
SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

Bill No:	AB 163	Hearing Date:	June 29, 2026
Author:	Committee on Budget		
Version:	June 26, 2026 Amended		
Urgency:	No	Fiscal:	No
Consultant:	Elizabeth Freeman		

Subject: Developmental Services

Summary: Provides for statutory changes necessary to enact developmental services related provisions of the Budget Act of 2026.

Proposed Law: This bill makes statutory changes necessary to implement the Budget Act of 2026-27. This bill includes the following provisions:

- 1) Sunsets various outdated reporting requirements.
- 2) Authorizes remote delivery for specified developmental services through December 31, 2028 and establishes data and reporting requirements to the Legislature regarding the remote delivery of services to individuals with intellectual and developmental disabilities.
- 3) Establishes a dual provider system via an interagency agreement between the Department of Developmental Services (DDS) and the Department of Rehabilitation (DOR) to streamline access to employment services for individuals with intellectual or developmental disabilities. Removes a requirement that employment providers must be accredited by the Commission on Accreditation of Rehabilitation Facilities.
- 4) Establishes time-limited authority for DDS to issue directives to local educational agencies and regional centers operating early intervention programs and reflects the transfer of oversight of certain early intervention program services under the federal Individuals with Disabilities Education Act Part C from the California Department of Education (CDE) to DDS.
- 5) Streamlines the ways in which DDS adjusts contracts with regional centers through fiscal allocation letters.
- 6) Makes various changes to regional center board governance requirements, including changing governing board composition and professional and other standards, including training, that regional center boards must meet, as specified.
- 7) Consolidates various regional center performance measures and contracts between regional centers and the state and modifies accountability measures, as specified.

- 8) Adds flexibilities for regional center vendors by eliminating the courtesy vendorization process and removing physical location requirements.
- 9) Streamlines purchases of essential goods and services for facilities operated directly by DDS.
- 10) Codifies requirements for regional centers to facilitate the transition from existing information technology systems to the new DDS case management system currently in development, known as the Life Outcomes Improvement System (LOIS), and establishes legislative reporting requirements for the LOIS project.
- 11) Establishes a new grievance process for DDS and regional centers to comply with the federal Home and Community-Based Services (HCBS) Access Rule and incorporates existing rights complaints processes into a single grievance process overseen by DDS, as specified.
- 12) Modifies the use of federal financial participation funds generated by former participants of the self-determination pilot projects and establishes \$1 million in ongoing funding dedicated to Local Volunteer Advisory Committees for the development and delivery of training and local community resource fairs that provide standardized information about the Self-Determination Program.
- 13) Allows tailored day services to occur on the same day as employment services.
- 14) Establishes a new Family Teaching Model rate separate from the Family Home Agency rate.
- 15) Codifies existing overtime pay requirements for hourly workers who provide Supported Living Services to provide parity with In-Home Supportive Services overtime requirements.
- 16) Makes other technical and conforming changes.

Fiscal Effect: Reappropriates up to \$1.2 million from the 2023 Budget Act, up to \$1.4 million from the 2024 Budget Act, and up to \$1.7 million from the 2025 Budget Act for activities related to Local Volunteer Advisory Committees.

Support: None on file.

Opposed: None on file.

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