

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-9
SACRAMENTO, CA 95814
TDD 654-2054 (For the Hearing Impaired)
(916) 654-1958



DATE: FEBRUARY 4, 2015

TO: REGIONAL CENTER DIRECTORS

SUBJECT: IMPACT OF COURT RULING ON PLANNED RATE ADJUSTMENTS

The Department of Developmental Services (Department) notified regional centers on January 6, 2015, of a temporary restraining order issued by the United States (US) District Court in Washington, D.C. on December 31, 2014, staying the revised definition of "companionship services" in federal regulations under the Fair Labor Standards Act. Subsequently, on January 14, 2015, the US District Court vacated the revised portion of the federal regulations regarding the definition of "companionship services." This followed a ruling by the same court, issued on December 22, 2014, vacating provisions impacting "third party employers."

Because of the US District Court's actions, the 5.82% rate increase for supported living, personal assistance and in-home respite agency services that was scheduled to begin January 1, 2015, will not go into effect since this scheduled rate increase was for increased costs due to changes in the now vacated federal regulations.

The US Department of Labor has previously signaled their intent to appeal any ruling against the regulation. The Department will provide updates if there are any further actions and/or changes.

If you have any questions, please contact Greg Nabong at greg.nabong@dds.ca.gov or (916) 653-3749.

Sincerely,

Original signed by

NANCY BARGMANN
Deputy Director
Community Services Division

cc: Regional Center Administrators
Regional Center Chief Counselors
Association of Regional Center Agencies

"Building Partnerships, Supporting Choices"