



**SCLARC**

**Board of Director's *Hybrid* Meeting Notice**

**Tuesday, January 27, 2026**

**7pm – 9pm**

**“Hybrid Meeting”**

**English/Spanish**

Hi there,

You are invited to a Webinar Zoom meeting.

When: January 27, 2026, 07:00 PM Pacific Time (US and Canada)

**Register in Advance for this meeting:**

**[https://www.zoomgov.com/webinar/register/WN\\_yUTPHFZ5R1-6AAqmr-iJJw](https://www.zoomgov.com/webinar/register/WN_yUTPHFZ5R1-6AAqmr-iJJw)**

After registering, you will receive a confirmation email containing information about joining the meeting.

**Spanish Translator Available**

**Thank you!**

English Session	Sesión en Español (Spanish Session)
<p>Hi there,</p> <p>We recommend you use a Laptop or Desktop PC, or a Mobile Device with the Zoom app installed in order to join our Zoom meeting.</p> <p>In order to minimize outside interruptions SCLARC is now requiring all participants to register to join the board of directors' meetings.</p> <p>When: January 27, 2026, 07:00 PM Pacific Time (US and Canada)</p> <p>Register in advance for this meeting:  <a href="https://www.zoomgov.com/webinar/register/WN_yUTPHFZ5R1-6AAqmr-iJJw">https://www.zoomgov.com/webinar/register/WN_yUTPHFZ5R1-6AAqmr-iJJw</a></p> <p>After registering, you will receive a confirmation email containing information about joining the meeting.</p> <p>*You may also call in to only hear the meeting, but you won't be able to interact or ask questions via phone.</p> <p>If you can only join via phone call and have questions, please email them to <a href="mailto:Ingrido@sclarc.org">Ingrido@sclarc.org</a>. Please include your name, callback number (if you wish to be contacted), and question.</p>	<p>Hola,</p> <p>Para unirse a la junta de Zoom se recomienda usar una computadora, o dispositivo móvil con la aplicación Zoom.</p> <p>Para evitar interrupciones SCLARC requiere que se registre simplemente haciendo clic en el enlace de abajo.</p> <p>Cuando: January 27, 2026, a las 7:00 PM Pacific Time (US and Canada).</p> <p>Regístrate por adelantado usando este enlace en su PC o dispositivo móvil</p> <p><a href="https://www.zoomgov.com/webinar/register/WN_yUTPHFZ5R1-6AAqmr-iJJw">https://www.zoomgov.com/webinar/register/WN_yUTPHFZ5R1-6AAqmr-iJJw</a></p> <p>Después de registrarse recibirá un correo electrónico con la información para unirse a la junta</p> <p>*También puede escuchar la junta solo por teléfono, pero no podrá interactuar o hacer preguntas por teléfono.</p> <p>Si desea usar el teléfono, favor de mandar sus preguntas o comentarios por email a, <a href="mailto:Ingrido@sclarc.org">Ingrido@sclarc.org</a>. Por favor incluya su nombre, número de teléfono (si desea que se le contacte), y pregunta.</p>



South Central Los Angeles  
Regional Center

# Board of Directors Meeting South Central Los Angeles Regional Center

**Tuesday, January 27, 2026**

**7:00pm – 9:00pm**

**Hybrid / Webinar Meeting**

*Please use the Webinar Zoom Meeting Link below to register and join the meeting.*

*After registering, you will receive a confirmation email containing information about joining the meeting.*

*Register in advance for this meeting:*

**[https://www.zoomgov.com/webinar/register/WN\\_yUTPHFZ5R1-6AAqmr-iJJw](https://www.zoomgov.com/webinar/register/WN_yUTPHFZ5R1-6AAqmr-iJJw)**

***Traducción en español disponible***



**SCLARC**

# **AGENDA**

## **I. General**

### Call to Order and Roll Call

Cynthia Torres

- [\*\\*Approval of BOD Meeting Minutes of November 18, 2025\*](#) – [\*Attachment\*](#)
- ARCA Update

## **II. Board Member Reports (agenda/minutes/mtg. summary)**

### A. Vendor Advisory Committee – [\*Attachment\*](#)

Illona Hendrick

### B. Self-Determination Advisory Committee – [\*Attachment\*](#)

Magali Ochoa

### C. Recruitment & Training Committee – [\*Attachment\*](#)

Sherry Kidd

#### Retro board members membership.

- *\* Approval of Sherry Kidd – Effective 9/27/25 - 9/27/2028*
- *\* Approval of Caycee Ricketts – Effective 9/27/25 - 9/27/2028*
- *\* Approval of Norma Hernandez as Secretary*

### D. Finance Committee – [\*Attachment\*](#)

Teyanna Williams

*\*Action Item*

### III. Staff Reports

#### E. Budget Update & Finance Report (November 2025) – (Kyla Lee)

- Statement Of Financial Position – [Attachment](#)
- Statement Of Activities – [Attachment](#)
- POS Expenditure Projection Summary – [Attachment](#)
- 2026–27 Governor’s Budget Highlights - [Attachment](#)
- AGT Independent Audit (Draft Audit 06/30/2025) – [Attachment](#)

#### F. Performance Contract Year-End Report – Tamilyn Bonney – Mireya Romero – (Cherylle Mallinson) – [Attachment](#)

- \*Approval CPP/CRDP Contracts \$1.9m – (Cherylle Mallinson) – [Attachment](#)

#### G. Executive Director Report – (Dexter Henderson)

#### H. Public Comment

#### I. Meeting Adjournment

#### J. For your future reference / information

- Board Meeting March 24, 2026

\* Action Item



South Central Los Angeles  
Regional Center  
for persons with developmental disabilities, inc.

**SOUTH CENTRAL LOS ANGELES REGIONAL CENTER**  
**Remote Zoom Meeting**  
**MINUTES OF THE BOARD OF DIRECTORS' MEETING**  
**November 18<sup>th</sup>, 2025**  
**7:00pm – 9:00pm**

**Member Present:**

Cynthia Torres	Caycee Ricketts
Sherry Kidd	Luz Curiel
Ilona Hendrick	Renard Stanford
Raul Munoz	Magali Ochoa
Mireya Romero	Shavon Spiller
Norma Hernandez	

**Members Absent:**

Cedron McKnight  
Christella Frutos  
Teyanna Williams

**Staff Present:**

Dexter Henderson	Ingrid Oliva
Kyla Lee	Iris De La Tova
Cherylle Mallinson	Armando Sanchez
Jenice Turner	

***I. General***

- Board President, Cynthia Torres opened November 18<sup>th</sup>, 2025, Board of Director's Meeting via Zoom with roll call.

***A. Call to Order and Roll Call***

- The meeting was called to order at 7:06pm by The President Cynthia Torres.

## **B. Approval of BOD Minutes for September 23<sup>rd</sup>, 2025**

### **Board Action:**

**Approved BOD minutes – September 23<sup>rd</sup>, 2025**

M/S/C: Sherry Kidd/Norma Hernandez/Unanimous

## **II. Board Member Reports**

### **A. Vendor Advisory Committee – Illona Hendrick**

The Vendor Advisory Board Committee met on November 12th to review information shared by the leadership team and to update vendors on DDS required surveys and QIPs that must be completed for the new year. Vendors will receive reminders and deadlines, as incomplete surveys may result in a 10% reduction of their benchmark rate. The Committee will not meet in December, but communication will continue to ensure all service providers remain compliant. The Committee is also planning a recruitment and onboarding effort to expand VAC leadership representation across all vendor service areas, including residential, transportation, ILS, employment, and early start services to prepare for 2026.

### **B. Advocate Advisory Committee – Renard Stanford**

The AAC met on November 17, 2025, where Charles Saylor presented on budgeting, emphasizing the importance of planning before spending and reviewing six key steps. These steps included, calculating after-tax income, distinguishing needs from wants, limiting needs to about 50% of income, keeping wants to 20–30%, allocating 20% to savings, and regularly checking and updating totals. It was also discussed to avoid impulse spending, making smart shopping choices, and focusing on healthy, affordable options. A brief recap from last month's AAC meeting was also provided, highlighting strategies for managing stress such as rest, meditation, walking, watching a movie, prayer, getting sufficient sleep, and seeking support from trusted individuals.

### **C. Self Determination Advisory Committee – Magali Ochoa**

The Self-Determination Committee met on November 12, 2025, established quorum, and approved the September amendments. Updates were provided on consumer enrollment, engagement, and new DDS requirements for cases with budget increases over \$20,000. The committee also received information on Medicaid updates and nutrition related initiatives. A recap of the recent SDP Community Fair was shared, noting lower attendance but successful resource distribution. Project updates included ongoing recruitment and orientation planning, along with reminders about upcoming workshops and SDP orientations. The next meeting will be on January 14, 2026.

#### **D. Recruitment and Training Committee Meeting – Sherry Kidd**

The Recruitment and Training Committee met on October 6 and November 3 to review fifteen Board of Director applications and to discuss interviews conducted on October 8, 15, and 22. Following final deliberations on November 3, the Committee selected five candidates to present to the Board. Ms. Kidd presented the biographies of the five candidates, Ogechi Ikhile, Deisy Sandoval, Jesus Murillo, Julio Lopez, and Giovanna Brasfield. The Board then voted to move forward with Ogechi Ikhile, Deisy Sandoval, and Jesus Murillo for immediate Board membership and to move forward with Julio Lopez and Giovanna Brasfield for future dates.

**Board Action:**

**Approval of Ogechi Ikhile – Effective 11/18/25-11/18/2026**

M/S/C: Norma Hernandez/ Caycee Ricketts /Unanimous

**Board Action:**

**Approval of Deisy Sandoval – Effective 11/18/25-11/18/2026**

M/S/C: Magali Ochoa/ Mireya Romero /Unanimous

**Board Action:**

**Approval of Jesus Murillo – Effective 11/18/25 - 11/18/2026**

M/S/C: Norma Hernandez/ Magali Ochoa /Unanimous

**Board Action:**

**Approval of Julio Lopez – Effective 12/14/25 - 12/14/2026**

M/S/C: Raul Munoz/ Magali Ochoa/Unanimous

**Board Action:**

**Approval of Giovanna Brasfield – Effective 1/23/26 - 1/23/2027**

M/S/C: Norma Hernandez/ Caycee Ricketts /Unanimous

#### **E. Finance Committee – Sherry Kidd**

The Finance Committee met that same evening and approved the September 23 minutes with no corrections. Ms. Lee reported that the Committee reviewed the financial statements as of September 30, 2025, reviewed the CPP and CRDP contracts, and requested RFP documentation as well as DDS confirmation that CID is the designated HDO for SCLARC.

Updates were also provided on rate reform efforts, noting that the organization is approximately 70% complete toward the December 31<sup>st</sup> deadline. SCLARC continues to work closely with transportation providers to comply with the DDS Directive mileage billing requirements.

Additionally, updates were provided on the Laserfiche project, with the project kickoff scheduled for November 20, 2025, and on preparations for the Public Records Act, effective January 1<sup>st</sup>, 2026, including finalizing records retention policies for future Board approval.

### **III. Staff Reports**

#### **A. Budget Update & Finance Report (2025) – (Kyla Lee)**

**Statement of Financial Position:** As of September 2025, the organization completed the first quarter of the fiscal year with a cash balance of approximately \$84.6 million, a decrease of approximately \$21 million compared to the prior year. Management reported working closely with DDS to ensure sufficient cash flow to process retroactive payments related to updated authorizations, some effective January 1, 2025. Accounts payable totaled approximately \$50.7 million, an increase of approximately \$11.6 million from the prior year, reflecting increased vendor payment activity.

**Statement of Activities:** For the fiscal year to date, operations were allocated approximately \$82.6 million, with approximately \$19 million, or 23 percent, expended to date and the remaining balance projected to be spent. POS authorizations totaled approximately \$849.5 million, with \$171.3 million expended and approximately \$633 million projected, leaving approximately \$44 million available if needed. Management noted ongoing updates to vendor rates and authorizations, with increased utilization expected as new rates take effect.

**POS Expenditure Projection Summary:** The CFO reported on the POS Expenditure Projection submitted to DDS, which reflects projected expenditures based on current authorization and spending analyses. The analysis indicates that the agency has estimated POS expenditures in the amount of \$721.2 million through June 30, 2026.

#### **Performance Contract Year- End Report – Tamilyn Bonney – (Cherylle Mallinson)**

No report was provided. It was noted that additional information had been requested and would be deferred until the January 2026 Board meeting, along with the Executive Session. The Board President called for a motion to table the items until the next Board meeting on January 26<sup>th</sup>, 2026. Board member Illona Hendrick abstained from the vote.

#### **Board Action:**

#### **Approval of Motion to Table Board Item for Board Meeting on January 27, 2026**

M/S/C: Norma Hernandez / Magali Ochoa /Unanimous

### **IV. Executive Session – Postponed to the next Board of Directors' meeting on January 27, 2026.**

### **V. Executive Director Report – Dexter Henderson**

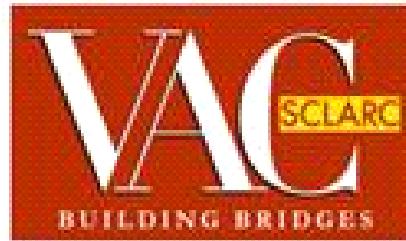
**VI. Public Comment –**

**VII. Meeting Adjournment -**

- The meeting was adjourned at 8:17pm by The President Cynthia Torres

**VIII. Supplemental Information**

**\*Action Item**



## **SCLARC VENDOR ADVISORY COMMITTEE**

### **MEETING AGENDA**

**ZOOM**

**January 14, 2026**

**10:00am—12:00pm**

10:00 am: **Welcome by Illona Hendrick, VAC Chair**  
*Introduction of New VAC Board members*

10:15 am: **SCLARC Management Updates**

SCLARC Management will provide updates for vendors and present on: Directives, updates on rate reform, Vendor Portal and other management topics, Opportunity for Q&A

11:30 am: **VAC Business**

12:00 pm: **Adjournment**

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**Join Zoom Meeting**

<https://www.zoomgov.com/j/1618228580?pwd=N8pX6hliaXeONDwdabp27b0AQxmyfR.1>

Meeting ID: 161 822 8580

Passcode: 152653



## The SCLARC Local Self Determination Advisory Committee

January 14<sup>th</sup>, 2026 | 6pm-8pm – Zoom  
Registration Link: <https://bit.ly/SDPLAC2026>

- 1) Welcome & Introductions / Zoom Interpretation Instructions (6:00 PM – 6:05 PM)
- 2) Approval of previous Meeting Minutes May 2025 and July 2025 (Voting Item) (6:05 PM – 6:15 PM)
- 3) SCLARC Consumer Updates & Recent DDS SDP Updates (6:15 PM – 6:25 PM)
- 4) Medicaid Cuts Update - *Sofia Cervantes, SCDD* (6:25PM - 6:35PM)
- 5) Public Comment (6:35 PM – 6:45 PM)
  - 2 minutes per person / 3 minutes for Spanish interpretation
- 6) ASLA SCLARC SDP Project Update (6:45 PM – 7:00 PM)
- 7) SDP Implementing Funding – Review & Discussion (7:00 PM - 7:30 PM)
- 8) SDP Spotlight (7:30 PM -7:45 PM)
- 9) Announcements (7:45- 7:50PM)
- 10) Next Meeting Agenda Items (7:50PM - 8:00PM)
- 11) Adjournment (8:00PM)

Self-Determination Program Awareness & Feedback Survey  
<https://www.surveymonkey.com/r/C6KBGGN>

We'd love to hear from you! By sharing your experiences and feedback, you're contributing to a clearer picture of how we can better support individuals in their self-determination journey.

Spanish translation will be available; instructions for how to access Spanish translation can be found at [https://support.zoom.us/hc/en-us/articles/360034919791-Language-Interpretation-in-meetings-andwebinars#h\\_6802bbbc-2ec947cv-a04c-6aac35914d82](https://support.zoom.us/hc/en-us/articles/360034919791-Language-Interpretation-in-meetings-andwebinars#h_6802bbbc-2ec947cv-a04c-6aac35914d82) (you can select "Spanish language" at the bottom of the website). To change the language of your Zoom application, see <https://support.zoom.us/hc/es/articles/209982306-Cambiar-suidioma-en-Zoom> (the article is in Spanish). In order to ensure the best possible experience, especially if you will be using translation, SCLARC recommends that, if possible, you access the meeting through a computer; SCLARC has observed that, in particular, Android phones have less success with the translation feature. Regardless of that, please ensure before the meeting that you have the latest version of Zoom. You can ensure this, on a computer, by visiting <https://zoom.us/download> (you can select "Spanish language" at the bottom of the screen if applicable). On a tablet or cell phone, visit the App Store and, if necessary, download or update your app. Please note: In order to respect everyone's time, and due to the wide variety of technology used by participants and families, it will not be possible for SCLARC to offer significant technical/technological assistance during the meeting.



## El Comité Asesor Local de Autodeterminación del SCLARC

January 14<sup>th</sup>, 2026 | 6pm-8pm-Zoom

Registration Link: <https://bit.ly/SDPLAC2026>

- 1) Bienvenidas/ Presentaciones/Instrucciones para Interpretacion en Zoom (6:00p.m.-6:05p.m.)
- 2) Aprobación de las Actas de la Reunión anterior Mayo 2025 y Julio 2025 (tema de votación) (6:05p.m. - 6:15 p.m.)
- 3) Actualizaciones para el Consumidor de SCLARC / Actualizaciones Recientes de DDS SDP (6:15p.m. - 6:25p.m.)
- 4) Actualizacion sobre los recortes de Medicaid - *Sofia Cervantes, SCDD* (6:25p.m. - 6:35p.m.)
- 5) Comentarios del público (6:35p.m. - 6:45p.m.)
  - 2 minutos por persona / 3 minutos para interpretación en español
- 6) Actualizacion del Proyecto ASLA SCLARC SDP (6:45p.m. - 7:00p.m.)
- 7) Financiación para la Implementación del SDP: Revisión y Discusión (7:00p.m. - 7:30p.m.)
- 8) Enfoque de SDP (7:30p.m. - 7:45p.m.)
- 9) Anuncios (7:45 p.m. - 7:50p.m.)
- 10) Puntos de la agenda de la próxima reunión (7:50 p.m. - 8:00 p.m.)
- 11) Cierre de la sesión (8:00 p.m.)

### Encuesta de Conciencia y Retroalimentación del Programa de Autodeterminación

<https://www.surveymonkey.com/r/MMVSJXF>

¡Nos encantaría saber de ti! Al compartir tus experiencias y opiniones, estás contribuyendo a una visión más clara de cómo podemos apoyar mejor a las personas en su camino hacia la autodeterminación.

La traducción al español estará disponible; Las instrucciones sobre cómo acceder a la traducción al español se pueden encontrar en [https://support.zoom.us/hc/en-us/articles/360034919791-Language-Interpretation-in-meetings-andwebinars#h\\_6802bbbc-2ec9-47cv-a04c-6aac35914d82](https://support.zoom.us/hc/en-us/articles/360034919791-Language-Interpretation-in-meetings-andwebinars#h_6802bbbc-2ec9-47cv-a04c-6aac35914d82) (puedes seleccionar "Idioma español" en la parte inferior de la web). Para cambiar el idioma de su aplicación Zoom, consulte <https://support.zoom.us/hc/es/articles/209982306-Cambiar-sidioma-en-Zoom> (el artículo está en español). Para garantizar la mejor experiencia posible, especialmente si utilizará traducción, SCLARC recomienda que, si es posible, acceda a la reunión a través de una computadora; SCLARC ha observado que, en particular, los teléfonos Android tienen menos éxito con la función de traducción. Independientemente de eso, antes de la reunión, asegúrese de tener la última versión de Zoom. Puede asegurarse de esto, en una computadora, visitando <https://zoom.us/download> (puede seleccionar "Idioma español" en la parte inferior de la pantalla, si corresponde). En una tableta o teléfono celular, visite la App Store y, si es necesario, descargue o actualice su aplicación. Tenga en cuenta: Para respetar el tiempo de todos, y debido a la gran variedad de tecnología utilizada por los participantes y las familias, SCLARC no podrá ofrecer asistencia técnica/tecnológica significativa durante la reunión.todos, y debido a la amplia variedad de tecnología utilizada por los participantes y las familias, no será posible que SCLARC ofrezca una asistencia técnica / tecnológica significativa durante la reunión.



## SCLARC FINANCE COMMITTEE MEETING

Zoom  
Meeting ID: 832 7800 7672

Wednesday, January 21<sup>st</sup>, 2026  
6:00pm – 7:00pm

### Agenda General Session

I. Call to Order and Roll Call	Teyanna Williams
II. Approval of Minutes from November 18 <sup>th</sup> , 2025 <i>(attachment)</i>	Teyanna Williams
III. CPP/CRDP Contracts - \$1.9M <i>(attachment)</i>	Cherylle Mallinson
IV. Financial Statements	Kyla Lee
a. November 30 <sup>th</sup> , 2025 <i>(attachment)</i>	Kyla Lee
V. 2026-27 Governor's Budget Highlights <i>(attachment)</i>	Kyla Lee
VI. AGT Independent Audit <i>(attachment)</i>	Kyla Lee
a. June 30 <sup>th</sup> , 2025, DRAFT Audit	
VII. General Updates	Kyla Lee
a. Update on Rate Reform	
b. Laserfiche	
c. Public Records Act (PRA)	
d. DDS DRAFT Audit Summary	
VIII. Other Items	Kyla Lee
IX. Next Meeting Date – March 18 <sup>th</sup> , 2026	



**South Central Los Angeles Regional Center**  
**Statement of Financial Position**  
**as of November 2025**

	A	B	C	D
1				
2	<b>ASSETS</b>	<b>2025</b>	<b>2024</b>	<b>Net Change</b>
3				
4	Cash and Cash Equivalents	\$ 104,100,707	\$ 47,727,766	\$ 56,372,941
5				
6	State Receivable	162,020,400	130,919,131	31,101,269
7	Due from Client Trust	3,469,413	1,504,365	1,965,048
8	Due from Grants	59,857	108,898	(49,041)
9	Other Receivables	572,588	1,711,465	(1,138,877)
10	Total Receivables	166,122,257	134,243,858	31,878,399
11		-		
12	Prepaid Expenses	131,159	71,907	59,252
13	Total Current Assets	<b>270,354,124</b>	<b>182,043,531</b>	<b>88,310,592</b>
14				
15	State Equipment	1,185,779	1,185,779	-
16	Less: Allowance for State Equipment	(1,185,779)	(1,185,779)	-
17		-	-	
18				
19	Cash in Bank - Grant Funds	-	-	-
20	Less: Restricted Grant Funds	-	-	-
21		-	-	
22	Deferred Charges	157,872	157,872	-
23				
24	<b>TOTAL ASSETS</b>	<b>\$ 270,511,995</b>	<b>\$ 182,201,402</b>	<b>\$ 88,310,593</b>
25				
26				
27	<b>LIABILITIES</b>			
28	Accounts Payable	\$ 52,854,181	\$ 44,510,589	\$ 8,343,591
30	Payroll & Payroll Taxes Payables	1,656,772	-	\$ 1,656,772
29	Other Payables	15,153	(12,740)	27,893
30	Benefits Payable	227,040	2,706	224,333
31	Total Accounts Payable	<b>54,753,146</b>	<b>44,500,556</b>	<b>10,252,590</b>
32				
33	Due to State	215,758,849	137,700,846	78,058,003
34				
35				
36	<b>TOTAL LIABILITIES</b>	<b>\$ 270,511,995</b>	<b>\$ 182,201,402</b>	<b>\$ 88,310,593</b>



**South Central Los Angeles Regional Center  
Statement of Activities  
as of November 30, 2025**

Enter Number of Months Claimed <b>4 for Dec 10th report, once 12 is reached leave at 12)</b>	5
Date of POS Payments Cut-Off:	November 30, 2025

REPORT DATE: January 10, 2026

## SOUTH CENTRAL LOS ANGELES REGIONAL CENTER

### POS EXPENDITURE PROJECTION (PEP) SUMMARY

Fiscal Year 2025-2026

Actual Expenditures through November

#### NON-CPP EXPENDITURES (Regular POS Monthly Claims)

	CURRENT MONTH	Enter Prior Month	CHANGES
	High Estimate	High Estimate	High Estimate
Estimated Cost of Current Services	\$695,398,764	\$704,520,471	(9,121,707)
Estimated Growth	\$19,729,962	\$17,893,207	1,836,755

Enter Other Items as necessary, which are not part of the YTD or estimated expenditures which may include but are not limited to:

1. Deduct estimated receipts from ICFs for SPA services.	(1,545,669)	(\$1,545,669)	0
2. SSI/SSP Restoration (Not Yet Paid)	229,988	\$351,040	(121,052)
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$713,813,045</b>	<b>\$721,219,049</b>	<b>(\$7,406,004)</b>

## **Department of Developmental Services**

### **2026-27 Governor's Budget Highlights**



**Gavin Newsom  
Governor  
State of California**

**Kim Johnson  
Secretary  
California Health and Human Services  
Agency**

**Pete Cervinka  
Director  
Department of Developmental Services**

**January 2026**

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## DEPARTMENT OF DEVELOPMENTAL SERVICES

### 2026 GOVERNOR'S BUDGET HIGHLIGHTS

The Department of Developmental Services (Department) is responsible for administering the Lanterman Developmental Disabilities Services Act (Lanterman Act). The Lanterman Act provides for the coordination and provision of services and supports to enable people to achieve their goals. Additionally, the Early Start Program provides services to infants and toddlers who have or are at risk of having a developmental disability. Services are delivered through a statewide network of 21 private, nonprofit, locally based community agencies known as regional centers, as well as through state-operated programs.

The number of individuals served by regional centers in the community is expected to be 489,254 in the current year and increase to 526,848 in fiscal year (FY) 2026-27. In addition, the proposed budget supports capacity for 302 individuals that can be served through state-operated services.

### 2026 GOVERNOR'S BUDGET SUMMARY

The Governor's Budget includes \$21.1 billion (\$13.5 billion General Fund) for FY 2026-27; a net increase of \$2.4 billion (\$1.6 billion General Fund) over the updated FY 2025-26 budget, a 13 percent increase.

In addition to caseload and utilization updates, the proposed FY 2026-27 budget includes the following major adjustments:

- Life Outcomes Improvement System (LOIS): Increase of \$14.6 million (\$5.7 million General Fund). One-year limited-term resources equivalent to 20 positions to continue the planning phase of the project.
- Federal Access Rule: Increase of \$2.4 million (\$2.1 million General Fund). Includes ongoing resources and 9 positions to address increased workload related to compliance with the federal Home and Community-Based Services Access Rule.
- State Operations: The transfer of 70 positions and associated dollars within the Department to support department-wide operations and address programmatic needs, including autism and employment services.
- Fairview Developmental Center: A decrease of \$8.1 million General Fund, reflecting the cold shutdown of Fairview Developmental Center while the property's disposition process continues.

**Program Highlights***(Dollars in Thousands)*

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
<b>Community Services Program</b>			
Regional Centers	\$18,196,079	\$20,632,003	\$2,435,924
<b>Total, Community Services</b>	<b>\$18,196,079</b>	<b>\$20,632,003</b>	<b>\$2,435,924</b>
General Fund	\$11,546,678	\$13,154,785	\$1,608,107
Program Development Fund	\$434	\$0	(\$434)
Developmental Disabilities Services Account	\$150	\$150	\$0
Federal Trust Fund	\$55,482	\$55,399	(\$83)
Reimbursements	\$6,592,595	\$7,420,929	\$828,334
Behavioral Health Services Fund	\$740	\$740	\$0
<b>State Operated Services</b>			
Personal Services	\$262,685	\$244,015	(\$18,670)
Operating Expense & Equipment	\$41,920	\$49,267	\$7,347
<b>Total, State Operated Services</b>	<b>\$304,605</b>	<b>\$293,282</b>	<b>(\$11,323)</b>
General Fund	\$274,363	\$263,784	(\$10,579)
Lottery Education Fund	\$141	\$141	\$0
Reimbursements	\$30,101	\$29,357	(\$744)
<b>Headquarters Support</b>			
Personal Services	\$132,934	\$140,097	\$7,163
Operating Expense & Equipment	\$41,235	\$43,143	\$1,908
<b>Total, Headquarters Support</b>	<b>\$174,169</b>	<b>\$183,240</b>	<b>\$9,071</b>
General Fund	\$111,277	\$118,365	\$7,088
Federal Trust Fund	\$4,116	\$4,167	\$51
Program Development Fund	\$461	\$461	\$0
Reimbursements	\$57,799	\$59,731	\$1,932
Behavioral Health Services Fund	\$516	\$516	\$0
<b>Total, All Programs</b>	<b>\$18,674,853</b>	<b>\$21,108,525</b>	<b>\$2,433,672</b>
<b>Total Funding</b>			
General Fund	\$11,932,318	\$13,536,934	\$1,604,616
Federal Trust Fund	\$59,598	\$59,566	(\$32)
Lottery Education Fund	\$141	\$141	\$0
Program Development Fund	\$895	\$461	(\$434)
Developmental Disabilities Services Account	\$150	\$150	\$0
Reimbursements	\$6,680,495	\$7,510,017	\$829,522
Behavioral Health Services Fund	\$1,256	\$1,256	\$0
<b>Total, All Funds</b>	<b>\$18,674,853</b>	<b>\$21,108,525</b>	<b>\$2,433,672</b>
<b>Caseloads</b>			
State Operated Services	302	302	0
Regional Centers	489,254	526,848	37,594
<b>Departmental Positions</b>			
State Operated Services	1,753.7	1,715.1	(38.6)
Headquarters	810.0	824.0	14.0

## COMMUNITY SERVICES PROGRAM

### FY 2025-26

#### Costs and Fund Sources

The FY 2025-26 updated regional center budget includes \$18.2 billion (\$11.5 billion General Fund). This includes increased federal financial participation of \$199.8 million and ongoing reflecting claiming of increased federal match for those individuals eligible for Medi-Cal under the Affordable Care Act Expansion Population and increase in overall percent of caseload with established Medi-Cal eligibility.

Costs and Fund Sources (Dollars in Thousands)			
	Enacted Budget	FY 2025-26	Difference
Operations	\$1,650,677	\$1,650,677	\$0
Purchase of Services	\$16,523,975	\$16,523,975	\$0
Early Start Part C/Other Agency Costs	\$19,424	\$19,424	\$0
Early Start Family Resource Services	\$2,003	\$2,003	\$0
<b>Total Costs</b>	<b>\$18,196,079</b>	<b>\$18,196,079</b>	<b>\$0</b>
General Fund (GF)	\$11,781,341	\$11,546,678	(\$234,663)
<i>GF Match</i>	\$6,106,947	\$5,939,454	(\$167,493)
<i>GF Other</i>	\$5,674,394	\$5,607,224	(\$67,170)
Reimbursements	\$6,357,932	\$6,592,595	\$234,663
Program Development Fund	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Behavioral Health Services Fund	\$740	\$740	\$0
Federal Funds	\$55,482	\$55,482	\$0
<b>Fund Sources</b>	<b>\$18,196,079</b>	<b>\$18,196,079</b>	<b>\$0</b>

#### Population

The Department forecasts a net decrease of 1,826 consumers compared to the Enacted Budget.

Caseload	Enacted Budget	FY 2025-26*	Difference
Lanterman	419,923	418,361	(1,562)
Early Start	58,979	56,020	(2,959)
Provisional Eligibility	12,178	14,873	2,695
<b>Total Community Caseload</b>	<b>491,080</b>	<b>489,254</b>	<b>(1,826)</b>

\*Updated FY 2025-26 caseload reflects no change from Enacted Budget for purpose of core staffing assumptions.

Regional Center Operations – Caseload

There is no change to the current year from the Enacted Budget.

<b>Operations – Caseload</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Staffing Expenditures	\$1,541,654	\$1,541,654	\$0
Federal Compliance	\$49,552	\$49,552	\$0
Projects	\$40,483	\$40,483	\$0
Intermediate Care Facility-Developmentally Disabled	\$2,037	\$2,037	\$0
Quality Assurance Fees			
<b>Total Operations – Caseload</b>	<b>\$1,633,726</b>	<b>\$1,633,726</b>	<b>\$0</b>

Regional Center Operations – Policy

There is no change to the current year Operations policies from the Enacted Budget.

<b>Operations – Policy</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Life Outcomes Improvement System (LOIS)	\$7,255	\$7,255	\$0
Public Records Act - (AB 1147)	\$9,696	\$9,696	\$0
<b>Total Operations – Policy</b>	<b>\$16,951</b>	<b>\$16,951</b>	<b>\$0</b>

Purchase of Services (POS) – Caseload

There is no change to the current year purchase of services from the Enacted Budget.

<b>Purchase of Services</b> <b>Caseload (Utilization and Growth)</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Behavioral Services	\$151,530	\$151,530	\$0
Day Services	\$2,468,362	\$2,468,362	\$0
Early Intervention Services	\$1,334,405	\$1,334,405	\$0
Employment	\$153,392	\$153,392	\$0
Medical Services	\$316,932	\$316,932	\$0
Other Services	\$221,859	\$221,859	\$0
Residential Services	\$6,537,876	\$6,537,876	\$0
Respite	\$2,008,311	\$2,008,311	\$0
Social Recreation	\$379,319	\$379,319	\$0
Support and Training Services	\$2,355,318	\$2,355,318	\$0
Transportation	\$690,073	\$690,073	\$0
<b>Total POS – Caseload</b>	<b>\$16,617,377</b>	<b>\$16,617,377</b>	<b>\$0</b>

POS – Policy

There is no change to the current year in policy-related expenditures compared to the Enacted Budget. The table below reflects enacted budget solutions from the 2025 Budget Act, a reduction of \$113 million (\$75 million General Fund) related to ending the Rate Reform Hold Harmless provision at the end of February 2026 and a reduction of \$22.5 million General Fund related to Self-Determination Program Protections.

<b>Purchase of Services – Policy</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Ongoing Purchase of Services Items	\$42,050	\$42,050	\$0
Self-Determination Program Protections	(\$22,500)	(\$22,500)	\$0
Rate Reform Hold Harmless Provision	(\$112,952)	(\$112,952)	\$0
<b>Total POS – Policy</b>	<b>(\$93,402)</b>	<b>(\$93,402)</b>	<b>\$0</b>

### Reimbursements

The updated current year reflects a net increase of \$234.7 million in reimbursements compared to the Enacted Budget primarily driven by improvements in the claiming of federal financial participation for eligible individuals.

Adjustments are reflected in the table below.

<b>Reimbursements</b> ( <i>Dollars in Thousands</i> )			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Home and Community-Based Services (HCBS) Waiver	\$4,272,225	\$4,420,602	\$148,377
HCBS Waiver Administration	\$25,916	\$25,690	(\$226)
Medicaid Administration	\$24,080	\$28,055	\$3,975
Targeted Case Management	\$427,294	\$456,367	\$29,073
Title XX Block Grant	\$213,421	\$213,421	\$0
(1) <i>Social Services</i>	\$136,264	\$136,264	\$0
(2) <i>Temporary Assistance for Needy Families</i>	\$77,157	\$77,157	\$0
Intermediate Care Facility-Developmentally Disabled	\$67,917	\$77,406	\$9,489
State Plan Amendment			
Intermediate Care Facility-Developmentally Disabled	\$12,019	\$12,019	\$0
Quality Assurance Fees			
1915(i) State Plan Amendment	\$960,378	\$994,107	\$33,729
Early Periodic Screening Diagnosis and Treatment	\$19,798	\$21,640	\$1,842
Behavioral Health Treatment Fee-for-Service	\$6,040	\$5,915	(\$125)
Self-Determination Program Waiver	\$328,844	\$337,373	\$8,529
<b>Total Reimbursements</b>	<b>\$6,357,932</b>	<b>\$6,592,595</b>	<b>\$234,663</b>

### Federal Funds

There is no change in current year federal funds compared to the Enacted Budget.

<b>Federal Funds</b> ( <i>Dollars in Thousands</i> )			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Early Start Part C/Other Agency Costs	\$54,337	\$54,337	\$0
Foster Grandparent Program	\$1,145	\$1,145	\$0
<b>Total Federal Funds</b>	<b>\$55,482</b>	<b>\$55,482</b>	<b>\$0</b>

**FY 2026-27****Costs and Fund Sources**

The FY 2026-27 community programs budget includes \$20.6 billion (\$13.2 billion General Fund), a net increase of \$2.4 billion (\$1.6 billion General Fund) compared to the updated current year. This reflects ongoing increased federal financial participation for those individuals eligible for Medi-Cal under the Affordable Care Act Expansion Population and increase in overall percent of caseload with established Medi-Cal eligibility. Additionally, this includes a projected \$2.3 billion increase in purchase of services expenditures, and a \$132 million increase in regional center operations costs.

<b>Costs and Fund Sources</b> ( <i>Dollars in Thousands</i> )			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Operations	\$1,650,677	\$1,782,689	\$132,012
Purchase of Services	\$16,523,975	\$18,827,975	\$2,304,000
Early Start Part C/Other Agency Costs	\$19,424	\$19,336	(\$88)
Early Start Family Resource Services	\$2,003	\$2,003	\$0
<b>Total Costs</b>	<b>\$18,196,079</b>	<b>\$20,632,003</b>	<b>\$2,435,924</b>
General Fund (GF)	\$11,546,678	\$13,154,785	\$1,608,107
<i>GF Match</i>	\$5,939,454	\$6,756,704	\$817,250
<i>GF Other</i>	\$5,607,224	\$6,398,081	\$790,857
Reimbursements	\$6,592,595	\$7,420,929	\$828,334
Program Development Fund/Parental Fees	\$434	\$0	(\$434)
Developmental Disabilities Services Account	\$150	\$150	\$0
Behavioral Health Services Fund	\$740	\$740	\$0
Federal Funds	\$55,482	\$55,399	(\$83)
<b>Fund Sources</b>	<b>\$18,196,079</b>	<b>\$20,632,003</b>	<b>\$2,435,924</b>

**Population**

The Department forecasts a net increase of 37,594 individuals compared to the updated current year.

<b>Caseload</b>	<b>FY 2025-26*</b>	<b>FY 2026-27</b>	<b>Difference</b>
Lanterman	418,361	452,615	34,254
Early Start	56,020	56,073	53
Provisional Eligibility	14,873	18,160	3,287
<b>Total Caseload</b>	<b>489,254</b>	<b>526,848</b>	<b>37,594</b>

\*Updated FY 2025-26 caseload reflects no change from Enacted Budget for purpose of core staffing assumptions.

**Regional Center Operations – Caseload**

The budget year includes \$1.8 billion (\$1.2 billion General Fund) for regional center operations, an increase of \$128.8 million (\$98.7 million General Fund) compared to the current year. The increase is primarily attributed to anticipated caseload growth.

<b>Operations – Caseload</b> ( <i>Dollars in Thousands</i> )			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Staffing Expenditures	\$1,541,654	\$1,668,691	\$127,037
Federal Compliance	\$49,552	\$49,552	\$0
Projects	\$40,483	\$41,941	\$1,458
Intermediate Care Facility-Developmentally Disabled	\$2,037	\$2,322	\$285
Quality Assurance Fees			
<b>Total Operations – Caseload</b>	<b>\$1,633,726</b>	<b>\$1,762,506</b>	<b>\$128,780</b>

**Regional Center Operations – Policy**

The budget year includes \$20.2 million (\$2.7 million General Fund) for policies impacting regional center operations, an increase of \$3.2 million (\$2.3 million General Fund) compared to the updated current year.

## Updated Policies:

- Public Records Act – (AB 1147): Increase of \$3.2 million (\$2.3 million General Fund) to reflect full year implementation costs.

<b>Operations – Policy</b> ( <i>Dollars in Thousands</i> )			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Life Outcomes Improvement System (LOIS)	\$7,255	\$7,255	\$0
Public Records Act - (AB 1147)	\$9,696	\$12,928	\$3,232
<b>Total Operations – Policy</b>	<b>\$16,951</b>	<b>\$20,183</b>	<b>\$3,232</b>

Purchase of Services (POS) Caseload

The budget year includes \$19.2 billion (\$12.3 billion General Fund) for purchase of services, an increase of \$2.5 billion (\$1.7 billion General Fund), compared to the updated current year. The increase primarily is due to projected caseload increases and updated expenditure trends in the utilization of various budget categories, as shown below.

<b>Purchase of Services</b> <b>Caseload (Utilization and Growth)</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Behavioral Services	\$151,530	\$200,000	\$48,470
Day Services	\$2,468,362	\$2,859,631	\$391,269
Early Intervention Services	\$1,334,405	\$1,427,184	\$92,779
Employment	\$153,392	\$153,647	\$255
Medical Services	\$316,932	\$366,601	\$49,669
Other Services	\$221,859	\$254,817	\$32,958
Residential Services	\$6,537,876	\$7,255,497	\$717,621
Respite	\$2,008,311	\$2,388,155	\$379,844
Social Recreation	\$379,319	\$538,419	\$159,100
Support and Training Services	\$2,355,318	\$2,945,635	\$590,317
Transportation	\$690,073	\$775,725	\$85,652
<b>Total POS – Caseload</b>	<b>\$16,617,377</b>	<b>\$19,165,311</b>	<b>\$2,547,934</b>

POS – Policy

The budget year includes a reduction of \$337.3 million (\$433.4 million General Fund) for policies impacting regional center purchase of services, a decrease of \$243.9 million (\$174.5 million General Fund) compared to the updated current year budget.

## Updated Policies:

- Enacted Budget Solutions: Reduction of \$333.9 million (\$221.7 million General Fund) to reflect the Quality Incentive Program's eligibility provider mandate requirements and a reduction of \$23 million General Fund to reflect full year impact of the Self-Determination Program Protections.

<b>Purchase of Services – Policy</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Ongoing Purchase of Services Items	\$42,050	\$42,050	\$0
Quality Incentive Program Eligibility Provider Mandate	\$0	(\$333,886)	(\$333,886)
Self-Determination Program Protections	(\$22,500)	(\$45,500)	(\$23,000)
Rate Reform Hold Harmless Provision	(\$112,952)	\$0*	\$112,952
<b>Total POS – Policy</b>	<b>(\$93,402)</b>	<b>(\$337,336)</b>	<b>(\$243,934)</b>

\*The impact of the Rate Reform Hold Harmless Provision in FY 2026-27 is carried in Purchase of Services Caseload.

### Reimbursements

The budget year includes \$7.4 billion in reimbursements, an increase of \$828.3 million compared to the updated current year. Adjustments are reflected in the table below and the main drivers are changes in caseload and utilization, and improvements in the claiming of federal financial participation for eligible individuals.

<b>Reimbursements</b> (Dollars in Thousands)			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Home and Community-Based Services (HCBS) Waiver	\$4,420,602	\$5,032,564	\$611,962
HCBS Waiver Administration	\$25,690	\$26,809	\$1,119
Medicaid Administration	\$28,055	\$28,055	\$0
Targeted Case Management	\$456,367	\$486,122	\$29,755
Title XX Block Grant	\$213,421	\$213,421	\$0
(1) Social Services	\$136,264	\$136,264	\$0
(2) Temporary Assistance for Needy Families	\$77,157	\$77,157	\$0
Intermediate Care Facility-Developmentally Disabled State Plan Amendment	\$77,406	\$77,406	\$0
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$12,019	\$13,698	\$1,679
1915(i) State Plan Amendment	\$994,107	\$1,131,834	\$137,727
Early Periodic Screening Diagnosis and Treatment	\$21,640	\$21,869	\$229
Behavioral Health Treatment Fee-for-Service	\$5,915	\$5,915	\$0
Self-Determination Program Waiver	\$337,373	\$383,236	\$45,863
<b>Total Reimbursements</b>	<b>\$6,592,595</b>	<b>\$7,420,929</b>	<b>\$828,334</b>

### Federal Funds

The budget year includes \$55.4 million in direct federal funds, a net decrease of \$83,000 compared to the updated current year budget.

<b>Federal Funds</b> (Dollars in Thousands)			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Early Start Part C/Other Agency Costs	\$54,337	\$54,249	(\$88)
Foster Grandparent Program	\$1,145	\$1,150	\$5
<b>Total Federal Funds</b>	<b>\$55,482</b>	<b>\$55,399</b>	<b>(\$83)</b>

## STATE OPERATED SERVICES

### FY 2025-26

The FY 2025-26 updated state-operated services budget is \$304.6 million (\$274.4 million General Fund), a decrease of \$5 million (\$3.9 million General Fund) compared to the Enacted Budget due to Control Section Adjustments and a Complex Needs Residential Program timeline update.

#### Facilities Update

- Complex Needs Residential Program: Postponement of three positions and \$628,000 General Fund.

#### Baseline Adjustments

- Control Section 26.00 Resource Reallocation: A transfer of \$8.0 million (\$6.4 million General Fund) and 70 positions within the Department.
- Control Section 3.60 Adjustments: An increase of \$7.8 million (\$7.0 million General Fund).
- Item 9800 Employee Compensation: a reduction of \$4.3 million (\$3.8 million General Fund).

Costs and Fund Sources (Dollars in Thousands)			
	Enacted Budget	FY 2025-26	Difference
Personal Services	\$266,221	\$262,685	(\$3,536)
Operating Expenses and Equipment	\$35,148	\$33,658	(\$1,490)
Lease Revenue Bond	\$8,272	\$8,262	(\$10)
<b>Total Costs</b>	<b>\$309,641</b>	<b>\$304,605</b>	<b>(\$5,036)</b>
General Fund (GF)	\$278,228	\$274,363	(\$3,865)
<i>GF Match</i>	\$31,388	\$30,101	(\$1,237)
<i>GF Other</i>	\$246,890	\$244,262	(\$2,628)
Reimbursements	\$31,338	\$30,101	(1,237)
Lottery Fund	\$75	\$141	\$66
<b>Fund Sources</b>	<b>\$309,641</b>	<b>\$304,605</b>	<b>(\$5,036)</b>

**FY 2026-27**

The FY 2026-27 budget includes \$293.3 million (\$263.8 million General Fund), a decrease of \$11.3 million (\$10.6 million General Fund) compared to FY 2025-26 due to Fairview cold shutdown, Control Section Adjustments, a Complex Needs Residential Program timeline update, and the Lease Revenue Debt Service Bond.

**Facilities Update**

- Fairview Cold Shutdown: A reduction of \$8.4 million General Fund and 40 positions to reflect the cold shutdown of Fairview Developmental Center as the property's disposition process continues.
- Complex Needs Residential Program: Increase of 1.4 positions and \$255,000 General Fund, reflecting the updated timeline for the project.

**Baseline Adjustments**

- Control Section 26.00 Resource Reallocation: An additional transfer of \$4.0 million (\$3.2 million General Fund) supporting 70 positions within the Department.
- Item 9800 Employee Compensation: Increase of \$940,000 (\$883,000 General Fund).
- Control Section 3.60 Adjustments: Reduction of \$149,000 General Fund reflecting Fairview Developmental Center cold shutdown.

<b>Costs and Fund Sources</b> ( <i>Dollars in Thousands</i> )			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Personal Services	\$262,685	\$244,015	(\$18,670)
Operating Expenses and Equipment	\$33,658	\$41,010	\$7,352
Lease Revenue Bond	\$8,262	\$8,257	(\$5)
<b>Total Costs</b>	<b>\$304,605</b>	<b>\$293,282</b>	<b>(11,323)</b>
General Fund (GF)	\$274,363	\$263,784	(\$10,579)
<i>GF Match</i>	\$30,101	\$29,357	(\$744)
<i>GF Other</i>	\$244,262	\$234,427	(\$9,835)
Reimbursements	\$30,101	\$29,357	(\$744)
Lottery Fund	\$141	\$141	\$0
<b>Fund Sources</b>	<b>\$304,605</b>	<b>\$293,282</b>	<b>(11,323)</b>

## HEADQUARTERS

### FY 2025-26

The FY 2025-26 updated budget includes \$174.2 million (\$111.3 million General Fund), a net increase of \$11.3 million (\$8.0 million General Fund) compared to the Enacted Budget.

- Control Section Adjustments – Employee Compensation: An increase of \$2.3 million (\$1.6 million) General Fund to reflect adjustments pursuant to Control Sections 3.60 and Item 9800.
- Control Section 26.00 Resource Reallocation: A transfer of \$8.0 million (\$6.4 million General Fund) and 70 positions within the Department.
- Federal Trust Fund Adjustment: An increase of \$1.0 million.

<b>Costs and Fund Sources</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2025-26</b>	<b>Difference</b>
Personal Services	\$123,815	\$132,934	\$9,119
Operating Expenses and Equipment	\$39,007	\$41,235	\$2,228
<b>Total Costs</b>	<b>\$162,822</b>	<b>\$174,169</b>	<b>\$11,347</b>
General Fund (GF)	\$103,288	\$111,277	\$7,989
<i>GF Match</i>	\$35,277	\$37,292	\$2,015
<i>GF Other</i>	\$68,011	\$73,985	\$5,974
Reimbursements	\$55,559	\$57,799	\$2,240
Program Development Fund	\$447	\$461	\$14
Federal Trust Fund	\$3,026	\$4,116	\$1,090
Behavioral Health Services Fund	\$502	\$516	\$14
<b>Fund Sources</b>	<b>\$162,822</b>	<b>\$174,169</b>	<b>\$11,347</b>

**FY 2026-27**

The FY 2026-27 budget includes \$183.2 million (\$118.4 million General Fund), a net increase of \$9.1 million (\$7.1 million General Fund) compared to the updated current year. This includes limited-term resources expiring June 30, 2026, an adjustment to employee compensation from Item 9800, Control Section 3.60 pension contribution updates, and the following adjustments:

- Federal Access Rule Resources: An increase of \$504,000 (\$433,000 General Fund) and nine positions to reflect the ongoing workload related to compliance with the federal Home and Community-Based Access Rule.
- Life Outcomes Improvement System (LOIS): An increase of \$1.3 million (\$543,000 million General Fund): Includes one-year limited-term resources equivalent to 20 positions to continue the planning phase of the project.
- Control Section 26.00 Resource Reallocation: An additional transfer of \$4.0 million (\$3.2 million GF) for a total transfer of \$12 million (\$9.6 million General Fund) supporting 70 positions within the Department.
- Self-Determination Program Administrative Costs: An increase of \$2.0 million General Fund
- Federal Trust Fund Adjustment: An increase of \$1.0 million

<b>Costs and Fund Sources</b> ( <i>Dollars in Thousands</i> )			
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Difference</b>
Personal Services	\$132,934	\$140,097	\$7,163
Operating Expenses and Equipment	\$41,235	\$43,143	\$1,908
<b>Total Costs</b>	<b>\$174,169</b>	<b>\$183,240</b>	<b>\$9,071</b>
General Fund (GF)	\$111,277	\$118,365	\$7,088
<i>GF Match</i>	\$37,292	\$39,224	\$1,932
<i>GF Other</i>	\$73,985	\$79,141	\$5,156
Reimbursements	\$57,799	\$59,731	\$1,932
Program Development Fund	\$461	\$461	\$0
Federal Trust Fund	\$4,116	\$4,167	\$51
Behavioral Health Services Fund	\$516	\$516	\$0
<b>Fund Sources</b>	<b>\$174,169</b>	<b>\$183,240</b>	<b>\$9,071</b>

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
South Central Los Angeles Regional Center for  
Developmentally Disabled Persons, Inc.  
Los Angeles, California

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc. (SCLARC), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SCLARC as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SCLARC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SCLARC's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCLARC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SCLARC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, on our consideration of SCLARC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCLARC's internal control over financial reporting and compliance.

AGT CPAs & Advisors

Redding, California

**DATE**

**DRAFT**  
FINANCIAL SECTION

**South Central Los Angeles Regional Center  
For Developmentally Disabled Persons, Inc.  
STATEMENTS OF FINANCIAL POSITION**

June 30	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 56,405,814	\$ 33,541,042
Cash - client trust funds (Note 3)	2,478,489	2,953,772
Receivable - State Regional Center contracts	209,301,925	180,646,484
Receivable - Intermediate Care Facility providers	1,484,734	1,620,369
Prepaid expenses	1,024,478	289,150
Other receivables	1,502,857	1,696,133
Due from state - accrued vacation and other leave benefits	3,098,792	2,467,517
Due from state - unfunded defined benefit plan liability	-	26,844,700
Due from state - leases	8,276,418	5,740,136
Operating lease right-of-use asset	141,078,296	143,269,263
<b>TOTAL ASSETS</b>	<b>\$ 424,651,803</b>	<b>\$ 399,068,566</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 84,182,385	\$ 63,951,337
Advance - State Regional Center contracts	180,720,905	149,145,805
Accrued and other liabilities	4,645,076	4,503,233
Accrued vacation and other leave benefits	3,098,792	2,467,517
Client trust fund liability	2,478,489	2,953,772
Unfunded defined benefit plan liability (Note 7)	-	26,844,700
Operating lease liability - current portion (Note 6)	2,245,501	1,883,908
Operating lease liability - long term portion (Note 6)	147,109,213	147,125,491
<b>Total Liabilities</b>	<b>424,480,361</b>	<b>398,875,763</b>
<b>Net Assets</b>		
Without donor restriction	171,442	192,803
<b>Total Net Assets</b>	<b>171,442</b>	<b>192,803</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 424,651,803</b>	<b>\$ 399,068,566</b>

*The accompanying notes are an integral part of these financial statements.*

**South Central Los Angeles Regional Center  
For Developmentally Disabled Persons, Inc.  
STATEMENTS OF ACTIVITIES**

Years Ended June 30	2025	2024
<b>SUPPORT AND REVENUE</b>		
State Regional Center contracts	\$ 756,894,380	\$ 631,660,610
Intermediate Care Facility supplemental services income	1,724,952	1,257,098
Intermediate Care Facility administrative fees	26,527	18,356
Interest income	580,559	638,839
Other income: future lease expense claims	2,536,282	2,783,925
Contributions and other income	343,710	622,933
<b>Total Support and Revenue</b>	<b>762,106,410</b>	<b>636,981,761</b>
<b>EXPENSES</b>		
<b>Program Services</b>		
Personnel expenses	55,917,918	41,680,911
Purchase of services	674,429,171	568,308,663
Operating	467,463	536,055
<b>Total Program Services</b>	<b>730,814,552</b>	<b>610,525,629</b>
<b>General and Administrative</b>		
Personnel expenses	8,905,029	7,468,005
Operating	22,408,190	19,028,313
<b>Total General and Administrative</b>	<b>31,313,219</b>	<b>26,496,318</b>
<b>Total Expenses</b>	<b>762,127,771</b>	<b>637,021,947</b>
<b>Changes in Net Assets Before Periodic Pension Related Changes</b>	<b>(21,361)</b>	<b>(40,186)</b>
Net State Regional Center contract income (expense) relating to net periodic costs and other pension related changes	-	(8,883,232)
Net periodic benefit cost	-	(4,956,214)
Pension plan related changes other than net periodic benefit costs	-	13,839,446
<b>Subtotal</b>	<b>-</b>	<b>-</b>
<b>Changes in Net Assets After Periodic Pension Related Changes</b>	<b>(21,361)</b>	<b>(40,186)</b>
<b>Net Assets - Beginning of Year</b>	<b>192,803</b>	<b>232,989</b>
<b>Net Assets - End of Year</b>	<b>\$ 171,442</b>	<b>\$ 192,803</b>

*The accompanying notes are an integral part of these financial statements.*

**DRAFT**

**South Central Los Angeles Regional Center  
For Developmentally Disabled Persons, Inc.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2025	Program Services	General and Administrative	Total
<b>Personnel Expenses</b>			
Salaries	\$ 42,266,467	\$ 6,722,325	\$ 48,988,792
Benefits	13,023,643	2,071,362	15,095,005
Payroll taxes	627,808	111,342	739,150
<b>Total Personnel Expenses</b>	<b>55,917,918</b>	<b>8,905,029</b>	<b>64,822,947</b>
<b>EXPENSES</b>			
<b>Purchase of Services</b>			
Other purchased services (Note 8)	414,563,172	-	414,563,172
Out of home	151,564,273	-	151,564,273
Day programs	75,864,811	-	75,864,811
Transportation	32,436,915	-	32,436,915
<b>Total Purchase of Services</b>	<b>674,429,171</b>	<b>-</b>	<b>674,429,171</b>
<b>Operating</b>			
Lease expense - operating (paid)	-	6,478,362	6,478,362
Lease expense - operating (accrued)	-	2,536,282	2,536,282
General office expenses	168,206	2,334,977	2,503,183
Data processing maintenance	-	2,366,701	2,366,701
General expenses	-	2,093,206	2,093,206
Insurance	-	1,339,102	1,339,102
Communication	-	972,893	972,893
Facility rent	-	827,641	827,641
Contract consultants	-	680,661	680,661
Equipment purchases	-	605,107	605,107
Legal fees	-	509,661	509,661
Facility maintenance	-	479,631	479,631
Travel	299,257	74,599	373,856
Dues	-	288,651	288,651
Postage	-	282,134	282,134
Equipment maintenance	-	213,713	213,713
Equipment rental	-	138,182	138,182
Professional fees	-	82,000	82,000
Printing	-	76,676	76,676
Interest expense and bank fees	-	28,011	28,011
<b>Total Operating</b>	<b>467,463</b>	<b>22,408,190</b>	<b>22,875,653</b>
<b>TOTAL EXPENSES</b>	<b>\$ 730,814,552</b>	<b>\$ 31,313,219</b>	<b>\$ 762,127,771</b>

*The accompanying notes are an integral part of these financial statements.*

**South Central Los Angeles Regional Center  
For Developmentally Disabled Persons, Inc.**  
STATEMENTS OF FUNCTIONAL EXPENSES  
(Continued)

Year Ended June 30, 2024	Program Services	General and Administrative	Total
<b>Personnel Expenses</b>			
Salaries	\$ 32,497,011	\$ 5,816,294	\$ 38,313,305
Benefits	8,714,792	1,559,768	10,274,560
Payroll taxes	469,108	91,943	561,051
<b>Total Personnel Expenses</b>	<b>41,680,911</b>	<b>7,468,005</b>	<b>49,148,916</b>
<b>EXPENSES</b>			
<b>Purchase of Services</b>			
Other purchased services (Note 8)	332,585,097	-	332,585,097
Out of home	145,086,834	-	145,086,834
Day programs	65,529,337	-	65,529,337
Transportation	25,107,395	-	25,107,395
<b>Total Purchase of Services</b>	<b>568,308,663</b>	<b>-</b>	<b>568,308,663</b>
<b>Operating</b>			
Lease expense - operating (paid)	-	6,289,672	6,289,672
Lease expense - operating (accrued)	-	2,783,925	2,783,925
General office expenses	188,483	2,176,046	2,364,529
Data processing maintenance	-	1,277,898	1,277,898
General expenses	-	1,769,156	1,769,156
Facility rent	-	852,259	852,259
Contract consultants	83,581	658,742	742,323
Insurance	-	698,477	698,477
Communication	-	657,642	657,642
Travel	263,991	323,898	587,889
Facility maintenance	-	537,188	537,188
Equipment purchases	-	350,912	350,912
Postage	-	146,179	146,179
Dues	-	145,836	145,836
Legal fees	-	92,526	92,526
Equipment maintenance	-	62,882	62,882
Professional fees	-	80,000	80,000
Interest expense and bank fees	-	76,232	76,232
Printing	-	25,341	25,341
Equipment rental	-	23,502	23,502
<b>Total Operating</b>	<b>536,055</b>	<b>19,028,313</b>	<b>19,564,368</b>
<b>TOTAL EXPENSES</b>	<b>\$ 610,525,629</b>	<b>\$ 26,496,318</b>	<b>\$ 637,021,947</b>

*The accompanying notes are an integral part of these financial statements.*

**South Central Los Angeles Regional Center  
For Developmentally Disabled Persons, Inc.  
STATEMENTS OF CASH FLOWS**

Years Ended June 30	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (21,361)	\$ (40,186)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Amortization of operating lease right-of-use asset	2,190,967	7,925,210
Change in:		
Receivable - State Regional Center contracts	(28,655,441)	(13,243,505)
Receivable - Intermediate Care Facility providers	135,635	(408,765)
Prepaid expenses	(735,328)	(163,192)
Other receivables	193,276	(361,870)
Due from state - accrued vacation and other leave benefits	(631,275)	(153,926)
Due from state - unfunded defined benefit plan liability	-	8,883,232
Due from state - leases	(2,536,282)	(2,783,235)
Accounts payable	20,231,048	6,402,883
Advance - State Regional Center contracts	31,575,100	(12,684,251)
Accrued and other liabilities	141,843	3,193,366
Accrued vacation and other leave benefits	631,275	153,926
Client trust funds liability	(475,283)	(1,062,327)
Unfunded defined benefit plan liability	-	(8,883,232)
Operating lease liability	345,315	(5,141,975)
<b>Cash Provided (Used) By Operating Activities</b>	<b>22,389,489</b>	<b>(18,367,847)</b>
<b>Increase (Decrease) in Cash</b>	<b>22,389,489</b>	<b>(18,367,847)</b>
<b>Cash - Beginning of Year</b>	<b>36,494,814</b>	<b>54,862,661</b>
<b>Cash - End of Year</b>	<b>\$ 58,884,303</b>	<b>\$ 36,494,814</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 56,405,814	\$ 33,541,042
Cash - client trust funds	2,478,489	2,953,772
<b>Total</b>	<b>\$ 58,884,303</b>	<b>\$ 36,494,814</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>		
<b>Cash Paid for Interest</b>	<b>\$ 14,531</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements.*

CPP/CRDP CONTRACTS REQUIRING BOARD APPROVAL - FISCAL YEAR 2025-2026			
Project ID	Contractor	Grant Amount	Reason
SCLARC-2526-1	Community Impact Development (CID)	\$ 950,000.00	To develop a one (1) four (4) bed Enhanced Behavior Support Home (EBSH) for Adults with Delay Egress. This home is designed for individuals in the community but are at risk for Developmental Center placements. Services will focus on behavioral stabilization to avoid psychiatric hospitalizations. Individuals targeted for this home will need intensive support and services due to severe psychiatric, emotional, and behavioral challenges.
SCLARC-2526-3	Community Impact Development (CID)	\$ 950,000.00	To develop a one (1) five (5) bed Adult Residential Facility for Persons for Specialized Healthcare Needs -B (ARFPSHN-B) 5 Bed, Non-Ambulatory. Are adult residential facility that provides 24-hour health care and intensive support services in a homelike setting licensed by Community Care Licensing, certified by DDS, and vendedored by Regional Centers.
Total Contract:		\$ 1,900,000.00	