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DIRECTOR

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**Department of Developmental Services**  
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GAVIN NEWSOM  
GOVERNOR

April 26, 2024

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: VENDOR RATE ADJUSTMENTS FOR EMPLOYEE SICK LEAVE

Senate Bill (SB) 616 modifies the Healthy Workplaces, Healthy Families act of 2014. This entitles employees who work on or after January 1, 2024, to accrue 40 hours or 5 days of sick leave or paid time off by the 200<sup>th</sup> calendar day of employment, each calendar year or 12 month period. Title 17, California Code of Regulations (CCR) allows vendors to request a rate increase, if necessary, in order to comply with the new sick leave mandate. This letter contains information on the types of vendors that are affected and what process will be used to make necessary rate adjustments.

**Vendors with Rates Set by the Department of Developmental Services (Department):**

Community-Based Day Programs (CBDP), In-Home Respite Agencies (IHRA) and Work Activity Programs (WAP), not providing a minimum of 40 hours or five paid sick days annually, as of December 31, 2023 can submit rate adjustment requests. The rate adjustment is only applicable to the additional required 16 hours or two days beyond the previously mandated sick leave of 24 hours or three days. Vendors can begin submitting requests to the Department, with a copy to the vendoring regional center, at any time. However, all rate adjustment requests must be received by the Department no later than July 1, 2024. Vendors may submit a rate adjustment request online via the Department's website using the following link: [Sick Leave- 2024](#).

The Department will provide regional centers a copy of all letters sent to vendors in response to the rate adjustment requests. Rate adjustments will be effective January 1, 2024.

**Vendors with Rates Set through Negotiation with Regional Centers:**

Regional centers may negotiate rate adjustments with vendors in order to implement the requirements of SB 616, if vendors are not already providing a minimum of 40 hours or five paid sick days annually. The rate adjustment is only applicable to the additional required 16 hours or two days beyond the previously mandated sick leave of 24 hours or three days.

Regional centers may use a worksheet similar to the one developed by the Department for CBDPs/IHRAs/WAPs, and must maintain documentation on the process to determine, and rationale for granting, any rate adjustment associated with the implementation of SB 616. Rate adjustments will be effective January 1, 2024.

Regional Center Executive Directors  
April 26, 2024  
Page two

By September 1, 2024, regional centers must provide the Department information on all rate adjustments negotiated with vendors. The Department will follow up with regional centers on the process for reporting the needed information.

**Community Care Facilities with Alternative Residential Model (ARM) Rates:**

The revised ARM rates, effective January 1, 2024, for community care facilities, can be found on the Department's website [here](#).

If you have any questions regarding this correspondence, please contact Erik Anderson, Chief, Rates and Vendorization at (916) 654-1775 or Erik.Anderson@dds.ca.gov.

Sincerely,

DocuSigned by:



DANA SIMON

Assistant Deputy Director  
Waiver and Rates Division

Enclosures

cc: Regional Center Administrators  
Regional Center Directors of Consumer Services  
Regional Center Community Services Directors  
Association of Regional Center Agencies  
Nancy Bargmann, Department of Developmental Services  
Carla Castañeda, Department of Developmental Services  
Brian Winfield, Department of Developmental Services  
Pete Cervinka, Department of Developmental Services  
Jim Knight, Department of Developmental Services