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GAVIN NEWSOM
GOVERNOR

March 19, 2026

G-2026-Home and Community-Based Services-001

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: FUNDING TO SUPPORT COMPLIANCE WITH THE HOME AND
COMMUNITY-BASED SERVICES SETTINGS RULE

This letter outlines the process and priorities for use of available funding to maintain compliance with the federal Home and Community-Based Services (HCBS) Settings Rule requirements and next steps for regional centers in reporting their plans for use of this funding to the Department of Developmental Services (Department).

The Fiscal Year (FY) 2025-26 enacted budget includes \$15 million in purchase of service funding to assist providers in maintaining ongoing compliance with the HCBS Settings Rule, formally known as the HCBS Final Rule, and to support broader work in each community to promote and sustain quality service provision. The Governor's proposed budget for 2026-27 includes continued funding at this level, and regional centers may consider this anticipated funding in their planning efforts, although any commitments of those future funds must be contingent upon their availability. Regional centers should work collaboratively with people who receive services, their families and/or representative(s) when appropriate, service providers, and the community to prioritize the use of available funds to meet the needs of individuals served in their local area.

The priorities for use of this funding include:

- Establishing or continuing teams to work with and monitor service providers in maintaining full compliance with requirements of the HCBS Settings Rule.
- Establishing or continuing peer-led teams to engage with individuals served and their families and/or representative(s), to receive feedback on service provider implementation of the HCBS Settings Rule, focusing on providers who are at risk for not maintaining compliance.
- Establishing or maintaining local communities-of-practice which increase knowledge and implementation of best practices and encourage collaborative groups to foster shared learning and solution-focused discussion.
- Engaging families and/or representative(s), and individuals served, including education and training for families, support professionals and providers on best practices for aligning services with the HCBS Settings Rule.

- Creating and implementing innovative pathways and provider practices which support community inclusion, individual rights, and individual choice, highlighting a whole-person approach to service delivery.
- Developing person-centered thinking trainers from within existing regional center staff to increase knowledge and skills among regional center staff, ensuring application of person-centered practices directly benefiting individuals receiving services and their families, along with building person-centered practices among service providers throughout the state.

For any projects that include a training component, regional centers will be required to survey participants at the completion of each training to determine efficacy. Survey questions and methodology will be developed by each regional center.

Regional centers must submit their plan for use of these funds to the Department for review and approval no later than Friday, April 24, 2026, utilizing the existing Qualtrics link that has been previously provided to regional centers. Regional centers can contract with vendors or service providers for the use of these funds through the end of June 2028, but with all claims submitted no later than the end of March 2028. Attachment A shows questions and information that regional centers will be required to provide using the online submission platform. The funds available for each regional center are included in the forthcoming B-4 budget allocation as displayed in Attachment B.

As a reminder, ongoing reporting should be completed once every six months for each project in an open fiscal year.

Regional centers should direct questions to hcbsregs@dds.ca.gov.

Sincerely,

Original signed by:

JENNIFER PARSONS
Deputy Director
Service Innovation and Oversight Division

Attachments

cc: Regional Center Administrators
Regional Center Directors of Consumer Services
Regional Center Community Services Directors
Association of Regional Center Agencies