

What Reductions in the Self-Determination Program (SDP) Budget Might Mean for SDP Spending Plans

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If you're in California's Self-Determination Program (SDP), you may have heard about reductions in the program's budget. Here's what's being cut, what's changing in how your budget is set, and what to ask your independent facilitator or regional center service coordinator.

What's Being Cut

The 2025-26 state budget cut \$22.5 million from the Self-Determination Program. That cut grows to roughly \$45 million a year starting in 2026-27. That's about a 10% reduction.

These savings are described as created from "new guardrails" on individual budgets, not from an across-the-board percentage cut applied to everyone equally. That means the impact on any one person's budget depends on which rule change applies to their plan.

How Your Budget Gets Set

Individual SDP budgets have generally been calculated based on what a person previously spent on purchased services. Going forward, budgets will generally be based on the services authorized in the person's plan instead. For some participants that won't change much. For others whose actual costs have run higher than what's technically "authorized," it could mean a reduced budget.

A New Approval Step: Certification

Before your spending plan can be funded, your regional center now must certify it. That means checking that it's complete, it's reasonable, and that it lines up with the goals in your Individual Program Plan (IPP). Once DDS finishes its statewide definition of "cost-effective" (due by law on August 1, 2026), certification will also weigh whether your plan meets that standard.

This is an extra step that disability advocates have already flagged as a real risk. That is, without clear guidance from DDS on how to apply these standards consistently, certification could slow plans down or lead to more spending plans getting rejected.

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Providers Also Have New Requirements

Starting in the 2026-27 fiscal year, providers paid through SDP budgets must meet new standards as well. Those standards include electronic visit verification, HCBS settings rules, and fiscal audit requirements. These steps must be met to qualify for certain incentive payments. If your independent provider or small agency isn't already aware of these standards, it may affect a timely payment.

What's Still Unsettled

DDS is required to build one standardized, statewide process for SDP — with community input — no later than March 1, 2027. Until then, there will likely be some inconsistency in how different regional centers apply these new rules.

For Individuals and Families: Questions to Raise

- Ask your independent facilitator how your individual budget is currently being calculated, and whether it has already shifted from expenditure-based to authorization-based.
- Ask your regional center what "complete" and "reasonable" mean in practice for a certification review — and try to get the answer in writing.
- Ask whether your current providers meet, or are working toward, the new electronic visit verification, HCBS, and audit requirements.
- If a spending plan is delayed or denied, ask specifically whether it's for a documentation reason or a "cost-effective" determination — those have different paths to appeal.

The rules here are still being written. Asking early, and asking specifically, is the best way to avoid a surprise later.

For Service Coordinators: Some Ways to Help

Service coordinators have an important role to play. Many participants in SDP are still new to the program. They are figuring out how to use their budget. They are building relationships with providers. Here is what service coordinators can do:

- Review the new rules. Understand how participants will be affected and why. And understand how the difference between expenditure-based and authorization-based calculations affects SDP budgets.

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- Communicate early. Call participants before their plans are up for renewal. Explain what has changed. Ask whether they think that their budget is likely to be affected. Give them time to prepare.
- Prepare participants for certification. Explain what "complete" and "reasonable" mean in practice. Help participants understand the certification process. Let them know what questions to expect. Prepare them for possible delays.
- Help participants prioritize. If a budget cut is coming, help them think about what matters most. What services are essential? What can be scaled down? What can and cannot? Participants will appreciate the honesty and the help.
- Check in with providers. Make sure contracted providers know about the new standards. Do they have electronic visit verification systems? Do they understand HCBS rules? Are they prepared for fiscal audits?
- Document everything. When you have conversations with participants, send a follow-up email confirming what you discussed. When you tell someone their budget might be affected, send an email summary. This creates a paper trail and protects both you and the participant.
- Advocate gently for your participants. The new rules are rules. But if you see a participant who will be harmed by a budget cut, speak up. Document why the cut does not make sense. Make the case for an exception. Sometimes policy has space for flexibility.
- Stay patient with the inconsistency. Until March 2027, different regional centers will apply these rules differently. Help participants understand that different regional centers may handle things differently. That does not make it fair. But it makes it understandable.

Service coordinators are the front line for participants. When the system changes, service coordinators are the ones who have to explain it. When budgets get cut, service coordinators are the ones who help people figure it out.

Sources: [Undivided, "Self-Determination Program Changes Coming to California \(2025-26\)";](#) [The Arc California budget coverage;](#) [Disability Rights California, 2026-27 budget summary;](#) [California State Council on Developmental Disabilities, January 2026 meeting summary.](#)