

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

**Rate Model Updates
FACT SHEET**

Proposal:

The Department of Developmental Services (Department) proposes statutory changes to authorize a new service code and rate model for the Family Teaching Model (FTM); and allow Tailored Day Services (TDS) to be provided on the same day as supported employment services.

Background:

TDS was designed as a flexible alternative to traditional day services supporting community integration, education and employment through individualized, one-to-one support. Welfare and Institutions Code (WIC) section 4688.21 requires TDS to have an individualized service design through the Individual Program Plan (IPP) process. WIC section 4519.10 implements rate reform and standardized services, but Community Integration Training Program, service code 055, and Community Activities Support Services, service code 063, were excluded from the rate study, leaving TDS as the only individualized day service option for vendors transitioning from blended programs. Current limitations, such as restrictions on same-day services, and caps on hours, create barriers to fully supporting individuals and providers.

FTM originated during developmental center closures and continues to meet housing needs for individuals transitioning from Porterville Developmental Center, institutions for mental disease, and other community living arrangements. Currently, FTM exists under the Family Home Agency (FHA) service code that also includes the "Family Teaching Home" which refers to a home approved by an FHA and owned, leased or rented by the FHA. FTM differs from the FHA model in several ways:

- FTM homes are owned by a housing developer organization rather than family home providers.
- FTM serves up to three individuals per home compared to two in FHA.
- FTM uses hourly shift-based staff, while FHA utilizes independent contractors.
- FTM homes provide separate living quarters for providers and individuals with attached or contiguous housing, while in the FHA model providers and individuals reside within the same residence.

Justification for the Change:

Allowing TDS to occur on the same day as employment services addresses gaps in supporting individuals transitioning from day programs to employment. This approach removes existing barriers, prevents program closures, and sustains services for individuals impacted by the end of subminimum wages as of January 2025.

Establishing a new FTM rate will provide greater transparency and consistency while maintaining this unique residential option for individuals. Establishing a new service code for FTM would separate Family Teaching Home purchase of service data from FHA, improve clarity and demonstrate that costs remain comparable to an FHA residential model.

Summary of Arguments in Support:

TDS

- Removes barriers for individuals and providers by increasing flexibility and access to employment services.
- Addresses gaps created by rate reform, enabling more customized, person-centered services.

FTM

- Updates the rate setting process to improve transparency and consistency while maintaining a unique housing option for individuals transitioning from restrictive environments and other community settings.
- Allows a housing developer organization to secure long-term housing resources for individuals served by the regional center system.
- Maintains a unique housing model within the continuum of living options and allows for increased capacity through clarified rate methodology.
- Supports use of Accessory Dwelling Units, to expand housing opportunities.

BCP or Estimate Issue # and Title:

DDS Estimate, pages E-9 (Day Programs) and E-14 (Residential Programs)