

**BEFORE THE  
OFFICE OF ADMINISTRATIVE HEARINGS  
STATE OF CALIFORNIA**

**In the Matter of:**

**CLAIMANT**

**and**

**NORTH LOS ANGELES COUNTY REGIONAL CENTER,**

**Service Agency.**

**DDS No. CS0029443**

**OAH No. 2025090161**

**(Consolidated with DDS No. CS0029444,**

**OAH No. 2025090162)**

**DECISION**

Taylor Steinbacher, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter via videoconference on October 21, 2025. This matter was consolidated, for hearing purposes only, with another case pertaining to Claimant's older brother, OAH number 2025090162. Separate decisions are being issued for each case.

Claimant's mother (Mother) represented Claimant at the fair hearing. Names are omitted to protect the privacy of Claimant and her family.

Cristina Aguirre, Due Process Officer, represented North Los Angeles County Regional Center (NLACRC).

Oral and documentary evidence was received. The record was closed, and the matter was submitted for decision on October 21, 2025.

## **ISSUE**

May the regional center terminate Claimant's funding for a social recreation activity?

## **EVIDENCE RELIED UPON**

Documents: NLACRC Exhibits 1–8; Claimant's Exhibits A–BB.

Witness: For NLACRC: Carol Armstrong; For Claimant: Mother.

## **FACTUAL FINDINGS**

### **Parties and Jurisdiction**

1. Claimant is a 16-year-old girl who lives with her family in the catchment area served by NLACRC.

2. NLACRC 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 Developmental Disabilities Services Act (Lanterman Act). (Welf. & Inst. Code, § 4500 et seq.)

3. Claimant receives services from NLACRC under the Lanterman Act with an eligible diagnosis of Autism Spectrum Disorder. On August 6, 2025, NLACRC issued a Notice of Action (NOA) to Claimant, stating it was terminating funding for a social recreation service called Inclusive Adventures, LLC (Inclusive). The reasons stated in the NOA for the termination of this funding were that: (1) Mother's name appeared in organizational documents for Inclusive on the California Secretary of State's website, suggesting Mother had a management or ownership interest in Inclusive, which presents a conflict of interest; (2) Mother is a natural support for Claimant in providing this service given her involvement with Inclusive; and (3) continuing funding for this service is not permitted because other generic resources are available and thus funding for Inclusive is not cost-effective. (Ex. 1, pp. A1-A2.)

4. On August 17, 2025, Mother filed a fair hearing request to appeal NLACRC's proposed action to terminate Claimant's funding for Inclusive. (Ex. 1, p. A5–A6.) This hearing ensued.

### **The Regional Center's Funding and Termination of Inclusive**

5. Beginning as early as 2023, Claimant's Individual Program Plan (IPP) with NLACRC stated she would benefit from participation in social recreational activities. (Ex. 2, p. A38.) A 2024 addendum to Claimant's IPP further explained that social recreational activities would help Claimant "integrate socially in her community and to help her thrive in building relationships with peers." (*Id.* at p. A43.) The 2024 IPP addendum authorized funding from NLACRC for Claimant to attend a drum class and

a “Friendship Camp” and “Dating Camp” offered by the University of California, Los Angeles as social recreational activities. (*Id.* at p. A43–A45.)

6. On April 11, 2025, Mother contacted Claimant’s service coordinator by email and stated Claimant was “excited to participate in a social recreation program called Inclusive Adventures, which takes place 3 Saturdays per month,” and promised to follow up with a program flyer and cost breakdown. (Ex. 3, pp. A58–A59; Ex. A.) Mother’s email went on to explain this new service and how Claimant’s participation in Inclusive would meet her IPP goals of “enhancing independence, community integration, and self-advocacy.” (*Ibid.*) Mother provided the service coordinator with additional information about Inclusive by email throughout April 2025. (Ex. 3, pp. A60–A61; Ex. 5, Ex. D.) According to the program flyer Mother provided, Inclusive is “a structured social recreation program serving individuals ages 16 and up for all ability levels,” offering “a dynamic blend of interactive, community-based activities that promote inclusion, build essential life and social skills, and encourage meaningful peer connections.” (Ex. 5.) Examples of activities included indoor activities such as bowling and art workshops, and outdoor activities such as nature hikes and beach trips.

7. Claimant’s service coordinator also contacted Inclusive and received additional information directly from the company. (Ex. 3, pp. A62–A65.) On May 5, 2025, Brunsell confirmed to Mother that NLACRC approved funding for Inclusive as a social recreational activity for Claimant without needing to go through a traditional “vendorization” process. (Exs. F, G.)

8. On May 5, 2025, the parties discussed making changes to Claimant’s IPP to reflect her participation in social recreation through Inclusive. (Ex. 3, p. A51.) As a result of this discussion, Claimant’s IPP was amended to state the following:

Per IPP team discussion it would be beneficial for [Claimant] to participate in Social Recreational Activities so she can continue to develop skills and lasting meaning relationships with peers. [Claimant] is interested in attending Inclusive Adventures LLC which include Structured group outings/activities that promote: Socialization & peer interaction, Community access & integration, Life skills, self-confidence & independence, Round trip transportation from the participant's residence to all scheduled destinations, Low staff-to-participant ratio for enhanced safety & individualized support, Activities are inclusive & adapted to meet participant needs; plans may vary based on weather, traffic, availability, or individual accommodations. The fee for Inclusive Adventures LLC is as follows: 30 hours/month of community-based programming, Hourly Rate: \$75.00, Total: \$2,250.00 per month, ACH Preferred. A Total of 9 monthly invoices are to be billed. This fee will cover the following months: #1: May, June, July 2025, #2: September, October, November 2025, #3: January, February, March 2026.

*(Ibid.* [punctuation and capitalization as in original].)

9. The regional center funded Inclusive as a social recreation service for Claimant until July 2025. (Ex. 4.) On July 2, 2025, Carol Armstrong, a Consumer Services Supervisor for NLACRC, sent Mother an email entitled "Conflict of Interest- Social Recreational Request for [Claimant]." (Ex. J.) In that email, Armstrong stated

I am writing regarding the social recreational funding request submitted for [Claimant] in connection with [Inclusive]. It has come to our attention that you are identified as a member of this LLC. This information was not disclosed to NLACRC during the IPP planning process. Given the financial benefit involved, this presents a significant conflict of interest. Therefore funding for this service will need to terminate and a Notice of Action (NOA) will be issued.

*(Ibid.)* Mother sought clarification from Armstrong as to what specific conflict of interest policy or section of the Lanterman Act prohibited this arrangement, although it does not appear she received any further information about that request. (Exs. K–L.) Mother also spoke to and exchanged emails with Silvia Renteria-Haro, NLACRC’s Consumer Services Director, about the issue, but ultimately the regional center did not change its decision. (Exs. M, O–R.)

10. As noted above, however, NLACRC’s NOA to Claimant regarding termination of funding for participation in Inclusive added additional grounds for termination aside from conflict of interest, including Mother being a natural support, the availability of generic resources, and that Inclusive is not cost-effective.

### **Explanation of Grounds for Funding Termination**

11. According to Armstrong’s testimony, NLACRC conducted a review and assessment of the appropriateness of Claimant’s participation in Inclusive after receiving information in May 2025 that Mother may have an ownership interest in the

company. (The parties dispute the source of this information, but resolution of that dispute is unnecessary.)

12. Armstrong testified at the hearing about the reasons for NLACRC's termination of funding for Inclusive as a social recreation activity for Claimant. These reasons are as follows:

- Mother is a "natural support" for Claimant who can be relied upon to provide social recreation at no cost to Claimant because Mother has an ownership interest in Inclusive. Moreover, because Mother is a director of a non-profit organization that provides social recreation activities for persons with developmental disabilities in the Antelope Valley, she should know about other social recreation activities suitable for Claimant in the area, such that the burden should be on Mother to find additional social recreational activities for Claimant.
- NLACRC has identified other, more cost-effective and generic social recreational activities available to Claimant in her local community, and Claimant has not exhausted generic resources available from local cities and the county to receive social recreation locally. Armstrong conceded, however, that NLACRC had, in error, failed to provide a list of these other social recreational opportunities to Mother at any time before the hearing.
- NLACRC does not have enough information about the individual activities Inclusive intends to engage in from month to month to ensure that those activities comply with the Lanterman Act and NLACRC's service standards.

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- Inclusive provides transportation to activities for its participants, but transportation to and from social recreation activities is a parental responsibility.

## **Claimant's Evidence**

13. Mother believes Claimant's IPP goals can be met by participation in Inclusive. Specifically, Mother mentioned that this activity assists Claimant with managing anxiety and sensory stress. An updated program flyer for Inclusive states it provides a way for participants to "explore new environments, build friendships, and gain confidence through hands-on experiences," with activities for small groups including "nature walks, adaptive sports, arts & crafts, farmer's markets, and other local outings" or for mid-size groups including "beach days, hiking, museums, volunteering, community events, and cultural outings" depending on the ages and needs of the participants. Smaller groups have a maximum 3:1 staff ratio, while mid-size groups have a 4:1 staff ratio. (Ex. Y.)

14. Mother concedes that she is an organizer and member of Inclusive, as stated in various corporate records available on the California Secretary of State's website. (Ex. 6.) Mother, however, testified that she merely created and filed the Articles of Organization for Inclusive and does not have any financial control over the company. Although Mother is not a company employee, she does help plan outings for participants. Inclusive has paid employees who perform the day-to-day programming for the company. Mother has also consistently asserted that she does not receive any salary, financial gain, or material benefit from Claimant's participation in Inclusive as a social recreational activity for Claimant. Mother offered to provide tax filings showing she does not receive income from her involvement in Inclusive, but NLACRC does not appear to have followed up with her about her offer.



## **Evaluation of Evidence**

15. It is clear that the regional center discovered Mother's involvement with Inclusive and assumed she had a financial interest in the company. Then, based on that assumption, the regional center sought to find other justifications for termination of that service, as the Lanterman Act does not provide any specific rules or guidance for when a parent may benefit financially from the use of public funds. On this record, however, the regional center has not met its burden to show that its termination of funding for Inclusive is justified.

## **LEGAL CONCLUSIONS**

### **The Lanterman Act**

1. The Lanterman Act governs this case. (Welf. & Inst. Code, § 4500 et seq.) (All further undesignated statutory references are to the Welfare and Institutions Code.) The Legislature enacted the Lanterman Act to provide 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.)

2. DDS is the state agency charged with implementing the Lanterman Act; DDS, in turn, contracts with private, non-profit community agencies called "regional

centers” to provide developmentally disabled persons with access to the services and supports best suited to them throughout their lifetime. (§§ 4416, 4620.)

3. Under the Lanterman Act, an administrative proceeding, also known as a “fair hearing,” is available to determine the rights and obligations of regional centers and claimants when claimants disagree with a regional center decision. (§§ 4700-4717.)

4. Claimant requested a fair hearing under the Lanterman Act, and thus, jurisdiction for this case was established. (Factual Findings 1–4.)

### **Standard and Burden of Proof**

5. The party proposing a change in existing services or asserting a new claim holds the burden of proof in administrative proceedings. (See, e.g., *In re Conservatorship of Hume* (2006) 140 Cal.App.4th 1385, 1388 [the law has “a built-in bias in favor of the status quo,” and the party seeking to change the status quo has the burden “to present evidence sufficient to overcome the state of affairs that would exist if the court did nothing”].) The standard of proof for these proceedings is the preponderance of the evidence because no other law or statute, including the Lanterman Act, provides otherwise. (Evid. Code, § 115.) This standard is met when the party bearing the burden of proof presents 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.)

6. Here, NLACRC bears the burden of proving by a preponderance of the evidence that its decision to terminate funding for Claimant to participate in social recreation with Inclusive is justified.

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## Individual Program Plan Process

7. The determination of which services and supports are necessary for each regional center client is made through the IPP process with the regional center. (§ 4512, subd. (b).) This determination “shall be made on the basis of the needs and preferences of the consumer or, when appropriate, the consumer's family, and shall include consideration of a range of service options proposed by [IPP] participants, the effectiveness of each option in meeting the goals stated in the [IPP], and the cost-effectiveness of each option.” (*Ibid.*; § 4646, subds. (a), (b) [noting that the IPP is developed through an “individualized needs determination” that includes the client as well as their parents, guardians, or authorized representatives, and should reflect “the needs and preferences of the consumer, and, as appropriate, their family”].)

8. The IPP process includes “[g]athering information and conducting assessments to determine the life goals, capabilities and strengths, preferences, barriers, and concerns or problems of the person with developmental disabilities” and should include a review of the “needs of the child and the family unit as a whole.” (§ 4646.5, subd. (a)(1).) This information gathering process allows the regional center to “identify and pursue all possible sources of funding for consumers receiving regional center services.” (§ 4659.) Regional centers gather this information in part to ensure that a consumer is using “generic services and supports if appropriate.” (§ 4646.4, subd. (a)(2).) This is because regional center funds may not be “used to supplant the budget of an agency that has a legal responsibility to serve all members of the general public and is receiving public funds for providing those services . . . .” (§ 4648, subd. (a)(8).)

9. If no generic agency will fund a service specified in a consumer’s IPP, the regional center must fund the service to meet the goals outlined in the IPP. In this way,

a regional center is considered the “payer of last resort.” (§§ 4648, 4659, 4659.10.)

These cost control measures are in place to conserve resources that must be shared by many consumers. (See, e.g., §§ 4640.7, subd. (b), 4651, subd. (a), 4659.)

10. The legislature places “a high priority on promoting the full inclusion and independence of individuals with developmental disabilities, including through opportunities for recreation.” (§ 4688.22, subd. (a)(1).) As a result, the legislature includes “social recreation services, camping services, and nonmedical therapies, including, but not limited to, specialized recreation, art, dance, and music,” as “among the services and supports within the meaning of subdivision (b) of Section 4512” and provides that these services “be made widely available to consumers, not only for socialization, but to lead the lives that they want in the community.” (§ 4688.22, subd. (a)(2).) Regional centers cannot restrict social recreational, camping, and nonmedical therapy funding to those services “that are specialized or directed toward the alleviation of a developmental disability within the meaning of subdivision (b) of Section 4512;” cannot require that services “meet both a recreational and socialization need, or prohibit the purchase of one-on-one services, including private lessons;” and cannot “generally prohibit or disfavor purchase of these services.” (§ 4688.22, subd. (b)(4)(A)–(C).)

11. An IPP can include the use of “natural supports,” which the Lanterman Act defines as

personal associations and relationships typically developed in the community that enhance the quality and security of life for people, including, but not limited to, family relationships, friendships reflecting the diversity of the neighborhood and the community, associations with fellow

students or employees in regular classrooms and workplaces, and associations developed through participation in clubs, organizations, and other civic activities.

(§ 4512, subd. (e); § 4646.5, subd. (a)(5) [natural supports can be included in the IPP plan].) The regional center must be guided by certain principles when purchasing social recreation services, including that the services “shall promote community inclusion by providing opportunities to build ongoing relationships through or around shared interests or activities . . . .” (§ 4688.22, subd. (b)(2).) In so doing, social recreation services can include those which “can be a source of voluntary natural supports.” (*Id.*, subd. (b)(2)(B).)

12. Although the Lanterman Act and its implementing regulations have provisions addressing conflicts of interest, those rules only appear to apply to board members and employees of the regional center, not parents or representatives of regional center clients. (See §§ 4622, 4646; Cal. Code Regs., tit. 17, §§ 54500–54535.) In any event, NLACRC cited none of these provisions as a basis for terminating Inclusive as a social recreation service for Claimant in the NOA. That said, as a steward of public funds, the regional center has a general obligation to ensure that those funds are being spent in a way that maximizes the cost-effectiveness of the expenditure.

## **NLACRC’s Justifications for Termination Are Unconvincing**

### **NATURAL SUPPORT**

13. NLACRC contends Mother is a “natural support” for Claimant because she facilitates social recreation activities through Inclusive and through her involvement in other community-based organizations. The Lanterman Act’s definition

of “natural support” includes “family relationships” as one of several kinds of such support. But parental responsibility is addressed more clearly elsewhere in the Lanterman Act, stating that parents have a responsibility “for providing similar services and supports for a minor child without disabilities.” (§ 4646.4, subd. (a)(4).) Creating or managing a private business to provide social recreation activities is obviously beyond the general obligations of parents to care for their children under the Lanterman Act. The fact that Mother is involved on some level with Inclusive does not require her to arrange to provide Inclusive’s services for low or no cost to her own child, and nothing in the Lanterman Act requires her to do so. Moreover, Mother’s involvement in the community and her potential knowledge about other social recreational activities in the community does not relieve the regional center of the obligation to fund social recreation activities for Claimant that otherwise meet the goals in her IPP. To find otherwise would create a system in which parents with the capacity for greater involvement in their children’s lives are penalized by having fewer services and fewer social recreation options available to them simply by virtue of their parents’ involvement. The regional center cites no section of the Lanterman Act supporting such a conclusion.

## **GENERIC RESOURCES**

14. The regional center’s position is further undermined by its claim that Claimant has not exhausted other generic resources like Inclusive. Armstrong claimed the regional center had identified other generic resources available to Claimant, but admitted it had, in error, never provided a list of those services to Mother. According to Armstrong, these included classes and programs put on by the local parks and recreation departments in the Antelope Valley. The regional center did not provide the names of any such programs or any further details during the hearing. Mother testified

that she was aware of the limited services available in the Antelope Valley, but nothing came close to providing the type of programming available through Inclusive. Given the lack of detail about these other available programs, the regional center has not met its burden to show that other generic resources are available such that terminating funding for Inclusive was justified.

### **COST-EFFECTIVENESS**

15. For similar reasons, the regional center cannot terminate its funding for Inclusive on cost-effectiveness grounds. The monthly cost of Inclusive's services is undisputed. But the regional center presented no evidence supporting its conclusion that Inclusive's fee is not cost-effective. When deciding between service providers of comparable quality, the regional center must select "the least costly available provider of comparable service, including the cost of transportation, who is able to accomplish all or part of the consumer's IPP." (§ 4648, subd. (a)(6)(D)(i).) "[T]he consumer shall not be required to use the least costly provider if it will result in the consumer moving from an existing provider of services or supports to more restrictive or less integrated services or supports." (*Ibid.*) Regulations set forth by DDS also define "cost effective" as "obtaining the optimum results for the expenditure[.]" (Cal. Code Regs., tit. 17, § 58501, subd. (a)(6).)

16. Taken together, a less expensive service is not by definition more "cost-effective." Rather, determining whether a service is more cost-effective than another requires balancing costs and benefits, including whether the services are of comparable quality. Given the paucity of information presented by the regional center about other alternatives to Inclusive's services or their cost, the regional center has not met its burden to demonstrate that Inclusive's services are not cost-effective or that other, more low-cost services are more appropriate.

## **OTHER JUSTIFICATIONS**

17. Armstrong testified that additional bases for the regional center's termination for funding of Inclusive were that: (1) Inclusive provides transportation to activities for its participants, but transportation to and from social recreation activities is a parental responsibility; and (2) the regional center lacked sufficient information about Inclusive's activities from month-to-month to ensure that continued funding for the service would comply with its funding standards and the Lanterman Act. But neither of these justifications was noted in the NOA, which is required to give claimants "adequate notice" of its decision, including "[t]he reason or reasons for that action" and "[t]he specific provision or provisions of law, regulation, or policy supporting that action." (§§ 4685.7, subd. (p); 4701, subd. (a)(2), (4); and 4710, subd. (b).) As these reasons were not provided in the NOA, NLACRC did not give adequate notice of these reasons for termination, and thus it cannot terminate Claimant's service on those grounds.

18. As noted above, regional centers have an obligation to ensure that scarce funding for regional center consumers is being spent in a way that maximizes their cost-effectiveness. The regional center should be credited for discovering that Mother had a potential financial incentive to use Inclusive as a social recreation provider for Claimant. But the regional center stumbled by assuming this incentive existed without investigating Mother's involvement further. Mother has consistently maintained that she has no financial incentive for Claimant's involvement in Inclusive, which she has offered to certify to the regional center. Given this, Claimant will be allowed to continue her participation in Inclusive, subject to the regional center's option to have Mother certify from time to time that she receives no financial benefit from Claimant's participation with Inclusive.



## **ORDER**

Claimant's appeal is granted. NLACRC shall continue to fund social recreation activities for Claimant through Inclusive, subject to typical changes or amendments in the IPP planning process. The regional center may, but is not required to, have Mother certify under penalty of perjury from time to time that she derives no salary, financial gain, or material benefit from Claimant's participation with Inclusive.

DATE:

TAYLOR STEINBACHER  
Administrative Law Judge  
Office of Administrative Hearings

## **NOTICE**

This is the final administrative decision. Each party is bound by this decision. Either party may request reconsideration pursuant to subdivision (b) of Welfare and Institutions Code section 4713 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.