

Notice:

Certain potentially identifying information has been redacted from the decision for purposes of its public posting.

**BEFORE THE  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
STATE OF CALIFORNIA**

**In the Matter of:**

**CLAIMANT**

**and**

**EASTERN LOS ANGELES REGIONAL CENTER,**

**Service Agency.**

**DDS No. CS002649**

**OAH No. 2025050104**

**PROPOSED DECISION**

Ji-Lan Zang, Hearing Officer and Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter on August 5, 2025, and January 15 and 16, 2026.

Courtney Mangus and Reina Canale, Attorneys at Law, represented Claimant. (Claimant and his family members are identified by their titles to protect their privacy.)

Julie Ocheltree, Attorney at Law, represented Eastern Los Angeles Regional Center (ELARC).

The record remained open for ELARC to submit, by January 23, 2026, a declaration confirming that the April 25, 2024 Directive on employment-related costs (Employment-Related Costs Directive) (ex. D) is the most recent directive issued by the Department of Developmental Services (DDS) on this issue. ELARC timely submitted its declaration, which the Hearing Officer marked for identification as Exhibit 43.

The record was also kept open for submission of Claimant's closing brief by February 20, 2026, ELARC's closing brief by March 20, 2026, and Claimant's reply brief by April 3, 2026. Claimant timely filed a closing brief, which the Hearing Officer marked for identification as Claimant's Closing Brief. Claimant also submitted Exhibit AM, an illustrative spending plan, which the Hearing Officer also marked for identification. ELARC did not file a closing brief by March 20, 2016, but Claimant filed a reply brief, which the Hearing Officer marked for identification as Claimant's Reply Brief. Claimant also submitted the decision in OAH case number 2025100258 as Exhibit AN.

On April 1, 2026, ELARC submitted a request to extend the time for briefing on the grounds that ELARC's counsel had mistakenly missed the March 20, 2026 deadline. Claimant opposed ELARC's request to extend the time for briefing. On April 3, 2026, ELARC submitted its closing brief. For reasons that are set forth in the Hearing Officer's April 7, 2026 Continuance Order Extending Time for Briefing Only, the Hearing Officer accepted ELARC's closing brief and marked it for identification as Exhibit 44. However, the Hearing Officer also granted leave for Claimant to file a supplemental reply brief by April 20, 2026, as a response to ELARC's closing brief. Claimant timely filed his supplemental reply brief, which the Hearing Officer marked for identification as Claimant's Supplemental Reply Brief.

In its closing brief, ELARC objected to the submission of Exhibit AN on the basis that it was not provided to opposing counsel two days prior to the hearing in

accordance with Welfare and Institutions Code section 4712, subdivision (d)(3). (All further references are to the Welfare and Institutions Code, unless otherwise designated.) Given that Exhibit AN is an OAH decision adopted by DDS on February 23, 2026, it could not have been exchanged prior to the hearing date. ELARC's counsel was provided with sufficient time to review and argue the merits of the decision and whether it is relevant to the matter at hand. Therefore, the Hearing Officer overrules ELARC's objection to Exhibit AN, and official notice is taken of the exhibit.

Oral and documentary evidence was received. The record was closed, and the matter was submitted for decision on April 20, 2026.

## **ISSUE**

Could Claimant use his Self-Determination Program (SDP) funding to cover (1) general office supplies, (2) toner cartridges, (3) membership to CalChamber's website at the cost of \$1,899 per year; (4) labor posters; (5) a designated fax service; (6) purchase and maintenance of a business license in the City of Montebello; (7) purchase and yearly maintenance of: (a) business liability insurance, (b) commercial auto insurance, (c) non-owned auto insurance, (d) and health insurance for all employees; (8) reimbursement for employees' cell phone plans at the rate of \$30 per person per month; (9) reimbursement of employees' parking costs that they incur while discharging their job duties; and (10) creation of: (a) workplace violence prevention plan; (b) injury and illness prevention plan; (c) harassment, discrimination, and retaliation prevention training?

## **EVIDENCE**

Documentary: ELARC's Exhibits 1-41; Claimant's Exhibits B-AN

Testimonial: Justine Cortez, Service Coordinator; Lilia Ortega, SDP Transition Liaison; Belinda Salinas, Case Supervisor; Claimant.

## **FACTUAL FINDINGS**

### **Parties and Jurisdiction**

1. Claimant is an unconserved twenty-three-year-old male. He qualifies for regional center services based on a diagnosis of autism.

2. On September 15, 2025, ELARC sent Claimant five Notice of Action letters denying his requests for (1) general office supplies, (2) toner cartridges, (3) membership to CalChamber website at the cost of \$1,899 per year; (4) labor posters; (5) a designated fax service; (6) purchase and maintenance of business license in the City of Montebello; (7) purchase and yearly maintenance of: (a) business liability insurance, (b) commercial auto insurance, (c) non-owned auto insurance, (d) and health insurance for all employees; (8) reimbursement for employees' cell phones at the rate of \$30 per person per month; (9) reimbursement of employees' parking costs that they incur while discharging their job duties; and (10) creation of: (a) workplace violence prevention plan; (b) injury and illness prevention plan; and (c) harassment, discrimination, and retaliation prevention policy. Claimant timely filed a request for a fair hearing appealing the denials. All jurisdictional requirements have been met.

### **Claimant's Individual Program Plan**

3. According to Claimant's most recent Individual Program Plan (IPP) dated September 19, 2024, Claimant lives at home with his father (Father). (Ex. 4, p. A59.) Claimant suffers from several medical conditions, including rheumatoid arthritis, which

requires him to take various medications. (*Id.*, p. A61.) Claimant can perform self-care independently but requires prompts for some self-care and reminders to take his medication. (*Id.*, p. A65.) Claimant received 90 hours of Independent Living Services (ILS) to assist him with organization and cleanliness. (*Id.*, p. A61.)

4. Claimant attends "Redacted" full time studying for a "Redacted". (Ex. 4, p. A64.) Claimant spends most of his days in school to attend his classes, to study, and to participate in different clubs on campus, "Redacted", of which Claimant was the "Redacted". (*Ibid.*) Claimant uses the support of a personal assistant (PA) to assist him with self-regulation to refocus and calm down when he experiences sensory overload or fear of being in spaces that have too many people due to health concerns. (*Ibid.*) Given this need, ELARC approved 300 hours per month of PA effective February 1, 2025, to support Claimant while he is on campus and to help navigate him to and from his car, as he has difficulty moving due to his rheumatoid arthritis. (*Ibid.*)

5. Claimant also works as an intern at the "Redacted" five days a week. His work hours at the (Redact) fluctuate from week to week.

### **Respondent's Self-Determination Program (SDP)**

6. According to the IPP, in 2024 Claimant was in his first SDP budget year, effective September 1, 2024, to August 31, 2025. (Ex. 4, p. A60.) Claimant is currently in his second SDP budget year, effective September 1, 2025, to August 31, 2026. Claimant's current SDP budget includes, among other things, community integration support and community living supports, equivalent to the 300 hours of PA and 90 hours per month of ILS approved under his IPP. (Ex. AB.) According to his SDP budget, Claimant employs Father and workers M.M. and P.M., to perform these community

integration and community living supports hours. (*Ibid.*) Claimant's current annual budget totals \$201,168.68. (*Ibid.*)

7. As a participant in the SDP program, respondent is required to designate a Financial Management Services firm (FMS) to assist him in handling fiscal matters. There are three models for a participant to receive services from an FMS: (1) Bill Payer, where the FMS pays business entities and the participant has no responsibilities as an employer; (2) Co-Employer, where participant shares some of the employer roles and responsibilities with an FMS (e.g., participant schedules the worker, supervises the work, and approves timesheets); and (3) Sole Employer, where the participant is the direct employer of those providing services and pays for liability insurance and worker's compensation insurance. (Ex. C, p. B50.)

8. For all three models of FMS providers, the FMS helps SDP participants manage their individual budget and spending plans, pays for services, including paying employees of the service providers, and makes sure the participant has funds to purchase services and supports for the budget year. According to a chart describing the different types of FMS's published by DDS, however, under the Sole Employer model, the participant is responsible for obtaining liability insurance and worker's compensation insurance, while both the participant and the FMS are responsible for ensuring "compliance with employment laws." (Ex. C., p. B51.)

9. Claimant designated Acumen Fiscal Agent, LLC (Acumen) as his FMS and selected to receive its services through the Sole Employer Model.

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## Claimant's FMS

10. On July 16, 2024, Claimant signed a Participant Directed Option Agreement (Agreement) with Acumen, which states, in relevant part:

I understand that I am the Employer of Record for this program. The employer is not Acumen Fiscal Agent or the Regional Center.

I understand that as the employer of record I am responsible to comply with paying all of my employees in accordance with the Department of Labor Regulations including the Fair Labor Standards Act and the Final Rule effective December 1, 2016. Furthermore, I understand that this employer responsibility may extend beyond what the program funds may pay my employee and I accept full responsibility for all debts owed. This includes overtime and any hours that are above what is authorized in the Individual Program Plan (IPP) and/or within program rules. (Federal link: <https://www.dol.gov/whd/homecare/homcareguide.pdf>)

[¶] . . . . [¶]

I understand that Acumen will provide a Workers' Compensation poster for use if my employee is injured on the job. I understand this poster must be displayed in an area of the home where it can be easily viewed and read by my employee during the work day.

I understand that I may face penalties and/or fines if I fail to post the Workers' Compensation poster. I, as the employer, will be personally responsible for paying these penalties and/or fines.

(Ex. J, p. B117.)

11. According to Claimant, under the terms of this Agreement, Acumen shifted all employer liability to him, such that Claimant is responsible for compliance with all labor laws and regulations. Claimant contends that because Acumen has abdicated all responsibility for his employees, he must now take over the role of the FMS and essentially run a business. Claimant is now concerned that he bears all legal liability for any labor law or business law violations, and he is in fear of being sued by his employees for any such violations.

12. However, there is no language under the Agreement suggesting that Acumen is not responsible for compliance with labor or business laws and regulations or that Claimant would be solely responsible for compliance with such laws and regulations.

### **Claimant's Request for Expenses Related to Running a Business**

13. ELARC previously provided Claimant with a filing cabinet and a computer in a case separate from this matter. However, Claimant testified that he also needs office supplies, such as paper, paper clips, stapler, staples, postage stamps, and legal sized hanging folders, because he must print, copy, mail and maintain employment records as a business owner. Claimant estimated that these items would cost \$500 to \$1,000 annually. He also requested toner cartridges for \$500 annually. Claimant also requests a fax service at the rate of \$10 to \$20 a month, for purposes of faxing certain

documents. Claimant further requests a Business license from the City of Montebello, because he believes he runs a business and he is afraid that he could be fined by Montebello daily for not having a business license. Claimant requests a yearly membership to CalChamber's website at the cost of \$1,899 per year because he wishes to learn more about running a business and labor and employment laws so that he can be in compliance. Claimant also requests business liability insurance, commercial auto insurance because he believes he runs a business. Claimant also requests non-owned automobile insurance, a rider onto business liability insurance policy covering an employee driving their own car in the performance of their jobs, because the workers he employs drive him to school and other activities using their own vehicles.

14. Claimant presented no evidence that by employing staff members who assist him due to his disability, he is earning a livelihood from such services or otherwise running a business.

### **Claimant's Request for Expenses Related to Compliance with Labor Laws**

15. According to Claimant's testimony at the hearing, he currently has three workers performing community integration support and community living supports, equivalent to approximately 300 hours of PA and 90 hours of ILS services per month. Worker M.M. works up to 94 hours per month to provide him with services at his home and in the community. Father is the second worker who provides Claimant services both at his home and in the community. Worker P.M. is a new employee and provides additional service hours. Claimant also has other workers, whom he identified by first name only, as S, T, D, and J. Of these workers, only S has worked for Claimant in the last month before January 2026. T, D, and J have not worked for Claimant since

at least October 2025. However, Claimant expected them to return to work for him in the future.

16. Claimant requests creation of (a) workplace violence prevention plan, (b) injury and illness prevention plan, (c) harassment, discrimination, and retaliation prevention trainings because he believes that under California labor laws, he is required to provide such policies. However, as set forth below in Legal Conclusions 12 to 14, Claimant presented no evidence that he is, in fact, an employer who is required under California law to provide such policies or trainings.

17. Claimant also requests "labor posters" although at the hearing, he did not specify which type of labor posters he is requesting. In his Closing Brief, Claimant requests \$130 for posters in English and Spanish that he asserts is required by the Department of Industrial Relations and Los Angeles County. (Claimant's Closing Brief, p. B1184.) ELARC suggests that any such posters can be downloaded and printed for free. (*Ibid.*) Claimant concedes in his Closing Brief that many of the posters he is requesting are available on the Department of Industrial Relations website. (*Ibid.*)

### **Claimant's Request for Employee-Related Expenses**

18. Claimant seeks \$10 per day in daily parking fees at (Redact) for 146 academic school days, for a total of \$1,460. (Ex. AM, p. B1189.) According to Claimant's testimony at the hearing, workers P.M., M.M., and Father drive him to (Redact) and sometimes stay with him as he takes his class. Claimant, however, testified that he does not know what his schedule would be after his school starts later in January 2026. During the previous term, Claimant attended school on Tuesdays, Thursdays, and Fridays. According to Claimant, some days Father or M.M. would stay with him during the class, so that the subsequent worker who was to take over the shift would overlap

with the previous worker, requiring the subsequent worker to park and incur parking fees. Claimant conceded he has a free parking pass from "Redacted". At the hearing, Claimant testified that two cars can use the parking pass, but it becomes a problem for a third car to use the parking pass when there is a shift change. Claimant could not explain under what circumstances there would be a shift change requiring three workers to be in the "Redacted" parking lot at the same time.

19. In Claimant's closing brief, Claimant changed his hearing testimony and states that his "parking pass cannot be utilized by two vehicles at the same time, the staff member at shift change must purchase a daily parking voucher." (Ex. AM, p. B1189.) Given the discrepancy between Claimant's testimony at the hearing and his statement in his closing brief, it was not established that staff shift changes at "Redacted" would incur additional parking expenses for his staff members.

20. Claimant also requests reimbursement for staff members for their personal cell phones at the rate of \$30 per month for their mobile phone plans. Claimant testified at the hearing that his staff members primarily use their cellphones to log his medications. When questioned about why his staff members use their personal cell phones to log Claimant's medication rather than Claimant's cell phone, Claimant initially stated that it is a violation of his privacy to give staff his password to his cellphone. Claimant then asserted staff members may need to use their cell phones because Claimant's cell phone may die. Claimant also asserted that he does not carry paper with him so that staff members are not able to log his medications on paper. Overall, Claimant's assertions about why his staff member would require the use of their personal cell phones to perform services for Claimant made little sense. Presumably, logging of Claimant's medications can be done either on paper or on a computer app using an internet connection that does not require a monthly phone

plan. Under these circumstances, it was not established that Claimant's staff members require a monthly cell phone plan at the rate of \$30 per month related to their employment with Claimant.

21. Claimant requests health insurance for his staff members. Claimant testified that he wishes to purchase health insurance for his staff members to address service gaps. He currently has staff members who are working over 30 hours per week. When he posted for job positions, Claimant received very few applications due to the lack of benefits.

### **Claimant's Proposed Source of Funds**

22. Claimant proposes to reallocate a portion of his existing SDP program budget to pay for his requested expenses. Claimant relies on the Employment-Related Costs Directive, which states, in relevant part: "Employer burden and other employment-related costs are applicable to employing an SDP participant's staff under the co-employer or the sole employer models. Employer burden costs are required to be incorporated in the SDP participant's spending plan. Other employment-related costs may be required by law or company policy or they may be optional costs agreed to by the SDP participant and their employee." (Ex. D, p. B52.) At the hearing, Claimant contended that the Employment-Related Costs Directive requires the payment of the expenses he seeks as an "other employment related costs" as a line item in Claimant's SDP budget. Claimant suggests in his Closing Brief that service code 331, the numerical identifier for "Community Integration Services" could be used to fund the purchase of his various requests, with the exception of the CalChamber membership, which could be funded by service code 334 for "Individual Training and Education." Claimant in his Supplemental Reply Brief, suggests that as an alternative, Claimant's

various requests can also be funded with service code 333, for "Participant-directed Goods and Services." (Claimant's Supplemental Reply Brief, p. B1246.)

### **Claimant's Other Evidence Regarding Lawsuits Against Other FMS's**

23. As evidence of Acumen's violation of labor law, Claimant submitted a class action settlement in a case filed against Acumen showing that plaintiffs sued Acumen for wage and hour violations, including failure to pay overtime wages, meal period violations, and rest period violations. (Ex. M.) Claimant contends that several other FMS's have also violated labor violations, such that they are not viable alternatives to Acumen. For example, GT Independence, LLC, (GT Independence) also has a pending class action which alleges meal break violations and failure to reimburse for business expenses such as using personal cell phones for work-related activities. (Ex. I.) Claimant contends in his Position Statement: "Although these class actions were not taken against SDP participants, future lawsuits may target the SDP participant because California law defines SDP participants as an employer, and DDS recognizes their employer responsibilities." (Claimant's Position Statement, p. B11.)

24. Claimant further alleges that regional centers have cited Acumen for violation of labor laws. However, the corrective action plan letters, dated April 24, 2025, and June 4, 2025, from San Diego Regional Center, through which Acumen is vendored, do not relate to any labor law violations. (Exs. 17 & 18.) The corrective action plan letters allege that Acumen failed to provide accurate monthly statements to participants and regional centers and failed to make purchases/submit invoices of only services and supports identified in the participant's IPP. (*Ibid.*) ELARC, as a "user regional center" of Acumen, has issued a letter of findings and recommendation based on allegations that Acumen did not provide information about sole employer responsibilities and did not guide the consumer when he had questions about

employer obligations under California law. (Ex. 19.) ELARC's recommendation to Acumen was to provide a "PowerPoint internal training on CA Labor law be complete and implemented with a target date. It would be beneficial for Acumen to provide an information session for all incoming participants as part of the onboarding process and have a record of the participants that attended." (Ex. 19, p. A329.) There is no evidence on this record that any regional center has cited Acumen for any violation of labor laws.

### **ELARC's Position**

25. At the hearing, Service Coordinator Cortez, Case Supervisor Salinas, and Liaison Ortega testified at the hearing on ELARC's behalf. Specifically, Liaison Ortega explained the three different models under which a participant may work with an FMS in the SDP program. Liaison Ortega clarified that under all three models, the FMS is working with participants to provide on-board orientations, informing them of payroll schedules, and giving information to participants about compliance issues. Staff members who provide services to participants provide timecards to the FMS for the FMS to process and ultimately pay them. Participants are not involved in payroll or other business activities. Liaison Ortega stated that the services that Claimant is requesting, including worker trainings for workplace violence or sexual harassment, if required by law, should be provided by the FMS, not the participant.

26. Liaison Ortega is aware of complaints about FMS's not providing sufficient guidance to participants about employer responsibilities under the Sole Employer model. She attended a meeting on March 25, 2025, with GT Independence, during which GT Independence endeavored to provide more resources to participants. Her notes of the meeting states: "GT [Independence] is able to purchase workers comp insurance for the participant; the cost comes out of the budget; tax forms are provided

by GT, resources for training requirements (i.e. whistleblower, sexual harassment training, employer handbook resources can be provided to the participant). . . can also provide 90/60/30 day reminder of expiring CPR or first aid or other certification and will not pay unless it's recertify." (Ex. 29, p. A382.) ELARC has encouraged Claimant to change to a different FMS if he is unsatisfied with Acumen, or he could also switch from Sole Employer model to another model, but Claimant has chosen not to do so.

27. ELARC further contends, among other arguments, that the services requested by Claimant are not necessary to meet participant's IPP goals, that the services are not allowable under the DDS waiver, and that the requested items do not fall under service codes 331 or 334. (Ex. 44, pp. A486-A488.)

## **LEGAL CONCLUSIONS**

### **Jurisdiction and Burden of Proof**

1. Where a change in services is sought, the party seeking the change has the burden of proving that the change in services is necessary by a preponderance of the evidence. (Evid. Code, §§ 115, 500.) Thus, claimant bears the burden of proving, by a preponderance of the evidence, that he may use his SDP funding to cover the requested services and items.

### **Statutory Framework**

2. The Lanterman Developmental Disabilities Services Act (Lanterman Act) (§ 4500 et seq.) sets forth a regional center's obligations and responsibilities to provide services to individuals with developmental disabilities. As the California Supreme Court explained in *Association for Retarded Citizens v. Department of Developmental*

*Services* (1985) 38 Cal.3d 384, 388, the purpose of the Lanterman Act is twofold: "to prevent or minimize the institutionalization of developmentally disabled persons and their dislocation from family and community" and "to enable them to approximate the pattern of everyday living of nondisabled persons of the same age and to lead more independent and productive lives in the community."

3. Section 4685.8 governs regional center consumers participating in the SDP. The purpose of the SDP is to provide consumers (also referred to as participants) and their families, within an individual annual budget, increased flexibility and choice, and greater control over decisions, resources, and needed and desired services and supports to implement their IPPs. (*Id.*, subd. (a).)

4. "Self-determination" is defined as "a voluntary delivery system consisting of a 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. . . ." (§ 4685.8, subd. (c)(6).)

5. When developing the individual budget used for the SDP, the IPP team determines the services, supports, and goods necessary for each participant, based on the needs and preferences of the participant, and when appropriate the participant's family, the effectiveness of each option in meeting the goals specified in the IPP, and the cost effectiveness of each option, as specified in section 4648, subdivision (a)(6)(D). (§ 4685.8, subd. (b)(2)(H)(i).) Even in the SDP program, "the participant shall utilize the services and supports. . . only when generic services and supports are not available." (§ 4685.8, subd. (d)(3)(B).)

## **Statutory and Regulatory Definitions of FMS**

6. Section 4685.8, subdivision (c), describes the functions of an FMS to 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.” (Emphasis added.)

7. Similarly, California Code of Regulations, title 17 (17 CCR), section 58884, places the responsibility of compliance with state and federal employment laws on the FMS, not the SDP participant. Specifically, 17 CCR section 58884, subdivision (a)(5), describes the Sole Employer model as follows:

Financial Management Service Fiscal/Employer Agent (FMS F/EA) means the vendored entity that functions as the adult consumer's agent or family member's agent in performing payroll duties according to IRS regulations, processing payments for the reimbursement of goods and services, and *performing other employer responsibilities that are required by federal and state law*. Under this arrangement the adult consumer or family member is the employer.

(Emphasis added.)

## **Acumen Remains Liable for Federal and State Law Violations**

8. Given these statutory and regulatory requirements, FMS's cannot absolve themselves of federal and state law compliance requirements, even by contract.

Nevertheless, Claimant's assertion that Acumen's Agreement shifted all compliance requirements to him is not borne out by the evidence. The Agreement merely states that Claimant, as the employer, is responsible for paying the minimum wage and any overtime payments in accordance with federal rules. The Agreement also states that Acumen would pay for a worker's compensation poster for Claimant to post, but he would be liable for any fines for if fails to do so. The Agreement does not contain any language suggesting that Acumen would not be liable for compliance with federal and state labor laws or regulations. In fact, Claimant's submission of the class settlement lawsuit with Acumen demonstrates that Acumen, as an FMS, remains liable for labor law violations.

### **Claimant's Request for Business-Related Expenses**

9. Additionally, given the statutory and regulatory definition of FMS, the Legislature clearly did not intend for participants in SDP to be acting in the capacity of an FMS. Under both section 4685.8 and 17 CCR section 58884, participants and employers are defined separately from FMS's. Under section 4685.8, "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." Under 17 CCR section 58884, "employer" means "the vendored adult consumer or family member who hires and engages an employee or procures an entity to perform a specified Participant-Directed Service." None of these definitions suggest that even under the sole-employer model, the participant, as the employer, would co-opt the role of the FMS to conduct business, such that the participant would be responsible for all compliance issues.

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10. Claimant believes that he runs a business and cites Montebello's City Ordinance as support that he would be fined if he did not obtain a business license. (Claimant's Closing Brief, p. B1185.) However, under Montebello Ordinance 5.04.030, "business" is defined as "the conduct of any enterprise, trade, calling, vocation, profession, occupation, including, but not limited to, the renting or leasing of apartments located within the city, or any other means of livelihood carried on within the city, whether or not the same has a fixed place of business in the city." Claimant hires workers to assist to provide him with community integration support and community living services due to his disability. His employment of these workers does not constitute engaging in an enterprise, which the Cambridge Dictionary defines as "an organization, especially a business, or a difficult and important plan, especially one that will earn money." (Cambridge Dict. <<https://dictionary.cambridge.org/us/dictionary/english/enterprise>>). Claimant also does not engage in trade, calling, vocation, profession, and occupation, and he does not earn any livelihood from receipt of services from his staff members. Therefore, his employment of these workers does not constitute running a business.

11. Under these circumstances, Claimant's request for business-related expenses, including (1) general office supplies, (2) toner cartridges, (3) membership to CalChamber's website at the cost of \$1,899 per year; (4) a designated fax service; (5) purchase and maintenance of business license in the City of Montebello; and (6) purchase and yearly maintenance of: (a) business liability insurance, (b) commercial auto insurance, and (c) non-owned auto insurance, must be denied.

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## **Claimant's Request for Expenses Related to Compliance with Labor Laws**

### **TRAININGS/POLICIES**

12. Even assuming that Claimant is liable for labor law compliance, there is no evidence that Claimant is required to have workplace violence prevention plan under California law. His staff members' workplace is Claimant's home, which is not accessible to the public, and Claimant has less than 10 employees. Thus, Claimant is exempt from the creation of a workplace violence prevention plan under Labor Code section 6401.9, subdivision (b)(2)(F).

13. Even assuming that Claimant is liable for labor law compliance, there is no evidence that Claimant is required to have an injury and illness prevention plan under the California Occupational Safety and Health Act (CalOSHA). Although Senate Bill 1350 recently amended Labor Code section 6303 to include household domestic services, "[i]ndividuals who, in their own residences, privately employ persons to perform for the benefit of such individuals what are commonly regarded as ordinary domestic household tasks, including housecleaning, cooking, and caregiving[.]" are excepted from the definition of "employment" and are therefore not required to comply with CalOSHA requirements, including the implementation of an injury and illness prevention plan. (Lab. Code, §§ 6303, subd. (b)(3), 6401.7.)

14. Even assuming that Claimant is liable for labor law compliance, there is insufficient evidence that Claimant is required to engage in harassment, discrimination, and retaliation prevention training for his employees under California law. Claimant cites Government Code section 12950.1 for support that he is required such training for his employees. Government Code section 12905.1 mandates sexual harassment

prevention trainings biennially for employers with more than five employees. However, based on Claimant's testimony at hearing, he currently has four employees (Father, P.M., M.M., and S) on staff. It is unclear if Claimant would have more than four employees on staff at the same time, thereby triggering the requirement for such training.

### **LABOR POSTERS**

15. Claimant may be required by the Department of Industrial Relations and other governmental entities to post certain labor posters. However, many of these posters are printable from online resources such as the Department of Industrial Relations website as a generic resource. Therefore, Claimant must explore and exhaust these generic resources first before seeking funding from ELARC. (§ 4685.8, subd. (d)(3)(B).)

### **Claimant's Request for Employee-Related Expenses**

#### **PARKING EXPENSES**

16. Even assuming that Claimant's parking pass can only be used by one car, Claimant did not provide sufficient evidence regarding how many shift changes would occur and on how many academic school days such shift changes would occur for reimbursement of his employees' parking at "Redacted". Based on Claimant's schedule from the previous semester, such shift changes did not occur every academic school day, and Claimant stated that he is unsure of his schedule for the next school semester. Therefore, there is insufficient evidence to grant Claimant's request for parking expenses at \$10 each day, for 146 academic school days.

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## **CELL PHONE EXPENSES**

17. Claimant's request for cell phone expenses in the amount of \$30 per month for each of his employees is based on an apparent need to log his medications using employee cell phones. There is no evidence showing that such logging cannot be done on paper or using an app without a monthly cellphone plan. Therefore, Claimant must explore and exhaust these generic resources first before seeking funding from ELARC. (§ 4685.8, subd. (d)(3)(B).)

## **HEALTH INSURANCE FOR EMPLOYEES**

18. The Employment-Related Cost Directive, dated April 25, 2024, allows for participants, such as Claimant, to agree to include costs such as health insurance as employment-related costs. Specifically, the Employment-Related Costs Directive states, in relevant part:

A participant's FMS may be required to offer certain optional benefits such as Affordable Care Act health insurance or the CalSavers Retirement Savings Program to an SDP participant's employees. An FMS may also have benefits that they offer to all of their employees, including those supporting SDP participants, such as dental and vision care. The FMS shall discuss these benefits and the impact of the associated costs on the spending plan during initial service planning and at the time of any changes.

Although not required, a participant and their staff may agree to include other costs related to employing staff such as:

- Health insurance
- Retirement benefits
- Overtime incurred while working with the SDP participant

(Ex. D, p. B53.)

19. However, the Employment-Related Costs Directive sets forth clear steps for how employment-related costs such as health insurance for Claimant’s staff is to be included in Claimant’s spending plan. Specifically, the Employment-Related Costs Direct states, in relevant part:

Standardized Process for Notification of Employer Burden and Employment-Related Costs

To achieve a standardized process for the FMS’ submission of their SDP employer burden, other employment-related costs, and subsequent notifications, the Department is requiring:

[¶]. . . . [¶]

B. After October 31, 2024, any changes to the approved FMS’ employer burden costs and notifications of such shall be processed as:

- FMS providers shall submit a new Form, along with any requested supporting documentation, to their vendoring regional center for review in advance of the proposed implementation.

- Following review and within 15 days of receipt, the vendoring regional center shall provide a copy of the Form to the Department via SDP@dds.ca.gov for approval.
- The Department shall review and approve the new Form within 15 days of receipt and provide a copy of the approved Form to the vendoring regional center and post it to the Department's website.
- The regional center shall provide the Department-approved Form to the FMS within 10 days of receipt.
- SDP Participants shall receive a copy of the approved Form from their vendored FMS in advance of the proposed implementation date. The participant, with support from their FMS and regional center, shall make necessary changes in their spending plan.

(Ex. D, p. B53.)

20. Thus, according to the Employment-Related Costs Directive, there is a standardized process for seeking approval of other employment-related costs, such as health insurance for Claimant's staff members. Claimant's FMS, in this case, Acumen, must submit a form to San Diego Regional Center, the vendoring regional center, which in turn will submit the form to DDS. DDS will then review and approve the form, which San Diego Regional Center shall then provide to Acumen. Claimant will receive a copy of the approved form, and together with support from Acumen and regional center, make the appropriate changes in his spending plan. Under these circumstances, there is no authority to issue an order for Claimant to use SDP funds

under service code 331 or 333 to obtain health insurance for his staff members. Claimant must follow the procedures set forth in the Employment-Related Costs Directive if he wishes to provide health insurance to his staff members.

21. Given the analysis above, ELARC's other arguments, including that the services requested by Claimant are not necessary to meet participant's IPP goals, that the services are not allowable under the DDS waiver, and that the requested items do not fall under service codes 331 or 334, do not need to be addressed.

## **ORDER**

1. Claimant's appeal is denied in part and granted in part.

2. Claimant may not use his Self-Determination Program funding to cover (1) general office supplies, (2) toner cartridges, (3) membership to CalChamber's website at the cost of \$1,899 per year; (4) labor posters; (5) a designated fax service; (6) purchase and maintenance of business license in the City of Montebello; (7) purchase and yearly maintenance of: (a) business liability insurance, (b) commercial auto insurance, and (c) non-owned auto insurance; (8) reimbursement for employees' cell phones at the rate of \$30 per person per month; (9) reimbursement of employees' parking costs that they incur while discharging their job duties; and (10) creation of: (a) workplace violence prevention plan; (b) injury and illness prevention plan; and (c) harassment, discrimination, and retaliation prevention policy.

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3. Claimant may use his Self-Determination Program funding to purchase health insurance for his staff members. However, he must follow the procedures described in the April 25, 2024 Employment-Related Cost Directive to obtain such insurance.

DATE:

JI-LAN ZANG

Administrative Law Judge

Office of Administrative Hearings

BEFORE THE  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2025050104

Vs.

**DECISION BY THE DIRECTOR**

Regional Center of ELARC

Respondent.

ORDER OF DECISION

On April 29, 2026, an Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH) issued a Proposed Decision in this matter.

The Department of Developmental Services (Department) takes the following action on the attached Proposed Decision of the ALJ:

The Proposed Decision is adopted but modified as follows:

- (1) Number 3 of the Order, on page 26, is amended to say “In order to utilize his current Self-Determination Program funding in his individual budget to obtain health insurance for his staff members, claimant must follow the procedures described in the April 25, 2024 Employment-Related Cost Directive. If approved, obtaining health insurance shall not increase claimant’s self-determination program budget.”

The Order of Decision, together with the Proposed Decision, constitute the Decision in this matter. This is the final administrative Decision. Each party is bound by this Decision. Either party may request a reconsideration pursuant to Welfare and Institutions Code section 4713, subdivision (b), within 15 days of receiving the Decision or appeal the Decision to a court of competent jurisdiction within 180 days of receiving the final Decision.

Attached is a fact sheet with information about what to do and expect after you receive this decision, and where to get help.

IT IS SO ORDERED on this day May 26, 2026.

Original signed by

Katie Hornberger, Deputy Director  
Community Assistance and Resolutions Division

BEFORE THE  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2025050104

Vs.

**RECONSIDERATION ORDER, DECISION  
BY THE DIRECTOR**

Eastern Los Angeles Regional Center,

Respondent.

RECONSIDERATION ORDER

On June 11, 2026, the Department of Developmental Services (Department) received claimant's application for reconsideration of a Final Decision issued by the Director on May 26, 2026.

The application for reconsideration is denied. A review of the Final Decision and record does not support a finding of factual or legal error that would change the Final Decision. The Final Decision remains effective as of August 25, 2025. All parties are bound by this Reconsideration Order and Final Decision.

Each party has the right to appeal the Final Decision to a court of competent jurisdiction within 180 days of receiving the Final Decision.

IT IS SO ORDERED on this day June 24, 2026.

Original Signed by  
Katie Hornberger  
Deputy Director, Division of Community Assistance  
and Resolutions