

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

In the Matter of:

CLAIMANT

and

HARBOR REGIONAL CENTER,

Service Agency.

DDS No. CS0029211

OAH No. 2025080520

PROPOSED DECISION

Harden Sooper, Administrative Law Judge (ALJ), Office of Administrative Hearings, State of California, heard this matter by videoconference on November 14, 2025.

Claimant's father (Father) and mother (Mother) represented Claimant, who was not present during the hearing. Names are omitted to protect the privacy of Claimant and his family.

Latrina Fannin, Manager of Rights and Quality Assurance, represented Service Agency.

The ALJ received testimony and documentary evidence. The record closed, and the matter was submitted for decision at the conclusion of the hearing.

ISSUE

Whether Service Agency is required under the Lanterman Developmental Disabilities Services Act (Lanterman Act) to increase Claimant's Self-Determination Program (SDP) budget to reflect the third installment of rate reform increases for Personal Assistance and Adaptive Skills Training (AST) services.

EVIDENCE RELIED UPON

In reaching this Proposed Decision, the ALJ relied upon Service Agency's Exhibits 1 through 13, Claimant's Exhibits A through P, and the testimony of the following witnesses: Ricardo Orozco, Service Agency Participant Choice Specialist; Jessica Sanchez, Service Agency Client Service Manager; Judy Taimi, Service Agency Director of Children and Adolescent Services; Sonni Charness, Chief Executive Officer, Guidelight Group; Debra Jorgensen, Independent Facilitator; and Mother.

FACTUAL FINDINGS

Parties and Jurisdiction

1. Claimant is 25 years old. Mother and Father are his co-conservators. He is eligible for regional center services based on his diagnoses of autism spectrum disorder and epilepsy.

2. Service Agency is a regional center designated by the Department of Developmental Services (DDS) to provide funding for services and supports to persons with developmental disabilities under the Lanterman Act. (Welf. & Inst. Code, § 4500 et seq.)

3. On June 16, 2025, Service Agency issued Claimant a Notice of Action denying Claimant's request to increase his SDP budget based upon new rate increases for regional center vendored service providers.

4. Claimant timely filed an appeal, requesting a fair hearing.

Background

SELF-DETERMINATION PROGRAM

5. Since December 1, 2021, Claimant has participated in the SDP. The SDP is a voluntary program for regional center consumers seeking increased freedom and flexibility in connection with their regional center services. Like regional center consumers using the traditional purchase-of-service model, an Individual Program Plan (IPP) sets forth an SDP participant's goals and the services and supports required to meet those goals. The IPP team, consisting of both Claimant's representatives and regional center personnel, determines the funds required to meet an SDP participant's needs and IPP goals. The team then agrees upon an annual SDP budget and, separately, a spending plan.

6. In the traditional purchase-of-service model, regional center consumers receive services and supports from vendors or contractors that have been identified, selected and utilized by the regional center and who satisfy certain statutory and other requirements. (Welf. & Inst. Code, § 4648, subds. (a)(1) & (3)(A).) In contrast, SDP

participants may use service providers of their own choosing or service providers who are regional center vendors. SDP participants are not required to use regional center vendors.

7. Regardless of whether an SDP participant intends to purchase services from regional center vendors, when calculating an initial SDP budget, the IPP team uses the traditional service model rates the regional center pays vendors providing services identified in the IPP. In Claimant's case, those services include Personal Assistance and AST, and thus Claimant's initial SDP budget allocated funds based on the cost of these services by a regional center vendor.

RATE REFORM

8. In 2021, the Legislature amended the Lanterman Act to include a statute known as service provider rate reform. The Legislature found the service provider rate structure administered by DDS lacked transparency, remained complex, was not tied to person-centered outcomes, and varied across providers who provide the same service in the same region. To address these issues, the rate reform statute phased in funding and policies beginning in the 2021–2022 fiscal year to implement rate reform, including a quality incentive program, and create an enhanced person-centered, outcomes-based system. The "transformation" was to be complete by July 1, 2025. (Welf. & Inst. Code, § 4519.10, subds. (a)(1) & (b).)

9. The rate reform statute requires service provider rate increases, based upon a rate model recommended by a study completed in 2019, to be implemented in three installments. The first installment was implemented beginning April 1, 2022, equaling 25 percent of the difference between the then-current rates and the fully funded rate model; the second installment was implemented beginning January 1,

2023, equaling another 25 percent of the difference; and the third installment was implemented beginning January 1, 2025. The third installment equaled 90 percent of the remaining difference between then-current rates and the fully funded rate model. Service providers meeting certain criteria earn a quality incentive payment equaling up to 10 percent of the rate model. (Welf. & Inst. Code, § 4519.10, subds. (c)(1)(A)–(C).)

CLAIMANT’S SDP BUDGET AND SERVICES

10. Claimant’s SDP budget calculation is based in part on the cost of services he received under the traditional purchase-of-service model, specifically service code 062, Personal Assistance, and service code 605, AST. Service provider rates associated with both service codes increased for Service Agency vendors pursuant to the rate reform statute. Claimant does not utilize Service Agency vendors for either Personal Assistance or AST services.

11. Service Agency Director of Children and Adolescent Services Judy Taimi testified Service Agency implemented the first two installments of rate reform increases, paying increased rates to Service Agency vendors providing services associated with all eligible service codes. Service Agency also increased SDP budgets, including Claimant’s, to reflect higher rates associated with service codes upon which those budget calculations were based, regardless of whether the SDP participant used Service Agency vendors for those services. According to Ms. Taimi, Service Agency did so to account for increased costs of living, not based upon any individual changes in needs or circumstances.

Claimant’s Year 4 SDP Budget

12. Claimant’s Year 4 SDP budget funds services for the period December 1, 2024, through November 30, 2025. Claimant’s IPP, dated September 30, 2024,

reflected a Year 4 budget of \$462,176.96 and a spending plan totaling \$462,174.83. The spending plan included Personal Assistance and AST services. On February 28, 2025, the IPP was amended to reflect changes to Claimant's Year 4 spending plan, but the Year 4 budget remained unchanged.

13. On October 22, 2024, Service Agency certified Claimant's Year 4 SDP budget of \$462,176.96. Service Coordinator Rosa Flores signed the certification, which stated: "[Service Agency] certifies that expenditures for the Individual Budget, including any adjustment, would have occurred regardless of the individual's participation in the [SDP]." (Ex. 6, p. A48.)

14. On November 6, 2024, Service Agency approved Claimant's Year 4 SDP spending plan of \$462,176.96. The spending plan included expenditures for Personal Assistance and AST services.

15. In her testimony at hearing, Mother asserted Service Agency stated in a 2024 IPP meeting that Claimant's Year 4 SDP budget would increase to reflect the third installment of rate reform increases, effective January 1, 2025. Mother's testimony was corroborated by an email from Ms. Flores to Mother and Claimant's independent facilitator, dated January 27, 2025, stating: "The rates have not yet been provided to us. And yes, they will be retro to Jan 1st as that is the effective date for the new rate." (Ex. D.)

16. An email sent May 2, 2025, by Ms. Flores to Mother and Claimant's independent facilitator further corroborated Mother's assertion. In the email, Ms. Flores stated:

I followed up for guidance and was informed that at the SDP advisory committee in April it was shared that [Service

Agency] would update a SDP budget with the new rates, if services assessed for the current budget year, are being provided by a [Service Agency] vendored provider/s in the Spending Plan. Alternatively, if there is a change in circumstance that would require a review of the rate increases, we may discuss further.

We acknowledge that the information shared previously may differ from what is being sent today. If you would like to discuss, please let me know.

(Ex. E.)

17. Both Ms. Taimi and Service Agency Client Service Manager Jessica Sanchez confirmed in their hearing testimony that Service Agency implemented a policy in April 2025 whereby Service Agency would not automatically increase SDP budgets based upon the third installment of rate reform increases. Under that policy, any SDP budget increases must arise from changes in the participant's circumstances or needs, including when an SDP participant uses a regional center vendor whose rates increased pursuant to rate reform. This policy, which deviates from Service Agency's policy regarding the first two rate reform increases, is not memorialized in writing.

18. In support of its policy regarding the third rate reform increase, Service Agency cited a DDS directive issued September 15, 2022, entitled "Self-Determination Program: Adjustments to Individual Budget." The directive states, "Current statute authorizes rate adjustments for some vendored service providers in certain circumstances. . . ." The directive sets forth three circumstances in which "a participant's individual budget may be adjusted": (1) increase in state minimum wage, (2) changes

in rates for regional center vendored services included in the individual budget calculation, and (3) change in rates for a regional center vendored provider, who is also providing SDP services. (Ex. 11.) Service Agency's witnesses emphasized this directive applies only to regional center vendored service providers and allows but does not require a regional center to increase an SDP budget based upon rate reform increases. Until DDS adopts regulations implementing and interpreting the rate reform statute, it may do so by means of written directives such as the September 15, 2022 directive. (Welf. & Inst. Code, § 4519.10, subd. (h).)

19. In October 2025, DDS published in the "frequently asked questions" section of its website the following question and answer:

Q: How are individual budgets in the Self-Determination Program (SDP) impacted by rate reform?

A: Rate reform is not automatically applied to individual budgets in the SDP. This is because the participant's individual budget is set by the IPP team by determining the funds required to meet the participant's needs and IPP goals. A participant may request a meeting to adjust their individual budget. As of July 2025, individual budgets can be adjusted due to a change in the participant's circumstances, needs, or resources.

(Ex. 13.) The answer further sets forth two examples of when an IPP team can consider a request to change an individual budget: (1) a minimum wage rate increase and (2) when a participant receives services from a regional center vendored provider and the provider changes the amount they charge for their program to align with rate reform.

In the second circumstance, the IPP team can discuss if the SDP participant has enough funds for the new amount the vendored provider will charge and adjust the budget if needed due to the change in circumstances.

20. Claimant asserts he is nonetheless entitled to a Year 4 SDP budget increase to reflect the third installment of rate reform increases because (1) Service Agency agreed during Claimant's 2024 IPP meeting to increase Claimant's Year 4 budget to reflect those increases, (2) Claimant relied on Service Agency's representation when implementing his Year 4 spending plan, and (3) Claimant's needs and circumstances have changed; specifically, his financial management service required him to implement a sole employer model in connection with individuals providing services for him, and consequently, Claimant incurred expenses for legal work and the purchase of additional insurance policies. Claimant anticipates his Year 4 expenditures will exceed his Year 4 budget by about \$30,000, due to increased hours incurred by his independent facilitator, employment attorney services, insurance costs, and employee overtime. Although Mother testified Claimant currently has unpaid invoices related to staff salaries, the evidence did not establish Service Agency's denial of Claimant's request to increase his SDP budget prevented Claimant from accessing his Personal Assistance and AST services as set forth in his IPP.

Analysis

21. Service Agency did not dispute it implemented its policy regarding the third installment of rate reform increases after Claimant's 2024 IPP meeting and that the new policy was inconsistent with information previously provided to Claimant by his service coordinator. Mother's testimony Claimant expected his SDP budget to increase to reflect the third installment of rate reform increases, as it had for the first

two installments, was credible. Claimant did not discover until six months into his fourth budget year that Service Agency implemented a policy to the contrary.

22. Service Agency's policy is consistent with DDS's guidance published on its website and the September 15, 2022 directive. The September 15, 2022 directive allows regional centers to increase SDP budgets based on a change in rates for vendored services included in a participant's individual budget calculation. Service Agency relied on this directive to implement the first and second rate reform increases. Service Agency applied these two rounds of increases to Claimant's SDP budget because Claimant received services, i.e. Personal Assistance and AST services, that would have been subject to rate increases if provided by regional center vendors. However, the directive does not require regional centers to increase SDP budgets solely based on rate reform increases. On its website, DDS directly addresses the question of whether rate reform increases are automatically applied to SDP budgets, to which the answer is no.

23. Going forward, Service Agency's policy may result in an inequity between consumers receiving their initial SDP budgets and consumers receiving subsequent year budgets. Pursuant to Welfare and Institutions Code section 4685.8, subdivision (m)(1)(A)(i), a consumer's initial individual budget shall be the total amount of the most recently available 12 months of purchase of service authorizations and the cost of 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 SDP and one-time expenses. Initial budgets calculated after January 1, 2025, will therefore include the third installment of rate reform increases, whereas subsequent year budgets calculated during the same time period will not include those increases unless otherwise justified by a change in a consumer's circumstances or needs.

24. The evidence did not prove a change in Claimant's circumstances or needs justifying an increase in his SDP budget to reflect the third installment of rate reform increases. Claimant does not use regional center vendored service providers whose rates increased pursuant to the third installment of rate reform. Claimant's expenditures to transition to a sole employer model were included in the approved Year 4 budget and spending plan: Claimant's spending plan included \$8,350 for insurance costs and \$2,500 for employment training and education provided by an employment attorney. While Claimant may have incurred unexpected employee overtime and independent facilitator costs, the evidence did not establish Claimant is entitled because of those unexpected costs to an increased SDP budget reflecting the most recent rate reform increases or that those expenditures were a result of Claimant's detrimental reliance on Ms. Flores's representation that Claimant's SDP budget would increase to reflect the third installment of rate reform increases. If Claimant believes those unexpected costs constitute a change in circumstances warranting an SDP budget increase, he may request an IPP meeting to discuss such a request.

25. The evidence did not prove Service Agency has denied Claimant his right to choose or direct his supports within the SDP. Service Agency approved Claimant's Year 4 SDP budget and spending plan, which included service providers who were not Service Agency vendors. In her testimony at hearing, Ms. Taimi stated Service Agency would consider approving an increased SDP budget based upon increased rates charged by non-vendored service providers, but that "has not been something [Service Agency] considered historically."

26. Service Agency's certification of Claimant's Year 4 SDP budget is valid. Claimant's argument the Lanterman Act requires "budget parity" between the

traditional model and SDP is not supported by a plain reading of the certification required by Welfare and Institutions Code section 4685.8, subdivision (m)(1)(A)(ii)(II). While initial SDP budgets are calculated using regional center vendor rates, that is not necessarily true for subsequent SDP budgets. Regional centers must certify only that expenditures for an individual's SDP budget, including any adjustment, would have occurred regardless of the individual's participation in the SDP. Claimant's Year 4 SDP budget meets that requirement.

LEGAL CONCLUSIONS

Burden and Standard of Proof

1. Although there was evidence of a conversation during an IPP meeting wherein Service Agency indicated Claimant's SDP budget would increase to reflect the third installment of rate reform increases, Claimant's IPP, budget, and spending plan did not reflect those increases. Claimant therefore bears the burden to prove by a preponderance of the evidence he is entitled to the SDP budget increase he requests. (Evid. Code, §§ 115, 500.) A preponderance of the evidence means evidence that has more convincing force than that opposed to it. (*People ex rel. Brown v. Tri-Union Seafoods, LLC* (2009) 171 Cal.App.4th 1549, 1567.)

Applicable Law

2. The Lanterman Act is a comprehensive statutory scheme providing a pattern of facilities and services sufficiently complete to meet the needs of each person with developmental disabilities, regardless of age or degree of handicap, and at each stage of life. The purpose of the statutory scheme 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. (*Assn. for Retarded Citizens v. Dept. of Developmental Services* (1985) 38 Cal.3d 384, 388.)

3. "Services and supports for persons with developmental disabilities" means specialized services and supports or special adaptations of generic services and supports directed toward the alleviation of a developmental disability or toward the social, personal, physical, or economic habilitation or rehabilitation of an individual with a developmental disability, or toward the achievement and maintenance of an independent, productive, and normal life. (Welf. & Inst. Code, § 4512, subd. (b).)

4. Developing the IPP for a regional center consumer is the cornerstone of the Lanterman Act. The IPP process must consider the needs and preferences of the consumer and, where appropriate, the family, to determine the services and supports to be funded. (Welf. & Inst. Code, §§ 4646, 4646.5, 4647, 4648.) The planning process includes gathering information and conducting assessments to determine the "life goals, capabilities and strengths, preferences, barriers, and concerns or problems of the person with developmental disabilities." (Welf. & Inst. Code, § 4646.5, subd. (a)(1).) The IPP process must ensure conformance with the regional center's purchase of service policies and utilization of generic services and supports when appropriate. (Welf. & Inst. Code, § 4646.4, subds. (a)(1) & (2).)

5. "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." (Welf. & Inst. Code, § 4685.8, subd. (c)(6).) Self-determination is designed to give the participant greater control over which services and supports best meet their IPP

needs, goals, and objectives. (Welf. & Inst. Code, § 4685.8, subd. (b)(2)(B).) One goal of the SDP is to allow participants to innovate to achieve their goals more effectively. (Welf. & Inst. Code, § 4685.8, subd. (b)(2)(G).)

6. “Individual Budget” means the amount of regional center purchase-of-service funding available to the participant to purchase services and supports necessary to implement the IPP. (Welf. & Inst. Code, § 4685.8, subd. (c)(3).) The SDP requires a regional center, 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, and the cost-effectiveness of each option. (Welf. & Inst. Code, § 4685.8, subd. (b)(2)(H)(i).)

7. The regional center can adjust an SDP participant’s individual budget if a change in circumstances, needs, or resources would result in an increase or decrease in purchase of service expenditures, or if the IPP team identifies a prior unmet need that was not addressed in the IPP. (Welf. & Inst. Code, § 4685.8, subd. (m)(1)(A)(ii).) The IPP team must 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. (Welf. & Inst. Code, § 4685.8, subd. (j).)

8. “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 IPP. The spending plan shall identify the cost of each good, service, and support to be purchased with regional center funds. The total amount of the SDP participant’s spending plan cannot exceed the amount of their individual budget. (Welf. & Inst. Code, § 4685.8, subd. (c)(7).)

9. The SDP requires participants to “only purchase services and supports necessary to implement their IPP.” (Welf. & Inst. Code, § 4685.8, subd. (d)(3)(C).) The SDP specifically obligates the participant to “manage [SDP] services and supports within the participant’s individual budget.” (Welf. & Inst. Code, § 4685.8, subd. (d)(3)(D).)

10. Regional centers must certify SDP participants’ spending plans to verify that the goods and services address the participants’ desired outcomes identified in the IPP, are not available from generic services, as defined by DDS, and are eligible for federal financial participation. (Welf. & Inst. Code, § 4685.8, subd. (r)(6)(A)–(C).)

Disposition

11. For the reasons set forth in Factual Findings 21 through 26, Claimant did not prove by a preponderance of the evidence he is entitled to an increased Year 4 SDP budget to reflect the DDS third installment of rate reform increases. His appeal must therefore be denied. However, this decision does not preclude Claimant from requesting an SDP budget increase based upon a change in circumstances, needs, or resources.

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ORDER

Claimant's appeal is denied.

DATE:

HARDEN SOOPER

Administrative Law Judge

Office of Administrative Hearings

BEFORE THE
DEPARTMENT OF DEVELOPMENTAL SERVICES
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2025080520

Vs.

DECISION BY THE DIRECTOR

Harbor Regional Center

Respondent.

ORDER OF DECISION

On November 19, 2025, an Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH) issued a Proposed Decision in this matter.

The Proposed Decision is adopted by the Department of Developmental Services as its Decision in this matter. 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 4712.5, subdivision (a)(1), 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 December 16, 2025.

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

BEFORE THE
DEPARTMENT OF DEVELOPMENTAL SERVICES
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2025080520

Vs.

**RECONSIDERATION ORDER,
DECISION BY THE DIRECTOR**

Harbor Regional Center,

Respondent.

RECONSIDERATION ORDER

On January 2, 2026, the Department of Developmental Services (Department) received claimant's application for reconsideration of a Final Decision issued by the Director on December 16, 2025.

Pursuant to Welfare and Institutions Code section 4713, subdivision (d), the application for reconsideration is granted. Upon re-review of the record, the Department's December 16, 2025, Final Decision is modified to reject the Administrative Law Judge (ALJ)'s Proposed Decision as follows:

1. Both parties shall have an Individual Program Plan (IPP) meeting within 30 calendar days from date of this Reconsideration Order to evaluate and discuss claimant's request to increase his Self Determination Program (SDP) budget to reflect the third installment of rate reform increases for Personal Assistant (PA) services and Adaptive Skills Training (AST) services. Harbor Regional Center shall document any further approval for PA and AST services made at the IPP meeting. Any PA or AST services utilized in claimant's SDP budget shall be based on the third installment of rate reform effective January 1, 2025, as previously documented in communications by the regional center.
2. The ALJ's legal reasoning on page 11, paragraph 24 of the proposed decision states that "claimant does not use regional center vendored services providers whose rates increased pursuant to the third installment of rate reform" is stricken from the record. Neither the Lanterman Developmental Disabilities Act (Lanterman Act) nor the Department's September 15, 2022, Directive "Self Determination Program: Adjustments to Individual Budget" limit the January 1, 2025, adjustments to individual budgets based on service purchased in the spending plan. The rate to use in the calculation of the individual budget is based on a vendored services rate of pay as the regional center is required to certify that

the individual budget amount would have been expended using regional center purchase of service funds regardless of the individual's participation in the Self-Determination Program (Welf. & Inst. Code § 4685.8, subd. (m)(b)(ii).)

All parties are bound by this Reconsideration Order. The Department will issue a Corrected Final Decision and serve upon each party pursuant to Welfare and Institutions Code section 4713.5, subdivision (e). Each party has the right to appeal this Reconsideration Order and the Corrected Final Decision to a court of competent jurisdiction within 180 days of receiving the Corrected Final Decision.

IT IS SO ORDERED on this day January 15, 2026.

Original signed by

Katie Hornberger, Deputy Director
Community Assistance and Resolutions Division (CARD)

BEFORE THE
DEPARTMENT OF DEVELOPMENTAL SERVICES
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2025080520

vs.

DECISION BY THE DIRECTOR

Harbor Regional Center,

Respondent.

CORRECTED ORDER OF DECISION

On November 19, 2025, an Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH) issued a Proposed Decision in this matter.

The Department of Developmental Services' December 16, 2025, Decision is corrected to REJECT the November 19, 2025, ALJ's Proposed Decision as follows:

1. Both parties shall have an Individual Program Plan (IPP) meeting within 30 calendar days from the January 15, 2026, Reconsideration Order to evaluate and discuss claimant's request to increase his Self Determination Program (SDP) budget to reflect the third installment of rate reform increases for Personal Assistant (PA) services and Adaptive Skills Training (AST) services. Harbor Regional Center (HRC) shall document any further approval for PA and AST services made at the IPP meeting. Any PA or AST services utilized in claimant's SDP budget shall be based on the third installment of rate reform effective January 1, 2025, as previously documented in communications by the regional center.

2. The ALJ's legal reasoning on page 11, paragraph 24 of the proposed decision states that "claimant does not use regional center vendored services providers whose rates increased pursuant to the third installment of rate reform" is stricken from the record. Neither the Lanterman Developmental Disabilities Act (Lanterman Act) nor the Department's September 15, 2022, Directive "Self Determination Program: Adjustments to Individual Budget" limit the January 1, 2025, adjustments to individual budgets based on service purchased in the spending plan. The rate to use in the calculation of the individual budget is based on a vendored services rate of pay as the regional center is required to certify that the individual budget amount would have been expended using regional center purchase of service funds regardless of the individual's participation in the Self-Determination Program (Welf. & Inst. Code § 4685.8, subd. (m)(b)(ii).)
3. Welfare and Institutions Code section 4685.8, subdivision (m)(1)(A)(ii)(II), requires that the amount of funding in an individual budget must be based upon services the regional center would have funded regardless of the individual's participation in the SDP to meet the individual's Individual Program Plan (IPP) goals. Regardless of whether an SDP participant intends to purchase services from regional center vendors, when calculating an initial SDP budget, the regional center is required to certify that the regional center expenditures for the individual budget, including any adjustment, would have occurred regardless of the individual's participation in the SDP. In claimant's case, these services include PA and AST services, and thus claimant's initial SDP budget allocated funds based on the costs of these services by a PA and AST vendor.
4. Furthermore, pursuant to Welfare and Institutions Code section 4685.8, subdivision (a), the purpose of SDP is 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." HRC's refusal to increase the PA and

AST pay rate in claimant's SDP budget after HRC previously agreed to the rate increase undermines claimant's right for the regional center to implement his IPP. In addition, HRC's decision to not increase claimant's SDP budget to reflect the third installment of rate reform increases for PA and AST services that was used in the individual budget calculation creates an unequal and arbitrary outcome for claimant given that participants who join SDP after claimant will receive the higher rate for their PA and AST services as part of their individual budget calculation.

The Corrected 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 4712.5, subdivision (a)(1), within 15 days of receiving this Decision or appeal the Decision to a court of competent jurisdiction within 180 days of receiving this Decision.

IT IS SO ORDERED on this day: January 21, 2026.

Original signed by

Katie Hornberger, Deputy Director
Community Assistance and Resolutions Division
(CARD)