
SENATE COMMITTEE ON HUMAN SERVICES

Senator Arreguín, Chair
2025 - 2026 Regular

Bill No:	SB 422	Hearing Date:	April 21, 2025
Author:	Grayson	Fiscal:	Yes
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Urgency:	No		
Consultant:	Diana Dominguez		

Subject: California Workforce Development Board: developmental services

SUMMARY

This bill would require the California Workforce Development Board, on or before January 1, 2027, to review recommendations from national and state-level developmental services policy reports and provide a report to the Governor and Legislature including recommendations on the most compelling strategies for addressing the workforce shortage in California's developmental services system. This bill requires the California Workforce Development Board to solicit input from all relevant stakeholders, including, but not limited to, people with disabilities, direct support professionals, service providers, and the Association of Regional Center Agencies, and requires the Department of Developmental Services (DDS) to provide staff support and expertise.

ABSTRACT

Existing Law:

- 1) Establishes the California Workforce Development Board, under the purview of the Labor and Workforce Development Agency, as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (*Unemployment Insurance Code 14010 et seq.*)
- 2) Establishes DDS under the Health and Welfare Agency with jurisdiction over the execution of the laws relating to the care, custody, and treatment of developmentally disabled persons, as provided. (*WIC 4400 et seq.*)
- 3) Establishes the Lanterman Developmental Disabilities Services Act (Lanterman Act), which states that California is responsible for providing a range of services and supports sufficiently complete to meet the needs and choices of each person with developmental disabilities, regardless of age or degree of disability, and at each stage of life, and to support their integration into the mainstream life of the community. (*WIC 4500 et seq.*)

- 4) Establishes a system of nonprofit regional centers, overseen by DDS, to provide fixed points of contact in the community for all persons with developmental disabilities and their families, to coordinate services and supports best suited to them throughout their lifetime. (*WIC 4620*)
- 5) Makes Legislative findings and declarations, including the following:
 - a. Workforce capacity among direct support professionals (DSPs) and regional center service coordinators is a growing concern in the developmental services system.
 - b. Based on annual projected regional center caseload growth and assumptions about direct support professional turnover, the developmental services system is projected to need approximately 33,000 direct support professionals and 2,700 regional center service coordinators over the next five years.
 - c. To be responsive to California's changing demographics, DDS should support regional centers and service providers in undertaking a purposeful approach to recruiting and hiring workers from diverse communities and explore technological advancements as a complement to workers who provide direct services. (*WIC 4699*)

This Bill:

- 1) Requires the California Workforce Development Board (Board), on or before January 1, 2027, to review recommendations from the current body of work in national and state-level developmental services policy reports. Further requires the Board to research and provide a report to the Governor and the Legislature including recommendations on the most compelling strategies for addressing the workforce shortage in California's developmental services system.
- 2) Requires the report to identify the state entities best suited for, and that have the jurisdiction and authority aligned with, implementing the identified workforce strategies.
- 3) Requires the Board, prior to submitting the report, to solicit input from all relevant stakeholders, including, but not limited to, all of the following:
 - a. People with developmental disabilities and their family members,
 - b. DSPs,
 - c. Developmental services providers,
 - d. The Association of Regional Center Agencies,
 - e. Local workforce development boards, and
 - f. Subject matter experts in workforce development

- 4) Requires DDS to provide staff support and expertise necessary to the Board to complete the required review of policies and subsequent report. Requires DDS to identify subject matter experts regarding the workforce issues impacting children and adults served through the Lanterman Act and the California Early Intervention Services Act.
- 5) Specifies the report shall be submitted in compliance with Government Code 9795. Repeals this provision on January 1, 2028.

FISCAL IMPACT

This bill has not yet been analyzed by a fiscal committee.

BACKGROUND AND DISCUSSION

Purpose of the Bill:

According to the author, “SB 422 directs the California Workforce Development Board (CWDB) to analyze the factors behind the workforce shortage in supporting individuals with developmental disabilities. By reviewing expert research and evaluating proposed solutions, the CWDB can recommend policy actions to address the shortage.”

Lanterman Act

In 1969, the Lanterman Act established that individuals with intellectual and developmental disabilities (I/DD) and their families have a right to receive the necessary services and supports required for them to live independently in the community. The Lanterman Act enumerates the rights of individuals with I/DD, the rights of their families, and what services and supports are available to these individuals. The term “developmental disability” is defined as a disability that originates before a person reaches 18 years of age, is expected to continue indefinitely, and is a significant disability for the individual; such disabilities include, among others: epilepsy, autism spectrum disorder, intellectual disability, and cerebral palsy. There are no income-related eligibility criteria to access developmental services. The Department of Finance estimates that approximately 465,165 individuals will receive developmental services in 2024–25, increasing to 504,905 in 2025–26.¹

In addition to establishing the rights of individuals, the Lanterman Act also created California’s regional center system, comprised of 21 nonprofit regional centers throughout the state whose primary purpose is to connect individuals with services in the community. Regional center services may include diagnosis, evaluation, treatment, and care coordination of services such as personal care, day care, special living arrangements, and physical, occupational, and speech therapy. Additional services include, but are not limited to: mental health services, recreation, counseling for the individual served and their family, assistance locating a home, behavior training and modification programs, emergency and crisis intervention, and many others. The regional center system can also provide respite for family caregivers, short-term out-of-home

¹ https://www.dds.ca.gov/wp-content/uploads/2025/01/GovernorsBudgetHighlights_20250110.pdf

care, social skills training, specialized medical and dental care, telehealth services and supports, training for parents of children with developmental disabilities, and transportation services necessary to ensure the delivery of services to persons with developmental disabilities. An individual with I/DD who is eligible for regional center services is called a “consumer”.

Services for regional center consumers are outlined in an Individual Program Plan (IPP), which is developed according to the needs and personal choices of the individual. The IPP serves as a tool to maximize the opportunities for each consumer to develop relationships, integrate into community life, increase control over their life, and obtain positive roles in the community. The IPP is required to prioritize the services and supports that allow minors to live with their families and adults to live in the community as independently as possible. Consumers are assigned a service coordinator employed by the regional center who is responsible for implementing, overseeing, and monitoring the consumer’s IPP.

Direct Support Professional (DSP) Workforce

Regional centers contract with service providers, or vendors, that employ direct support professionals (DSPs), sometimes referred to as direct service professionals, to work directly with consumers. As outlined above, services and supports available to consumers may include independent and supported living, day programs, and employment services, among others. According to the Administration for Community Living:

“DSPs support people with disabilities in a wide variety of ways, based upon the unique needs of the person receiving support. Many provide assistance with activities of daily living, but their role is much broader than that. DSPs may also provide job coaching and employment support, independent living skills training, assistance with accessing resources and opportunities in the community, and more. Without DSPs, many people with disabilities would not be able to live independently.”

More DSPs may be needed when a service is offered in-home or on a more individualized level. Some services and supports have low DSP-to-consumer ratios, as low as 1:1. For example, day services, which help individuals develop skills and integrate into the community, can be provided with staffing ratios of 1:2 to 1:10.² Behavioral day services, which are day services for individuals that require a behavior plan to address behaviors that require additional support, can be provided with staffing ratios of 1:2 to 1:3. In-home day services, which are day services for individuals who are unable to attend day programs outside their homes because of medical conditions that prevent travel, can be provided with staffing ratios of 1:1 to 1:3. On a case-by-case basis, depending on the service, a consumer’s IPP team may decide that more staff support is needed than 1:1.

According to the Association of Regional Center Agencies, the number of DSPs in California’s developmental services system is estimated at around 100,000.

² https://www.dds.ca.gov/wp-content/uploads/2024/12/D-2024RateReform-008_RateReformImplementationForAdultDayServices.pdf

DDS Workforce Initiatives

As of March 2025, DDS has seven initiatives to promote workforce stability and development. These initiatives include:

1. **DSP Training Stipends.** Provides up to two \$625 training stipends to DSPs who complete training and development courses approved by DDS through the online Association of Regional Center Agencies Learning Center. At program completion in August 2024, 85,632 DSPs had registered and 77,771 DSPs had completed two courses.
2. **DSP Internship Program.** Affords entry-level interns the opportunity to be paid for up to 30 hours per week for up to three months while learning high-quality DSP skills alongside a qualified DSP in a variety of settings performing a variety of functions. As of February 25, 2025, 108 interns have been placed, 25 interns have converted to employment, 62 interns are in queue, and 54 service providers are participating.
3. **Technology Pilot for Remote Supports.** The technology pilot provides supports and services necessary for individuals to access services remotely and meet the goals identified in their IPPs. As of March 2025, the total number of active participants is 28.
4. **Regional Center Staff Tuition Reimbursement.** A tuition reimbursement program for regional center employees who seek a degree or certification in a health or human services-related field. Qualifying employees are eligible to receive up to \$10,000 annually for up to three years. As of February 25, 2025, there are 570 participating regional staff members.
5. **DSP Bilingual/Multilingual Pay Differential.** Pay differential to DSPs who have job responsibilities which require the use of a language or medium other than English while communicating with individuals served or their families, when appropriate. Statewide implementation deferred to summer 2025.
6. **Special Needs Network Workforce Development.** Train eligible program participants, called fellows, and connect them with agencies that provide critical early services for children with developmental disabilities in communities of color. As of March 2025, the new two-year cohort targets 500 fellows and 218 fellows are currently participating. Expanded to all seven of the Los Angeles County regional centers, as well as Inland, Kern, and Orange Counties.
7. **DSP Workforce Training and Development (DSP University).** Establish a training and certification program for DSPs tied to wage differentials to foster a more sustainable and professional workforce. Anticipated start of summer 2025.

Service Provider Rate Reform

In 2019, DDS, in consultation with Burns & Associates, Inc., published a vendor rate study³ and submitted recommendations to the Legislature including rate models within each service category. As a result of the rate study, the 2021 Budget Act initiated a five-year phase in plan for

³ <https://www.healthmanagement.com/burns-reports/california-dds-vendor-rate-study/>

rate reform, including gradual increases to service provider rates. The 2024 Budget Act changed the date for full implementation of rate reform to January 1, 2025. According to DDS, at full implementation, the rate study will increase service provider payments by \$2.2 billion annually.⁴ While rate reform has increased provider rates, it is difficult to gauge how much it has affected DSP pay. While the rate models include an assumption of how much providers will pay DSPs, there is no requirement for a certain percentage or amount of the rate model for a service to be paid to a DSP by a provider.

DSP Workforce Shortage Report

The California Policy Center for Intellectual and Developmental Disabilities (CPCIDD) published a report in January 2025 entitled “The Impact of the Direct Support Professional Workforce Shortage on Individuals and Families Served by the Regional Center System in California”.⁵ This report outlined changes in regional center caseload and the vendor rate model over time and included data from surveys, focus groups, and one-on-one interviews with individuals with I/DD, family members, DSPs, service providers, and service coordinators. The key findings included, among others:

- **Effects of staff turnover:** Sixty-four percent of individuals with I/DD experienced DSPs leaving in the last 12 months. Staff turnover, especially high levels and frequent turnover, increases feelings of sadness, fear, anxiety, anger, and disruption for people with I/DD. Individuals with I/DD who had previously experienced living in more restrictive settings have higher levels of concern about losing their independence if there are not enough DSPs to provide support for them.
- **Reduced access to services:** Fifty-eight percent of surveyed family members reported their family member with I/DD was not able to access all of the services in their IPP because of the DSP workforce shortage. Seventy-six percent of surveyed service coordinators report that the DSP workforce shortage is one of the main reasons individuals are not receiving the full amount of services listed in their IPP.
- **Low wages:** There is a disconnect between the low wages DSPs get paid and the high level of skill required to perform the job, which is the number one reasons DSPs leave the job. DSPs feel there is a fundamental lack of respect or recognition of the profession, especially in light of new minimum wages in the fast food and entry-level health care sectors. Forty-six percent of surveyed DSPs reported working two or more jobs because they cannot make a living working as a DSP.
- **Recruitment and retention challenges:** Across every service type, surveyed providers reported significant challenges recruiting and retaining DSPs, with the main reason being low wages. Fifty-six percent of surveyed providers have had to turn down referrals due to the DSP workforce shortage, and 35 percent report having a waiting list.

⁴ https://www.dds.ca.gov/wp-content/uploads/2024/09/RateReform_RefresherTraining_20240926.pdf

⁵ https://www.cpcidd.org/wp-content/uploads/2025/02/CPCIDD_Report_Jan2025.pdf

Master Plan for Developmental Services

The Master Plan for Developmental Services⁶ was published on March 28, 2025. The Master Plan was developed between April 2024 and March 2025 by a committee of diverse I/DD stakeholders including people with I/DD, family members, workforce members, and other community members. In addition, five workgroups were created to focus on different goal areas. The Master Plan includes 167 recommendations, including the following recommendations related to the DSP workforce:

- Give students information about disability service careers, including information and career guidance for interested students.
- Spread awareness about disability related careers.
- Help people start disability service careers through a paid internship program.
- Help connect people to jobs using existing employment tools.
- Help people be successful as disability service providers through low- or no-cost apprenticeships and competency-based education opportunities.
- Make sure people in disability service careers have benefits, including health care benefits, retirement programs, and other savings and insurance programs.
- Make sure people in disability service careers make enough money by updating the vendor rate model, conducting a wage and skills study, and conducting an assessment of how vendors use rate increases.

DDS will reconvene the Master Plan committee two times per year to share updates on work related to the Master Plan recommendations. DDS will also submit an annual report to the Legislature in March of each year, beginning in 2026 and ending in 2036.

Related/Prior Legislation:

AB 2423 (Mathis, Chapter 904, Statutes of 2024) requires DDS, commencing July 1, 2025, and every other year thereafter, subject to appropriation and the approval of federal funds, to review and update the service provider rate models and post the updated rate models to its internet website no later than January 1 of the following year.

AB 162 (Committee on Budget, Chapter 47, Statutes of 2024), among other things, required the Secretary of California Health and Human Services, in coordination with DDS, to lead the development and implementation of the Master Plan for Developmental Services. AB 162 also changed the date for full implementation of service provider rate reform to January 1, 2025.

⁶ https://www.chhs.ca.gov/wp-content/uploads/2025/03/MPDS_ACommunityDrivenVision.pdf

AB 121 (Committee on Budget, Chapter 44, Statutes of 2023), among other things, required the rate models, commencing July 1, 2024, to be updated to account for the current and any subsequent changes to the statewide minimum wage.

SB 188 (Committee on Budget and Fiscal Review, Chapter 49, Statutes of 2022), among other things, required DDS to establish an entry-level training and internship program for individuals interested in becoming DSPs, a program to provide training stipends to DSPs, and a tuition reimbursement program for regional center employees. SB 188 also requires DDS to seek input from stakeholders throughout the implementation of these programs and to report quarterly to legislative staff on the progress of these programs.

AB 136 (Committee on Budget, Chapter 76, Statutes of 2021), among other things, required DDS to implement enhanced DSP training that promotes services that are person centered and culturally and linguistically sensitive, and that improve outcomes for individuals with I/DD. The resulting training program is known as DSP University, described above. AB 136 also specified the timeline for implementation of the service provider rate models proposed in the rate study.

AB 1 X2 (Thurmond, Chapter 3, Statutes of 2016), among other things, required DDS to submit a rate study to the Legislature on or before March 1, 2019, regarding community-based services for individuals with developmental disabilities.

COMMENTS

This bill seeks to engage the California Workforce Development Board in strategic planning related to the recruitment and retention of DSPs in the developmental services system. DSPs provide vital care to individuals with I/DD in order to help them remain in the least restrictive setting. As I/DD is a lifelong condition that differs vastly from person to person, there is no singular definition for the type of services and supports a DSP provides to an individual with I/DD. Although there have been national advocacy efforts to professionalize DSP work by establishing a standard occupational code through the Bureau of Labor and Statistics, these efforts have not yet been realized, in part due to lack of data.

According to the U.S. Department of Labor, there is a current nationwide shortage of direct care workers, including DSPs, and this shortage adversely affects the many people who use or could benefit from care services.⁷ The Administration for Community Living (ACL) estimates more than 1.3 million new direct care workers will be needed nationwide by 2030. In 2022, the ACL created the Direct Care Workforce Strategies Center to provide technical assistance to states and service providers and to facilitate collaboration with stakeholders to improve recruitment, retention, training, and professional development for the direct care workforce. On March 27, 2025, a White House press release⁸ announced that critical programs within the ACL that support older adults and people of all ages with disabilities will be split across the Administration for Children and Families, Assistant Secretary for Planning and Evaluation, and Centers for Medicare and Medicaid Services. It is unclear whether federal efforts to strengthen the direct care workforce will continue.

⁷ <https://www.dol.gov/agencies/odep/program-areas/individuals/DSP>

⁸ <https://www.hhs.gov/press-room/hhs-restructuring-doge-fact-sheet.html>

PRIOR VOTES

Senate Labor, Public Employment and Retirement Committee:

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POSITIONS

Support:

Association of Regional Center Agencies (Sponsor)
Autism Speaks
Aveanna Healthcare
Avenues Supported Living Services
Caapse
Easterseals Northern California
Infant Development Association of California
Integrated Resources Institute
San Gabriel/pomona Regional Center
Scdd

Oppose:

None

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