According to its promotional materials, the organization is a “vocational school and working studio that prepares young adults on the autism spectrum for careers in digital animation and visual effects.” (Ex. C.) The organization offers a “full-time, three-year vocational program [that] offers a crucial bridge between high school and meaningful employment by building on the strengths of these individuals.” (*Id.*)

8. The Exceptional Minds program began in 2011 with nine first-year students and graduated the first class of full-time students in 2014; by 2016, the organization had a student body of “200 children, teens and young adults.” (Ex. C.) Its website states, “Currently, for every three families wanting their young adults to attend our vocational academy, only one can be accepted. Lack of capacity due to funding is a reality. [¶] ... [¶] The 2018/2019 full-time tuition is estimated to be \$32,000 per year with an annual increase.” (Ex. C.)

9. Exceptional Minds provides claimant with appropriate planning and services as a whole to meet his needs and preferences. According to his progress reports, claimant has excelled academically over the course of the first year and a half of programming, and is qualified to continue in the program. (Ex. D.)

10. To date, claimant has paid for the cost of attending Exceptional Minds through a tribal funding source in Alaska which expires at the end of his second year of school. Claimant did not present evidence of his family’s actual out-of-pocket share of costs to date, but his mother testified that the tribal funding covered approximately

one-third of the costs and that the family has exhausted its resources. The mother testified that, without funding and support from the Service Agency or some other resource, claimant will not be able to continue to attend Exceptional Minds.

REGIONAL CENTER SERVICES

11. On September 11, 2018, claimant and his mother attended an Individual Program Plan (IPP) meeting. The IPP report reflected claimant's attendance at Exceptional Minds and the family's "concerns regarding future funding for [claimant's] continued enrollment in Exceptional Minds." (Ex. 3, p. 009.) The IPP report reflects discussions about alternative educational resources, including programs in animation at Los Angeles Valley College and California State University Northridge, and alternative sources of funding and support, including the Nexus program through Tierra Del Sol and the Department of Rehabilitation.

12. The IPP participants agreed that a desired outcome of regional center services was for claimant to "continue to work toward gainful employment in the area of his choosing by attending vocational and educational training." (Ex. 3, p. 016.) The agreed-upon plan was for claimant to "attain the skills necessary to obtain permanent employment position by maximizing the talent he has through instruction and hands-on experience at Exceptional Minds." (*Id.*) The IPP provided that the Service Agency would fund independent living services (ILS) and that the service coordinator would monitor progress at least annually. The IPP report did not provide that the Service Agency would fund claimant's attendance at Exceptional Minds.

13. On October 18, 2018, claimant's mother met with the service coordinator "to formally request for Regional Center to fund [claimant's] last year of Exceptional Minds program." (Ex. 4, p. 023.) The service coordinator informed the mother that the

Service Agency "does not fund for Exceptional Minds program and that a Notice of Action would be mailed to her." (Ex. 4, p. 024.)

14. On October 28, 2018, the Service Agency sent claimant's mother a letter denying her formal request for funding. The denial letter explained that Exceptional Minds "is not vendored with any regional center and has not entered into a contract with [the Service Agency]." (Ex. B.) The denial letter referred to alternate programming options, including the Nexus program at Tierra del Sol Foundation, the Media Arts Department at Pierce College, and the Video Production Department at West Valley Occupational Center.

15. On October 29, 2018, the Service Agency issued a Notice of Proposed Action, proposing to deny claimant's request to fund his attendance at Exceptional Minds. Claimant filed a Fair Hearing Request.

FAIR HEARING

16. At the hearing, Anna Polin, Resources Director with the Service Agency, testified that Exceptional Minds is not a vendor of any regional center, and is not under contract to provide services to Service Agency consumers. She further testified that the Service Agency has a policy that requires a service provider to become a vendor, that efforts were made over the past several years to vendorize Exceptional Minds, that the Service Agency would pay Exceptional Minds its usual and customary rate if the organization became a vendor or entered a contract in compliance with the regulations, and that Exceptional Minds has not taken the action necessary to become a vendor or execute a contract.

17. Claimant presented a copy of an unsigned memorandum from Exceptional Minds, which stated: "In the past, Exceptional Minds (EM) was reticent to become a

regional center Vendor as the terms provided by the Regional Center at the time were too restrictive and unmanageable for EM. . . . Circumstances have changed, however ... EM is in the process [of] signing vendorization paperwork for [the Service Agency].” (Ex. A.) Ms. Polin denied receiving or processing any vendorizing paperwork from Exceptional Minds.

18. Claimant referred to two decisions made in other administrative hearings, in which administrative law judges ordered regional centers to pay for the Exceptional Minds program, notwithstanding the organization’s status as a non-vendor. In OAH case numbers 2015040270 and 201602673, the consumers’ appeals were granted and the regional centers were ordered to pay the entire cost of tuition for its consumers to attend Exceptional Minds. This administrative law judge acknowledges that three other administrative hearings resulted in conclusions and orders similar to OAH case numbers 2015040270 and 201602673.

LEGAL CONCLUSIONS

BURDEN AND STANDARD OF PROOF

1. Claimant, as the party seeking government benefits or services, bears the burden of proof. (*Lindsay v. San Diego Retirement Bd.* (1964) 231 Cal.App.2d 156.)

2. The standard of proof in this case is the preponderance of the evidence. (Evid. Code, § 115.)

LEGISLATIVE OBJECTIVES

3. The Lanterman Developmental Disabilities Services Act (Lanterman Act) sets forth a regional center’s obligations and responsibilities to provide services to individuals with developmental disabilities. (Welf. & Inst. Code, § 4500 et seq.) The purpose of the Lanterman Act is to establish an array of services and supports

sufficiently complete to meet the needs and choices of persons with developmental disabilities, regardless of their age or degree of disability, and at each stage of life, and to support their integration into the mainstream of the community. (Welf. & Inst. Code, § 4501.) To comply with the Lanterman Act, a regional center must provide services and supports that “enable persons with developmental disabilities to approximate the pattern of everyday living available to people without disabilities of the same age.” (*Id.*) Consumers of services and supports, and where appropriate, their parents, should be empowered to make choices in all areas of life. (*Id.*)

4. The legislative intent of the Lanterman Act is to ensure that “the provision of services to consumers and their families be effective in meeting the goals stated in the [IPP], reflect the preferences and choices of the consumer, and reflect the cost-effective use of public resources.” (Welf. & Inst. Code, § 4646, subd. (a).) Moreover, the Lanterman Act was intended to ensure that “regional centers assist persons with developmental disabilities and their families in securing those services and supports which maximize opportunities and choices for living, working, learning, and recreating in the community.” (Welf. & Inst. Code, § 4640.7, subd. (a).)

5. “Notwithstanding preexisting rights to enforce the [Lanterman Act], it is the intent of the Legislature that [the Department of Developmental Services (DDS)] ensure that the regional centers operate in compliance with federal and state law and regulation and provide services and supports to consumers in compliance with the principles and specifics of [the Lanterman Act].” (Welf. & Inst. Code, § 4434, subd. (a).) DDS must “take appropriate and necessary steps to prevent regional centers from utilizing a policy or guideline that violates any provision of [the Lanterman Act] or any regulation adopted thereunder.” (Welf. & Inst. Code, § 4434, subd. (d).)

STATUTORY AND REGULATORY FRAMEWORK

6. A regional center may, "pursuant to vendorization or a contract," purchase services or supports for a consumer from any individual or agency that the IPP participants determine will best accomplish any part of the consumer's IPP. (Welf. & Inst. Code, § 4648, subd. (a)(3).)

7. The Legislature created a statutory scheme regulating direct service providers. (Welf. & Inst. Code, §§ 4648, subd. (a)(3)-(5), 4648.1.) DDS was delegated the authority "to adopt regulations governing the vendorization process to be utilized by ... regional centers, vendors, and the individual or agency requesting vendorization." (Welf. & Inst. Code, § 4648, subd. (a)(3)(B).)

8. Pursuant to its delegated authority, DDS has adopted regulations applicable to the vendorization process, including but not limited to the following regulatory provisions:

(A) An applicant who desires to be a vendor with a regional center must submit an application, furnish required information about the services to be provided, and produce documentation to show the applicant's qualifications to provide those services. (Cal. Code Regs., tit. 17, §§ 54310, 54311.) An applicant must certify that the information is true, correct, and complies with the regulations. (Cal. Code Regs., tit. 17, § 54310, subd. (b).)

(B) The applicant or vendor must disclose all the information required by applicable federal regulations, and information pertaining to ownership and control of the service-providing entity. (Cal. Code Regs., tit. 17, § 54311, subd. (a).) Certain applicants, including state government employees and those with a conflict of interest with a regional center, are ineligible for vendorization. (Cal. Code Regs., tit. 17, § 54314.)

(C) An applicant must disclose whether any agent, director, officer, or managing employee of the applicant has within the previous 10 years: (A) Been convicted of any felony or misdemeanor involving fraud or abuse in any government program, or related to neglect or abuse of an elder or dependent adult or child, or in any connection with the interference with, or obstruction of, any investigation into health care related fraud or abuse; or (B) Been found liable in any civil proceeding for fraud or abuse involving any government program; or (C) Entered into a settlement in lieu of conviction involving fraud or abuse in any government program. (Cal. Code Regs., tit. 17, § 54311, subd. (a)(6).)

(D) The vendoring regional center must approve vendorization within 45 days of receipt of all information which specifies that the applicant is in compliance with the criteria set forth at California Code of Regulations, title 17, section 54320, subdivision (a). (Cal. Code Regs., tit. 17, § 54322, subd. (a).)

(E) The regional center "shall assign a service code to the vendor based upon the program design and/or the services provided." (Cal. Code Regs., tit. 17, § 54340, subd. (c).) A "vendor" is defined in the regulations as "an applicant which has been given a vendor identification number and has completed the vendorization process." (Cal. Code Regs., tit. 17, § 54302, subd. (a)(74).)

(F) A vendor may charge its "usual and customary rate," meaning the rate the vendor regularly charges for its service, where at least 30 percent of the recipients of the given service are not regional center consumers or their families. (Cal. Code Regs., tit. 17, § 57210, subd. (a)(19).) New programs applying for vendorization must provide a written declaration to the regional center that "it is their intent to comply with this [regulation], and be given 12 months to achieve compliance." (*Id.*)

9. The DDS has also adopted a separate set of regulations governing contract provisions that “shall”² be included in all service provider agreements with regional centers. (Cal. Code Regs., tit. 17, § 50607-50610.) When a regional center enters into a contract with a service provider, the agreement must include, but not be limited to:

(A) Contract provisions stating the parties, the general purpose, the services to be provided, the date of execution, and the applicable statutes and regulations applying to the contract. (Cal. Code Regs., tit. 17, § 50607, subd. (a).)

(B) Contract provisions defining terms unique to the contract or contracted service (Cal. Code Regs., tit. 17, § 50607, subd. (d)), requiring a signature by authorized representatives of all contracting parties (Cal. Code Regs., tit. 17, § 50607, subd. (b)), and identifying the term of the contract period (Cal. Code Regs., tit. 17, § 50607, subd. (c)).

(C) A contract provision stating that the contract “shall not be construed to excuse compliance with existing statutes or regulations” (Cal. Code Regs., tit. 17, § 50607, subd. (i)), that any amendment or modification to the contract shall comply with the requirements of applicable statutes and regulations (Cal. Code Regs., tit. 17, § 50607, subd. (e)), and that all services shall be rendered in accordance with the law and all applicable federal and state regulations (Cal. Code Regs., tit. 17, § 50607, subd. (h)).

² As used in the DDS regulations, the word “shall” denotes mandatory conduct. (Cal. Code Regs., tit. 17, § 54300.)

(D) A contract provision requiring termination of the contract if the service provider fails to comply with the regulations. (Cal. Code Regs., tit. 17, § 50611, subd. (b)(3)(A).)

(E) A contract provision requiring the service provider to maintain books, records, documents, and other evidence pertaining to all income, expenses, and services relating to and/or affecting the performance of the contract. (Cal. Code Regs., tit. 17, § 50608, subd. (b).) A service provider must permit the regional center to access its books, records, and facilities (Cal. Code Regs., tit. 17, § 50603), and a regional center/service provider contract must include audit provisions (Cal. Code Regs., tit. 17, § 50610). Regional centers have the right to audit the records of service providers to the extent a regional center deems necessary. (Cal. Code Regs., tit. 17, § 50606.) A service provider must maintain financial records and source documents for a period of five years (Cal. Code Regs., tit. 17, §§ 50604-50605) and maintain service records to support all billings/invoicing as specified in the regulations (Cal. Code Regs., tit. 17, § 50608, subd. (c)).

(F) Contract provisions stating that assignment of the contract for consumer services shall not be allowed (Cal. Code Regs., tit. 17, § 50607, subd. (g)), and that subcontracting of services for which the service provider is vendored shall not be permitted, except for contracts for transportation services and community-based day program services (Cal. Code Regs., tit. 17, § 50607, subd (j)).

(G) A contract provision stating that the level of service provided shall, at a minimum, be consistent with the service provider's program design, if applicable, and any other program-related documentation relied upon by DDS as a basis for establishing rates of payment. (Cal. Code Regs., tit. 17, § 50608, subd. (a).) The service provider's program design shall be made a part of the contract, which shall include: (A)

A written statement of the facility's purpose and goals; (B) A description of the services provided; (C) A description of program methods; (D) Consumer entrance and exit criteria; (E) Job descriptions of all positions; (F) Staff qualifications for each job description; (G) A staffing plan which indicates the staff-to-consumer ratio for delivery of direct care services for all hours the consumers are under the supervision of the facility; (H) A staff training plan, if any; and (I) Hours and location of service. (Cal. Code Regs., tit. 17, § 50608. subd. (a)(1).)

(H) A contract provision requiring the service provider to adopt and periodically review a written internal procedure to resolve consumer grievances pursuant to Welfare and Institutions Code section 4705. (Cal. Code Regs., tit. 17, § 50608. subd. (e).)

10. A regional center may contract or issue a voucher for services and supports provided to a consumer at a cost not to exceed the maximum rate of payment for that service established by DDS. (Welf. & Inst. Code, § 4648, subd. (a)(4).) A regional center may offer vouchers to family members or adult consumers to allow them to procure their own diaper or nutritional supplements, day care, nursing, respite, or transportation service. (Cal. Code Regs., tit. 17, § 54355.)

11. A purchase of service authorization must be obtained in advance from the regional center for all services purchased out of center funds. (Cal. Code Regs., tit. 17, § 50612.) A retroactive authorization is allowed for emergency services "if services are rendered by a vendored service provider: (A) At a time when authorized personnel of the regional center cannot be reached by the service provider either by telephone or in person (e.g., during the night or on weekends or holidays); (B) Where the service provider, consumer, or the consumer's parent, guardian or conservator, notifies the regional center within five working days following the provision of service; and (C)

Where the regional center determines that the service was necessary and appropriate.”
(Cal. Code Regs., tit. 17, § 50612, subd. (b)(1).)

DISCUSSION

12. In this case, claimant’s attendance at Exceptional Minds furthers his vocational skills and develops his talent in drawing and animation, a stated objective of his IPP. The program’s practical professional application and job placement services appear to enable claimant to approximate the pattern of everyday living available to people without disabilities of the same age. Claimant and his family prefer Exceptional Minds to other vocational options proposed by the Service Agency and the Service Agency agreed that a desired outcome of regional center services was for claimant to continue to work toward gainful employment in the area of his choosing by attending vocational and educational training. (Factual Findings 11-12.)

13. However, claimant has failed to prove by a preponderance of the evidence that the purchase of service from Exceptional Minds may be made pursuant to vendorization. Although there is conflicting evidence relating to the organization’s desire and efforts to become a vendor, there is no dispute that Exceptional Minds is not currently a vendor of any regional center.

14. Moreover, claimant is unable to establish by a preponderance of evidence that the purchase of service from Exceptional Minds may be made pursuant to contract. The evidence fails to show any meeting of the minds between Exceptional Minds and the Service Agency. On the contrary, the weight of the evidence exhibits past reticence on the part of Exceptional Minds to be subjected to regulation and oversight. The promotional materials of Exceptional Minds indicate that the organization has elected to be privately funded since 2011, and that the attendant economic reality of its growth

has resulted in the non-acceptance of two-thirds of those desiring to enroll in the program.

15. The prior fair hearing decisions in OAH case numbers 2015040270 and 2016020673 are advisory only, and not persuasive in this hearing because those decisions are silent on the application of the statutes and regulations described at Legal Conclusions 7-9. Mere disparity in treatment is not grounds for relief in administrative proceedings. (*Pegues v. Civil Service Com.* (1998) 67 Cal.App.4th 95.)

16. Moreover, there are no precedential decisions or higher-court opinions controlling the specific facts and circumstances of this case. "[A] decision is authority only for the point actually passed on by the court and directly involved in the case." (*Gomes v. County of Mendocino* (1995) 37 Cal.App.4th 977, 985.)

17. Courts have recognized that developmentally disabled persons have "the right to be provided at state expense with only such services as are consistent with [the Lanterman Act's] purposes." (*Association for Retarded Citizens v. Department of Developmental Services* (1985) 38 Cal.3d 384, 393.) Regional centers have wide discretion in determining how to implement an IPP, and DDS has the authority "to promote uniformity and cost-effectiveness in the operations of the regional centers," but not to control the manner in which regional centers provide services. (*Id.* at p. 390.) In this case, claimant is entitled to vocational services at state expense, but only to the extent consistent with the purposes of the Lanterman Act, which expressly includes service-provider compliance with the regulatory scheme enacted into law by the Legislature and duly adopted into regulations by DDS.

18. In *Harbor Regional Center v. Office of Administrative Hearings* (2012) 210 Cal.App.4th 293 (*Hannah G*), the court held that exceeding the maximum pay rate

established by the regulations may be required by “unique circumstances in order to fulfill the Lanterman Act’s mandate to take all steps possible to keep such children at home with their families.” (*Id.* at p. 299.) However, the facts of the *Hannah G* case are materially different from the facts of this case in the following respects:

(A) The service provider in *Hannah G* was a vendor. Although the court resolved a dispute over the application of a regulation governing the pay rate for the vendor’s employee, the service provider was subject to all remaining regulatory provisions applicable to vendors. Accordingly, the regional center had statutory or contractual rights to information concerning the qualifications of care providers, to disclosure of any criminal record or judgments against the principals of the organization, to certifications that the information relied upon by the regional center was true and correct, to audit the service provider’s use of state funds, to access the service provider’s facilities to observe the level and quality of service provided to the claimant, and to enforce compliance with the regulations. In this case, the Service Agency has no mechanism to enforce these valid regulatory objectives until Exceptional Minds becomes a vendor or executes a contract containing the provisions required by the regulations.

(B) The claimant in the *Hannah G* case was a disabled child with “a rare condition that [required] extraordinary care” and the caregiver “was indispensable to carry out the program” and without whom the claimant “would be unable to remain at home.” (*Hannah G*, at pp. 311–312.) In this case, claimant is an adult who, notwithstanding his diagnosis of autism, has completed high school and earned an Associates of Arts degree. The Exceptional Minds program is a preferred vocational program, presumably offering a different education program than that offered by regulated vendors and contract providers of vocational programming in animation.

However, the evidence in this case does not establish that claimant suffers from a rare condition requiring extraordinary care, that the Exceptional Minds program is indispensable, or that alternative programming would be insufficient to carry out the Service Agency's mandate under the Lanterman Act "to assist [claimant] in securing those services and supports which maximize opportunities and choices for living, working, learning, and recreating in the community." (Welf. & Inst. Code, § 4640.7, subd. (a).)

(C) The regional center in the *Hannah G* case refused to pay a temporary \$2.50 per hour pay raise because the amount exceeded a single regulation fixing the maximum rate of pay. In this case, the Service Agency denied funding claimant's attendance at Exceptional Minds at its usual and customary rate of \$32,000 per year for a three-year full-time program because the organization is unwilling to comply with any of the dozens of statutes and regulations applicable to vendorization or contracting with a regional center. (Welf. & Inst. Code, §§ 4648, subd. (a)(3)-(5), 4648.1; Cal. Code Regs., tit. 17, §§ 50607-50610, 54300-54390; Legal Conclusions 7-9.) No reasonable interpretation of the *Hannah G* case leads to the conclusion that a regional service may exercise its discretion to exempt a service provider from the statutory scheme regulating direct service providers because the service provider provides a different service than that provided by regulated service providers, but is unable to comply with or elects not to be subject to the terms and conditions of the regulations.

19. The court in the *Hannah G* case recognized that the legislative objectives of the Lanterman Act are generally governed by the regulations adopted by the DDS, stating:

For what we presume to be the vast majority of disabled persons receiving services under the [Lanterman] Act, the standard pay rate for providers who are capable of meeting their needs is subject to DDS control. As we read the ratesetting provisions of the Lanterman Act, they are designed to let DDS set rates for the general population of persons receiving services under the Act, thereby promoting uniformity and cost effectiveness. (Hannah G, *supra*, 210 Cal.App.4th at 313.)

20. The regulations governing the vendorization process and service provider contracts conform to the legislative intent of the Lanterman Act by enabling regional centers to verify that Exceptional Minds will meet the requirements and standards of the regulations. (*Morris v. Williams* (1967) 67 Cal.2d 733.) These regulations are not arbitrary or capricious and have a reasonable and rational basis to assure oversight of state resources. (*Culligan Water Conditioning v. State Bd. of Equalization* (1976) 17 Cal.3d 86.) A policy or guideline to fund the requested services in this case would violate numerous provisions of the Lanterman Act and the regulations adopted thereunder. (Welf. & Inst. Code, § 4434, subd. (d).) These regulations were validly adopted pursuant to a delegation of authority under a special statute and carry the full force of law. (*Canteen Corp. v. State Bd. of Equalization* (1985) 174 Cal.App.3d 952, 960.) Because the Service Agency is bound to render services in accordance with the regulations, its denial of services in this case was proper as a matter of law. (Welf. & Inst. Code, § 4629, subd. (b).)

21. There is no evidence to show that, by enrolling claimant in the Exceptional Minds program, the family acted in reliance on any conduct or advice given by the Service Agency or that the Service Agency made any representation that would give rise

to an equitable right to reimbursement for out-of-pocket expenses relating to his enrollment. On the contrary, claimant's family independently decided to move to California to support claimant's special talent in animation. Claimant's family was aware of the expense involved in the Exceptional Mind program, discovered independently of the Service Agency. Accordingly, there are no grounds to equitably estop the Service Agency from denying to claimant the public benefits. (*City of Long Beach v. Mansell* (1970) 3 Cal.3d 462.)

CONCLUSION

22. Cause was not shown to authorize funding under Welfare and Institutions Code section 4648, subdivision (a)(3), because the purchase of services at Exceptional Minds cannot be made pursuant to vendorization or contract. (Factual Findings 7-17.)

23. Cause was not shown to reimburse claimant's family for out-of-pocket expenses because claimant satisfied none of the criteria set forth at California Code of Regulations, title 17, section 50612, subdivision (b)(1). (Factual Findings 6 and 10; Legal Conclusion 11.) Moreover, claimant failed to establish with any degree of certainty the amount of reimbursement that his family seeks.

ORDER

Claimant's appeal is denied. The Service Agency is not required to fund claimant's ongoing attendance at Exceptional Minds or to reimburse his family's out-of-pocket expenses incurred for his past attendance.

DATED:

MATTHEW GOLDSBY

Administrative Law Judge

Office of Administrative Hearings

NOTICE

This is the final administrative decision. This decision binds both parties. Either party may appeal this decision to a court of competent jurisdiction within 90 days.