

**Department of Developmental Services
Proposed Trailer Bill Legislation
Fiscal Year 2026-27**

**Regional Center Oversight
FACT SHEET**

1. Proposal:

The Department of Developmental Services (Department) proposes statutory changes to strengthen regional center governance and oversight. The proposed changes include:

1. Accountability measures that allow the Department to more effectively correct regional center performance.
2. Merging regional center base contracts with the performance contract and regional center performance measures.
3. Authorizing fiscal allocation letters to regional centers consistent with appropriations in the annual state budget.
4. Professionalizing and improving support for regional center governing boards.
5. Removing the outdated requirement that a service provider maintain a physical office location within each regional center's geographic area, unless necessary to provide a service.
6. Instructing the Department to end the practice known as "courtesy vendorization," to eliminate redundant barriers to service providers seeking to expand where they can provide services.

2. Background:

The Department is responsible for contracting with, funding, establishing and administering fiscal and programmatic policy, and monitoring and overseeing 21 non-profit regional centers. Each regional center has a board of directors, responsible for complying with the contract, overseeing the regional center and hiring its executive director, and other governance obligations pursuant to state and federal law and regulation. Many of these regional centers now are responsible for serving their local communities with annual budgets approaching or exceeding \$1 billion and employ hundreds of employees.

At the start of each fiscal year, the Department issues an initial contract to each regional center to provide essential funding allocations and advance funds, along with operational and programmatic terms and conditions. These contracts are approved by the Department of General Services (DGS). Additionally, Welfare and Institutions Code (WIC) section 4629 requires a separate regional center performance contract, developed with public input and other specific requirements. WIC section 4620.5, added in 2021, also established Regional Center Performance Measures, which include standard performance improvement indicators and benchmarks for regional centers. There is overlap among these three requirements, and this proposal would merge them into a single regional center contract containing terms for basic operational compliance and focused on improving the quality of life for individuals and families.

Funding allocations for regional center operations and services for individuals and families are issued periodically through contract amendments, based on factors such as, but not limited to, actual and projected expenditures, caseload changes, and increases in costs or service rates. These amendments currently require approval by DGS, execution by the Department, and formal action by each regional center's board of directors. Providing timely allocations based upon appropriations would increase efficiency, improve fiscal estimation and uncertainty, and improve flexibility to meet emerging needs for regional centers and individuals and families.

In 2023, SB 138 required the establishment of a standardized vendorization process for service providers to become approved to deliver services. The standardized vendorization process was launched in December 2025 through the Provider Directory and is required to be used for almost all services starting March 1, 2026. While current practice permits a vendor to use their vendor number across any of the 21 regional centers, some regional centers may require the vendor to have a physical office location within each regional center as a condition of approval to offer services.

With the vendorization process now standardized and digitized through the Provider Directory, there is consistency across regional centers for all new vendorizations. Regional centers can access vendor information and provider documents from other regional centers, eliminating the need for redundant approvals. Additionally, many services can be delivered without a physical office location, which can be a costly barrier for service providers looking to start or expand services.

3. Justification for the Change:

The proposed statutory changes would improve support and training for members of regional center governing boards; improve regional center oversight by the Department; and reduce administrative barriers for regional centers and service providers. This proposal also would improve efficiencies and timeliness in making funding accessible to regional centers for operations and service delivery.

4. Summary of Arguments in Support:

- Consolidating and de-duplicating regional center expectations improves clarity and transparency, while maintaining a meaningful role for individuals and families in shaping the performance indicators that matter most to them.
- Professionalizes and supports regional center governing boards in their oversight of operations and funding.
- Streamlines the fiscal allocation process by eliminating the need for redundant reviews and formal regional center contract amendments for each adjustment.
- Reduces administrative barriers for vendors and individuals to provide and acquire needed services based on location.

5. BCP or Estimate Issue # and Title: Regional center funding for operations and purchase-of-service expenditures contained in the annual Budget Act.