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TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: 2026 TRAILER BILL LANGUAGE AFFECTING REGIONAL CENTERS

This letter provides a summary of AB 175, second 2026 budget trailer bill for the state budget. AB 175 consolidated the Community Placement Plan (CPP) and Community Resource Development Plan (CRDP) into a single program. The changes became effective upon enactment in September 2026. While this directive provides a high-level summary, the language of the bill itself is the law.

Below is a summary of the legislation and its implementation requirements:

Merging CPP and CRDP

AB 175 Sections 1& 2: (Welfare and Institutions Code Section 4418.25) CPP and CRDP were combined. Previously, CPP supported the closure of developmental centers and services for individuals transitioning from those settings. All developmental centers have now closed, with final transitions completed in 2020, so CPP no longer is required.

CRDP continues to develop provider capacity to meet the current needs of California's developmental services system. It continues to reflect the prior law's priorities for the development of community-based services, focusing on the needs of individuals transitioning from Porterville Developmental Center Secured Treatment Program, Canyon Springs Community Facility, institutions for mental disease, out-of-state, and other more restrictive settings.

Implementation: *Regional centers annually will submit proposals based upon the CRDP guidelines and listed priorities.*

AB 175 Section 3: Welfare and Institutions Code Section 4437 continues to require the Department to give the Legislature a yearly budget update by February 1 and post the information online. The report must include an annual budget estimate with staffing costs for Porterville Developmental Center, along with basic information from each regional center, such as current funding levels, how many people are being served, funding for community resource development activities, and staffing details.

Implementation: *This reporting is supported by existing regional center reporting requirements.*

AB 175 Sections 4 & 4.5: (Welfare and Institutions Code Section 4474.17) This section requires the Department to continue using quarterly briefings with legislative staff to provide updates on regional center CRDP proposals, including any challenges in service delivery or resource development. The briefings also must cover progress in reducing service disparities, supported by the Department's equity dashboard, and include

deidentified data on per-capita service expenditures across several demographic factors. These updates may be presented using the Department's publicly available data and equity dashboards.

Implementation: *This reporting is supported by existing regional center reporting requirements.*

AB 175 Section 5: (Welfare and Institutions Code Section 4648) The section now clarifies that CRDP funding may be requested to support a broader range of programs, including mental health, supported living, family home agencies, family teaching home, and independent living services.

Implementation: *Regional centers may choose to request CRDP funding for these services.*

AB 175 Section 6: (Welfare and Institutions Code Section 4677) This section removes all references to the Parental Fee Program and continues the Program Development Fund to support new or expanded services that promote independence, such as housing, employment, education, social, civic, volunteer, and recreational activities for people with developmental disabilities, with grants limited to 24 months.

Implementation: *There is no impact on regional centers. Parental fee programs were eliminated last year, and this section merely cleans up the law.*

Stakeholder Input and Regional Center Funding Proposals

AB 175 Sections 7 & 8: (Welfare and Institutions Code Section 4679) Previously, regional centers were required to conduct outreach, and seek stakeholder input on local needs and priorities, and post those priorities on their website at least two weeks before submitting their funding request to allow for final public input. Under the new statutory requirement, the Department will convene annual public meeting with regional centers and community partners to help inform the development of the Department's statewide CRDP funding guidelines.

Implementation: *Regional centers should continue to identify service needs in provider availability when developing funding proposals. The Department will conduct statewide public engagement with regional centers to develop and issue annual CRDP guidelines outlining the procedures, priorities, and timelines for submitting proposals.*

AB 175 Section 9: (Welfare and Institutions Code Section 4679.1) This section requires the Department, beginning January 1, 2027, to include deidentified data in its quarterly legislative updates that covers regional center housing development, changes in capacity, and the extent to which new housing is offset by facility closures. It also requires statewide reporting on the use, length of stay, and transitions related to homes that have delayed egress and secure perimeters.

Additionally, the Department must provide information by regional center on the use of mental health facilities not eligible for Medicaid funding, IMDs, and out-of-state placements, including admissions, demographics, reasons for transition, durations of stay, facility types, and funding sources. The Department also must report on the use of CRDP funds and remaining balances, by fiscal year.

Implementation: *This reporting is supported by existing regional center reporting requirements.*

AB 175 Sections 10 & 11: (Welfare and Institutions Code Section 4684.50 & 4684.53) This section updates references from community placement plans to community resource development plans to reflect the current process.

Implementation: *There is no impact on regional centers.*

AB 175 Sections 12 and 13: (Welfare and Institutions Code Section 4684.55, Welfare and Institutions Code Section 4684.58) These sections update rate references for Adult Residential Facilities for Persons with Special Health Care Needs and Group Homes for Children with Special Health Care Needs to current rate models, and removes the separate requirement to negotiate their payment rates. New applicants to operate these facilities now must submit a rate model worksheet with their proposed budget.

Implementation: *These facilities now are funded using rate models, rather than negotiated rates.*

AB 175 Section 14: (Welfare and Institutions Code Section 4684.81) This section updates references in law to enhanced behavioral support homes.

Implementation: *There is no impact on regional centers*.

AB 175 Section 15: (Welfare and Institutions Code Section 4698) This section only updates the following:

- "Consumer," "client," or "individual" means a person who has been determined by a regional center to meet the eligibility criteria of Section 4512 and applicable regulations and for whom the regional center has accepted responsibility.
- Removes outdated references to Fairview Developmental Center and Sonoma Developmental Center.
- Replaces "Director" with the "Department of Developmental Services", in the definition of whom may rescind a community crisis home's certification if the facility fails to comply with applicable laws or cannot guarantee consumer health and safety.

Implementation: *There is no impact on regional centers*.

AB 175 Section 16: (Welfare and Institutions Code Section 4781.6) This section continues to restrict regional centers from using service funds to launch new programs unless it's essential to support an individual's health or safety or due to extraordinary circumstances, and requires advance written permission from the Department. These rules don't apply to funds used under the CRDP.

Implementation: *There is no impact on regional centers*.

AB 175 Sections 17-19: Amendments in these sections describe how the bill's changes to Welfare and Institutions Code Section 4474.17 will take effect for direct support professionals, and appropriates $1.5 million from the Federal Trust Fund for the Department to support federal early-intervention grant activities in the 2026–27 fiscal year.

Implementation: *There is no impact on regional centers*.

Questions from regional centers should be directed to the Community Development Division at Communitydevelopment@dds.ca.gov.

Sincerely,

Original Signed by:

ANGELA MUNOZ
Deputy Director
Community Development Division

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