2025_11-25 – Initial Individual Budgets and Spending Plans

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Brief:

Coming soon

Directive:

November 15, 2025

D-2025-Self Determination Program-003

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: SELF-DETERMINATION PROGRAM: INITIAL INDIVIDUAL BUDGETS AND SPENDING PLANS

This directive provides direction to regional centers on implementing changes to the Self-Determination Program (SDP) required by Assembly Bill (AB) 143 (Chapter 12, Statutes of 2025), which modified Welfare and Institutions Code (WIC) section 4685.8. The modifications include how the initial individual budget is calculated, certification of spending plans, and transfer of spending plan funds between different services and budget categories.

Background:

Just like for services authorized in the traditional service delivery model, the individual budget is developed based upon a person-centered Individual Program Plan (IPP). The IPP includes the services and supports that the individual and their IPP team agree are needed to help the individual meet their IPP goals. Information about IPPs can be found here: IPP Resources and Planning site and IPP Person-Centered Planning Video Toolkit.

An individual budget should be built to contain the amount of funding an individual will have to purchase services and supports needed to meet the individual's IPP goals. The amount of funding in an individual budget must be based upon services the regional center would have funded through the traditional service delivery model to meet the individual's IPP goals (WIC section 4685.8 (m)(1)(A)(ii)(II)). This amount is calculated by the regional center and must include any adjustments agreed to by the IPP team, as described below. Also, WIC section 4685.8 now requires the IPP team to discuss unmet needs for individuals with no or low purchase of service authorizations, which is defined as less than $2,000 of authorized services for the most recently available 12 months.

Once the individual budget has been established, a spending plan must be created that identifies the specific services and supports that will be purchased using the individual budget. Details about the spending plan, and how to make mid-year adjustments to it, are described further below.

Initial Budget Development:

AB 143 requires regional centers to use the following formula to calculate the initial individual budget of an individual:

- Begin with the total amount of the most recently available 12 months of purchase of service authorizations for that individual in the traditional service

delivery model.

- Add needed services identified by the IPP team that are not previously included in a purchase of service authorization;
- Subtract services paid for by the regional center outside of the SDP as noted in SDP Updated Goods and Services Enclosure B from the July 2024 SDP Updated Goods and Services directive; and
- Subtract other one-time expenses.

AB 143 also changed how an individual budget can be adjusted. Two conditions need to be met before an adjustment can be made: 1) an individual's IPP team may increase or decrease the amount of any individual budget based on changes to the individual's needs, circumstances, or resources, and 2) the adjustment would have occurred regardless of the individual's participation in the SDP. Examples of when an adjustment may be needed include, but not limited to: a recent change in living situation, services
received previously that no longer are needed, services included in the IPP that were not used due to illness or lack of provider availability, or the establishment of eligibility for a generic service. When considering rates for services included in the individual budget, regional centers are reminded that the September 2022 Adjustments to Individual Budgets directive continues to apply.

Spending Plan:

The spending plan identifies the types of services and supports that will be purchased to meet the individual's IPP goals, for the services included in the individual budget. The services and supports that can be included in the spending plan are defined in SDP service definitions. The spending plan needs to include the services, how often the services will be purchased, the SDP service codes, and the cost of each service and support that will be purchased.

AB 143 requires regional centers to certify the individual's spending plan. As part of the certification process, regional centers must certify that the goods and services in the spending plan meet all the following:

- Address the goals in the individual's IPP.
- Are not available from generic services, including but not limited to, Medi-Cal, In-Home Supportive Services, services from other state departments such as the Department of Rehabilitation, and services provided by local school districts or private insurance.
- Are eligible for federal financial participation, which means the services or supports are eligible for federal funding and that the services have been approved by the federal Centers for Medicare and Medicaid Services.

When developing the spending plan, the individual should refer to the Department's July 2024 SDP Updated Goods and Services directive and review SDP Updated Good and Services Enclosure A and Enclosure B.

Transfer of Spending Plan Funds:

AB 143 changed the process for transferring spending plan funds. AB 143 allows individuals to transfer spending plan funds between service codes and budget categories. Before any transfer of funds can be made, the individual must receive approval from the regional center or the individual's IPP team. The transfer of funds can be requested and be done any time during the current individual budget year.

Timely Authorization to Financial Management Services:

AB 143 requires regional centers to provide timely authorizations to the individual's Financial Management Service vendor. Regional centers must notify the individual's Financial Management Service vendor within three business days

of the IPP team finalizing any change in an individual's spending plan. Although AB 143 contains this requirement, it already exists as previously outlined in the Department's September 2022 Financial Management Services Payments and Notifications directive.

The Department will offer trainings and technical assistance to regional centers on the implementation of these changes. Questions from regional centers should be directed to the Department's Self-Determination Program Branch at sdp@dds.ca.gov.

Sincerely,

Original Signed by:

Yang Lee, Chief

Community Assistance and Empowerment

cc: Regional Center Administrators

Regional Center Directors of Consumer Services

Regional Center Community Services Directors

Association of Regional Center Agencies

Link to Directive:

Self-Determination Program: Initial Individual Budgets and Spending Plans (English)

Self-Determination Program: Initial Individual Budgets and Spending Plans (Spanish)

Self-Determination Program: Initial Individual Budgets and Spending Plans (Korean)