

(Without Reference to File)**SENATE THIRD READING**

SB 143 (Committee on Budget and Fiscal Review)

As Amended June 24, 2025

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

This is the Developmental Services Trailer Bill, including statutory changes necessary to effectuate changes in the 2025 Budget Act.

Major Provisions

This bill does the following:

- 1) Makes training requirements for regional centers to implement implicit bias training subject to an appropriation by the Legislature. Additionally states the intent of the Legislature that regional centers continue to implement the implicit bias training to the extent they are able to, in the absence of a state appropriation. This change corresponds to a reduction of \$5.6 million General Fund in 2025-26 and on-going.
- 2) Accelerates the expiration date of the hold harmless policy, for providers whose rates exceed rate model recommendations, from June 30, 2026 to February 28, 2026. This will adjust the provider's rates to equal the rates for other providers in the provider's service category and region. This change corresponds to a one-time reduction of \$75 million General Fund in 2025-26 included in the 2025 Budget Act.
- 3) Requires, beginning in the 2026–27 fiscal year, a provider to be compliant with electronic visit verification, home- and community-based services rules, and applicable annual fiscal reviews and audit requirements as a condition of eligibility for the quality incentive program under rate reform. These changes correspond to a reduction of \$221.7 million General Fund in 2026-27 and ongoing included in the 2025 Budget Act.
- 4) Requires the Master Plan for Developmental Services Committee to meet at least two times each year and specifies the information to be included in the initial report and recommendation updates, including a narrative summary of the master plan committee meetings and funding and statutory changes needed to effectively implement recommendations from the plan.
- 5) Repeals the parental fee program, which required the Department of Developmental Services (DDS) to assess a monthly fee to parents of children under 18 years of age who are receiving 24-hour out-of-home care services through a regional center or who are residents of a state hospital when the family's gross income is above 200% of the federal poverty level.
- 6) Makes the requirement that regional centers receive specialized funding allocations to facilitate applications for payments authorized to protect the health and safety of consumers for non-English speaking individuals served subject to an appropriation by the Legislature. This change corresponds to a reduction of \$3 million General Fund in 2025-26 and ongoing included in the 2025 Budget Act.

- 7) Makes changes to the Self-Determination Program, including establishing the participants' individual budget generally based on the services authorized in an individual program plan (IPP) instead of being based on purchase of service expenditures, requiring a regional center to certify that participants' spending plans satisfy certain criteria, and requiring DDS to establish statewide standardized processes and procedures for the program, with community input, no later than March 1, 2027. These changes correspond to a reduction of \$22.5 million General Fund in 2025-26 and \$45.5 million General Fund and ongoing included in the 2025 Budget Act.
- 8) Requires the hourly rate for the tailored day service option for vendor programs to be set by DDS and posted on its internet website, commencing on July 1, 2025.
- 9) Updates the definition of "CARF" to mean the Commission on Accreditation of Rehabilitation Facilities and updates the definition of group service to include a coach-to-consumer ratio of not less than 1 to 2 instead of 1 to 3. Requires a minimum of two consumers to be funded by specified entities. Removes the requirement that the providers be accredited community nonprofit agencies that provide work activity services or supported employment services, or both.
- 10) Removes the hourly rate for both supported employment services and group services and requires DDS to set a rate and post the rate to its internet website. Additionally removes the requirements that job coaching hours for group services be allocated on a prorated basis and that a new work activity program receive the statewide average rate, and would instead require that the program receive the rate posted on the DDS internet website.
- 11) Appropriates \$2,789,000 from the General Fund to DDS for project planning activities at regional centers associated with the Life Outcomes Improvement System (LOIS).
- 12) Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

This bill includes statutory changes necessary to implement the Developmental Services components of the state budget.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill makes changes necessary to achieve targeted reductions in the developmental services system in 2025-26 and on-going.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099

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