

## NOTICE OF PROPOSED RULEMAKING ACTION

**TITLE 2. ADMINISTRATION  
DIVISION 2. FINANCIAL OPERATIONS  
CHAPTER 1. CALIFORNIA VICTIM COMPENSATION BOARD  
ARTICLE 5.6. INDEMNIFICATION OF VICTIMS OF CRIME  
SECTIONS 649.26, 649.29.1, and 649.29.2**

[Notice Published February 13, 2026]

The California Victim Compensation Board (“CaIVCB” or “Board”) proposes to adopt the regulations described below after considering all comments, objections and recommendations regarding the proposed action.

### PUBLIC HEARING

The Board has not scheduled a public hearing on this proposed action; however, the Board will schedule and hold a hearing if it receives a written request for a public hearing from any interested person, or their authorized representative, no later than 15 days before the close of the written comment period.

### WRITTEN COMMENT PERIOD

Any interested individual, or their authorized representative, may submit written comments relevant to the proposed regulatory action. To be considered, written comments must be received by March 30, 2026. The Board will consider only comments received at its office by this deadline. Written comments may be mailed to:

Neil Ennes, Legislative Coordinator  
California Victim Compensation Board  
P.O. Box 48  
Sacramento, CA 95812-0048

Written comments may also be submitted by facsimile (FAX) at (916) 491-6441 or by e-mail to: [regulations@victims.ca.gov](mailto:regulations@victims.ca.gov).

## AUTHORITY AND REFERENCE

Government Code sections 13920, 13957, 13957.2, and 13957.7 authorize the Board to adopt these proposed regulations. The proposed regulations are intended to implement, interpret, and make specific Government Code sections 13920, 13957, 13957.2, and 13957.7.

## INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

CalVCB was the first victim compensation program established in the nation and remains one of the largest. To be eligible for victim compensation, a victim or derivative victim must have suffered a pecuniary loss as a direct result of a qualifying crime. (Gov. Code, §§ 13955, 13957.) “Crime” is defined as a crime or public offense that would constitute a misdemeanor or felony offense. (Gov. Code, § 13951, subd. (b).) A crime is considered a “qualifying crime” for purposes of victim compensation from CalVCB if the victim is deceased or sustained physical injury or threat of physical injury as a direct result of the crime. (Gov. Code, § 13955, subd. (f)(1) & (2).) The Board may also find the existence of a qualifying crime based on an emotional injury alone when the crime is among a list of offenses enumerated in Government Code section 13955, subdivision (f)(3).

If CalVCB staff determine that a qualifying crime occurred and there are no bars to eligibility, CalVCB can pay certain expenses, as authorized by the Legislature, that are a direct result of the crime on which the application was based. (Gov. Code, § 13957.) Eligible expenses include medical and dental care, mental health services, income and support loss, funeral and burial expenses, relocation, and residential security, among others enumerated in statute. (Gov. Code, § 13957.) However, CalVCB is a payor of last resort, meaning that CalVCB provides compensation for costs that are not covered by other reimbursement sources, including, but not limited to, private insurance, State Disability Insurance (SDI), Social Security Disability Insurance (SSDI), and civil lawsuits. (Gov. Code, §§ 13951, 13954.)

Conversely, the Board must deny an application for compensation or request for reimbursement of expenses if the applicant fails to demonstrate eligibility for either the application or the request for reimbursement of expenses. When CalVCB staff recommend that an application or a request for reimbursement be denied, applicants have a right to appeal the staff's recommendation. (Cal. Code Regs., tit. 2, § 647.20.) If an applicant appeals, CalVCB must provide the applicant with a hearing. (Gov. Code, § 13959.)

As the program has been administered, the need for clarification of existing regulations has become evident. In 2002, Government Code Section 13957.2(a) was added to statute by S.B. 1423. One of the stated purposes of S.B. 1423 was

to extend the provisions authorizing compensation for losses incurred for mental health counseling services.<sup>1</sup> The expansion of services under S.B. 1423 put a significant strain on the Restitution Fund.<sup>2</sup> In February of 2003, the Board adopted emergency regulations implementing mental health service limitations to help restore stability to the Restitution Fund. Subsequently, the Board, via the formal rulemaking process, moved to adopt the emergency regulations as formal regulations. The Office of Administrative Law (OAL) added the emergency regulations to the California Code of Regulations (CCR) in 2004 as sections 649.23, 649.24, 649.25, 649.26, and 649.27.<sup>3</sup>

These regulations included a variety of different restrictions limiting the scope, duration, frequency, and type of services eligible for reimbursement, who was eligible to receive reimbursement, the types of documentation required for reimbursement and other various policies and procedures necessary for the Board's reimbursement of mental health related services.<sup>4</sup>

In 2006, CalVCB repealed Cal. Code Regs., tit. 2, sections 649.23 through 649.27 in what is presumed to be an effort to adopt a more flexible approach to managing maximum rates and service limitations, as permitted by Government Code § 13957.2, subd. (a). The sections were removed from the CCR by the OAL and CalVCB concurrently filed its "Mental Health Guidelines," which included maximum rates and service limitations, along with other various requirements for the reimbursement of mental health services, with the Secretary of State.<sup>5</sup> Since 2006, CalVCB has remained consistent in its practice of updating and filing new Mental Health Guidelines with the Secretary of State any time the Board approves changes to the maximum rates or service limitations. The most recent version of the Mental Health Guidelines was adopted by the Board at its November 2022 meeting and filed with the Secretary of State in December 2022.

As the Victim Compensation Program continues to expand, the segregation of the rates and service limitations is advisable and warranted to avoid confusion, ensure transparency to applicants and providers, and allow the full breadth of public participation in the rulemaking process. Accordingly, staff propose that any service limitations within the existing Mental Health Guidelines that meet the

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<sup>1</sup> S.B. 1423 Chesbro. Victims of crime: Compensation, 2002 Leg. (2002).

<sup>2</sup> "Budget Paper for Board Discussion and Action", January 10, 2003.

<sup>3</sup> California Regulatory Notice Register 2004, Volume No. 5-Z, p. 123. (2004).

<sup>4</sup> Cal. Code Regs, tit 2, § 649.23, 649.24, 649.25, 649.26, 649.27, and 649.28 (2004).

<sup>5</sup> California Regulatory Notice Register 2006, Volume No. 5-Z, p. 143-144. (2006); see also Government Code, § 13957, subd. (a) (establishing the board's authority to set maximum rates and service limitations for reimbursement of medical and medical-related services and exempting the rates and service limitations from the rulemaking provisions of the Administrative Procedure Act.

Administrative Procedure Act (APA) definition of a regulation be submitted to the Office of Administrative Law to undergo the formal APA rulemaking process. Specifically, it is recommended that the following regulations be revised and/or adopted:

- Cal. Code Regs., tit. 2, § 649.26 Direct Payments to Providers
- Cal. Code Regs., tit. 2, § 649.29.1 Mental Health Benefits
- Cal. Code Regs., tit. 2, § 649.29.2 Dire or Exceptional Circumstances and Specialized Mental Health Services

These proposed revisions are based on the issues that have arisen in implementing the program based on existing regulations/Mental Health Guidelines and are the result of extensive administrative consideration. The Board has determined that the proposed regulatory action is necessary for clarity and transparency, and the efficient and consistent administration of the program.

Each proposed revision is reasonably necessary to carry out the authority conferred by the statutes. Each proposed revision addresses an administrative requirement, condition, or circumstance that arises in connection with an application for victim compensation. The Board has determined that administration of the program in the manner proposed is consistent with, and promotes, the objectives underlying the statutes that guide the program.

*Anticipated Benefits of the Proposed Regulations:*

The proposed regulations comply with the current statutes governing victim compensation claims, interpret and implement general aspects of the law to ensure their consistent application, and provide the public with the transparency and specificity needed for applicants and service providers to successfully obtain compensation or reimbursement. By doing so, they will provide clear guidance to the public and enable the Board to decide these claims in a more uniform and efficient manner.

*Evaluation of Inconsistency/Incompatibility with Existing State Regulations:*

After reviewing for related regulations, the Board has found that these are the only regulations concerning reimbursement for mental health treatment by the Victim Compensation Board. Therefore, the proposed regulations are not inconsistent or incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

*The Board has made the following initial determinations:*

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary costs or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative, private individual, or business: The Board is not aware of any cost impacts that a representative, private person, or business would necessarily incur in reasonable compliance with the proposed action.

Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states: None.

Significant effect on housing costs: None

#### RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT

The purpose of the proposed regulations is to interpret and implement the current statutes governing victim compensation. When an application for compensation is approved, victims can submit bills for reimbursement of the pecuniary losses they sustained as a direct result of a qualifying crime. Compensation is then paid on an allowed application after staff have verified the bill or expense. In fiscal year 2024-2025, CalVCB received 34,892 applications and provided \$44.9 million in compensation to victims; in fiscal year 2023-2024, CalVCB received 40,560 applications and provided \$47.36 million in compensation to victims; in fiscal year 2022-2023, CalVCB received 39,003 applications and provided \$46.73 million in compensation to victims; and in fiscal year 2021-2022, CalVCB received 39,015 applications and provided \$40.35 million in compensation to victims. The amount paid in compensation has remained relatively stable over the past four years and CalVCB does not anticipate a significant change in future payouts. Accordingly, the proposed regulations will not directly impact jobs or the wider economy.

CalVCB has determined that the proposed regulations will not affect:

(A) The creation or elimination of jobs within the State of California,

The proposed regulations do not impact jobs because they apply to a limited group of individuals seeking compensation as a result of being victimized during a crime.

(B) The creation of new businesses or the elimination of existing businesses within the State of California, and

The proposed regulations do not impact the creation of new businesses or elimination of existing businesses in California because they apply to a limited group of individuals seeking compensation as a result of being victimized during a crime.

(C) The expansion of businesses currently doing business within the State of California.

The proposed regulations do not impact the expansion of businesses currently doing business within the State of California because they apply to a limited group of individuals seeking compensation as a result of being victimized during a crime.

*The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment:*

The Board has determined that the proposed regulations will benefit the health and welfare of California's residents, specifically for individuals seeking compensation as a result of being victimized during a crime. The proposed regulations are not expected to affect worker safety or the state's environment.

#### SMALL BUSINESS DETERMINATION

The Board has determined that the proposed regulations do not affect small businesses because they apply to a limited group of individuals seeking compensation as a result of being victimized during a crime.

#### CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative it considered or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private individuals than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested individuals to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

### CONTACT PERSON

Inquiries concerning the proposed regulatory revisions may be directed to:

Neil Ennes, Legislative Coordinator  
California Victim Compensation Board  
P.O. Box 48  
Sacramento, CA 95812-0048  
Telephone: (916) 491-3728

The backup contact person for inquiries concerning the proposed regulatory revisions is:

Khadijah Hargett, Supervising Attorney  
California Victim Compensation Board  
P.O. Box 48  
Sacramento, CA 95812-0048  
Telephone: (916) 491-3605

Please direct requests for copies of the proposed text of the regulations, the Initial Statement of Reasons, the modified text of the regulations, if any, or other information upon which the rulemaking is based, to Neil Ennes at the above address.

### AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS AND RULEMAKING FILE

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at 400 R Street Sacramento, CA 95811 and on the website <https://victims.ca.gov>. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations and the Initial Statement of Reasons. Copies may be obtained by contacting Neil Ennes at the P.O. Box or phone number provided above.

### AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing, if requested, and considering all timely and relevant comments received, the Board may adopt the proposed regulations substantially as described in this notice. If the Board makes modifications which are sufficiently related to the original proposed text, it will make the modified

text available to the public at least 15 days before the Board adopts the regulation as revised. Please send requests for copies of the modified regulation to the attention of Neil Ennes at the P.O. Box indicated above. The Board will accept written comments on the modified regulations for 15 days after the date on which they are made available.

#### AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Neil Ennes at the above P.O. Box address.

#### AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Rulemaking, the Initial Statement of Reasons and the proposed text of the regulations in underline and strikeout can be accessed through CalVCB's website at <https://victims.ca.gov>.

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