

Board of Directors' Meeting
January 24, 2011

Presiding: Anne Struthers

Board Members

Present:	Patricia Albeño	Nyron Battles
	Ronald Clay	Shana Cohen
	Rose Coleman	Kathy Hebert
	Mike Kuller	Hilda Mariscal
	Sister Marygrace	Steve Whitgob

Board Members

Excused:	Ralph Griffin	Donald Morris
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Staff Present:

Bill Barbaria	Carol Bohnsack
Jim Burton	Francine Davis
Susan Driggs	Terri Jones
Rhonda Kimble-Kelly	Lisa Kleinbub
Nancy Kubota	Pam Thomas

Guests Present:

Gina Jennings	Chi Lee
Rocio Smith	Sandi Soliday
Todd Struthers	

CALL TO ORDER

Vice President, Anne Struthers, called to order the regularly scheduled business meeting of the Regional Center of the East Bay at 7:05 pm. Self introductions were made.

CONSENT AGENDA

M/S/C "The Board moves to approve the agenda for January 24, 2011 as presented," (Kuller/Whitgob) Unanimous.

M/S/C "The Board moves to approve the minutes of the November 22, 2010 meeting as presented." (Kuller/Whitgob) Unanimous.

PUBLIC COMMENT

There was no public comment at this time.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Anne Struthers

Ms. Struthers referred members to their packets for review and approval of the Master Calendar and Board Work Plan for 2011. The Executive Committee recommends adoption of both documents. The Board unanimously agreed to adopt the 2011 Master Calendar and the 2011 Work Plan as a guide for their activities for the year.

Members were referred to their packets and asked to carefully review the letter received from Barbara Maizie, Executive Director, Contra Costa ARC. Ms. Maizie offered comments on RCEB's recently adopted Whistleblower Policy. Mr. Burton noted that the comments were received just following the last board meeting but the policy approved by the RCEB Board of Directors closely follows the requirements of our contract with the Department of Developmental Services (DDS).

Ms. Struthers welcomed former board member, Dr. Chi Lee. Dr. Lee was presented with a plaque in appreciation of his dedicated service and outstanding advocacy efforts on behalf of the consumers and families served by Regional Center of the East Bay. Dr. Lee served on the Board of Directors for seven years and his support to this regional center will be greatly missed.

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed and reviewed the Financial Status Report for December, 2010. It was noted that RCEB is still awaiting receipt of their B-2 contract allocation. The Purchase of Service (POS) budget is showing an insufficiency of \$9.5 million. Mr. Kuller explained that the POS allocation is based on the new Department of Developmental Services (DDS) allocation methodology and does not include any growth funding at this time. Mr. Kuller also shared that we are nearly seven months into the fiscal year and do not have a complete Operations allocation. If RCEB does not receive all of the assumed funding, it will be necessary to take additional steps to balance the Operations budget but without knowing the allocation amount it is difficult to determine what steps might be necessary. Staff closely monitors all expenditures and will continue to keep the Board informed of the budget status. Mr. Kuller also reported that the agency's cash flow status is stable and we do not require an active line of credit at this time.

Mr. Kuller reminded members that representatives from our audit firm, Lautze and Lautze, had presented their draft audit report for Fiscal Year 2009-2010 at the November meeting of the Board of Directors. Mr. Kuller requested acceptance and approval of the draft report.

M/S/C “The Board moves to approve the audit report for Fiscal Year 2009-2010 as presented.” (Coleman/Battles) Unanimous.

MEMBERSHIP DEVELOPMENT COMMITTEE: Anne Struthers

Ms. Struthers reported that the first term of service is ending for Board members Patricia Albeño, Shana Cohen and Hilda Mariscal and each has offered to continue their service if re-elected. Nyron Battles is ending his second term of service and has agreed to accept the responsibilities of one final year of service if elected. Following a ballot election, Ms. Struthers announced that Patricia Albeño, Nyron Battles, Shana Cohen and Hilda Mariscal had been unanimously elected.

PROVIDER/VENDOR ADVISORY COMMITTEE: Sister Marygrace

Sister Marygrace reported that service providers had met on January 14th and the meeting was well attended in anticipation of Nancy Kubota’s presentation on e-billing. Unfortunately, Ms. Kubota was called to another meeting and her presentation has been postponed for one month. Jim Burton provided an update on the state budget and members discussed the potential impact of the Governor’s proposed budget on consumers, families, service providers and regional centers.

CONSUMER ADVISORY COMMITTEE: Rose Coleman

Ms. Coleman reported that most of her group’s last meeting had been devoted to Mr. Burton’s update on the State budget and the Governor’s initial budget proposal for the next fiscal year. This proposal includes a cut of \$750 million to the regional center system and possible implementation of service standards. Ms. Coleman also reported that CAC members have many questions about possible changes to Medi-Cal and managed care and have asked Lisa Kleinbub to attend their next meeting to help members understand the coverage changes they will be facing.

EXECUTIVE DIRECTOR’S REPORT: Jim Burton

Mr. Burton shared that Ralph Griffin had called and was concerned that he was not keeping up with his board responsibilities. Ralph was assured that Ms. Struthers is doing an outstanding job during his absence and he was appreciative for her fine leadership. Jim noted that Ralph continues to improve but his recovery has been much slower than he would like. Ralph sends his

appreciation for the many cards and notes he has received. We will continue to keep him in our thoughts and prayers and Ralph will continue to worry about RCEB as we all look forward to his return.

Mr. Burton reported that the new governor has taken office and has started to make appointments. Governor Brown, through his Secretary of Health and Human Services, Diana Dooley, has appointed Terri Delgadillo as the Director of the Department of Developmental Services. Mr. Burton noted that there have been a tremendous number of changes in the Legislature with a number of new members settling in. There are many new members who will not be terribly aware of the issues in community services for people with developmental disabilities so our ongoing education efforts will be critical.

Mr. Burton informed the Board that the Governor's budget proposal has been out for two weeks and there is general agreement in Sacramento that the size of the budget deficit is approximately \$25.4 billion for the remainder of this fiscal year through June 30, 2012. This is about an \$8.2 billion deficit in the current fiscal year and a \$17.2 billion deficit for the fiscal year that begins July 1, 2011. The figures put together by the Administration show that California is still in a very deep recession and given the projections of the economy we can anticipate a \$20 billion deficit in every year going forward for the next five years. Based on these projections, the Governor has proposed massive cuts of \$12.5 billion, primarily through Health and Human Services programs and the University of California and California State University systems. Proposed cuts include:

- \$1.7 billion to MediCal
- \$1.5 billion to CalWorks
- \$.5 billion to the University of California
- \$.5 billion to the California State University system
- \$ 750 million to the Department of Developmental Services
- \$ 486 million to In-Home Support Services (IHSS)

Mr. Burton noted that all of these numbers are cuts to State General Fund programs so the real impact when you include the loss of federal funds will be 25-50% higher for total cuts to reach these amounts.

Mr. Burton also reported that another significant part of the budget is realignment and this has been going on for a long time as we move responsibilities back and forth between the state and local government. A number of programs have been discussed for realignment, including Developmental Disabilities Services, but our system is not being considered for realignment at this time. The only program that the Governor has proposed eliminating is Redevelopment (\$1.7 billion per year) and Enterprise Zones (\$1 billion per year).

The DDS system is facing \$750 million in cuts in State general funds and we must be aware that this figure does not include lost federal funds. DDS will save these funds in a variety of ways that include:

- \$91.5 million savings by extending for one more year the temporary 4.25% reduction to regional centers and all service providers.
- \$50 million to be saved by seeking Proposition 10 funds again. It is important to know that elsewhere in the budget there are other attempts to utilize Prop 10 funding for things currently funded by State general funds.
- \$65 million in State general fund savings are anticipated by seeking additional federal funding through the 1915(i) State Plan Amendment Waiver and expanding the program known as “money follows the person” for people who are leaving state developmental centers.
- \$10 million in additional federal funding for certification of the secure treatment program at Porterville Developmental Center.
- \$533.5 million system wide savings will be achieved through a variety of mechanisms including additional developmental center expenditure reductions, increased accountability and transparency for regional centers and service providers and implementation of state-wide service standards.

Mr. Burton noted that there is no breakdown indicating how the \$533.5 million in reductions will be found but there are indications that quite a lot of this amount will come from the implementation of state-wide service standards.

In addition to the cuts to the DDS system, many other reductions will impact consumers and families. A \$15 per month cut has been proposed for SSI/SSP benefit effective June 1, 2011. Proposed funding has been included in this budget to allow regional centers to offset this reduction for people with developmental disabilities. MediCal is facing \$1.7 billion in proposed cuts that include rate cuts, service cuts and co-payments. Mr. Burton again noted that there is money placed in regional center budgets for MediCal eligible consumers that will allow us to reimburse for the co-payments. The budget proposal ends Adult Day Health Care services and this would mean about 27,000 people would lose their services. Again, funding has been added to regional centers to provide for some alternative programs for regional center consumers. In-Home Support Services (IHSS) is facing another proposed cut of 8.4% in service hours. When added to the 3.6% cut to IHSS that was implemented this fiscal year, the total reduction would be 12%. The proposal waives this cut for persons who are “at risk” but we are unclear on the exact meaning of that phrase as it relates to the cuts. At this point there is nothing in our budget to offset the IHSS cut.

Mr. Burton reported that DDS Director, Terri Delgadillo, had talked to ARCA members about what to expect with regard to the service standards. The development process will include an online survey. Service standards will be developed by subject area with about eight workgroups with 30 to 35 people in each group and group participants would be considered subject matter experts.

The process will also include public forums and DDS will present the service standards to the legislature for approval at the end of the development process.

Mr. Burton noted that the accountability and transparency spending reduction provisions are being driven by the negative articles in the press in Sacramento and southern California. Ms. Delgadillo indicated we may well find trailer bill language to address legislative concerns that would include expanded audit requirements for regional centers and large providers; required changes in audit firms for regional centers; disclosure requirements of regional center providers; conflict of interest disclosures; increased authority for DDS to collect from third party entities; regional center board approval of certain contracts; a cap on administrative expenses for regional centers and service providers; and public records access. Mr. Burton indicated the trailer bill language could be released very soon and members were encouraged to watch the language very carefully.

The response to all the proposed reductions has been very difficult. Details have not been released and that makes it very difficult to understand the true impact of reductions on families and consumers. Mr. Burton emphasized that there is broad agreement that a \$750 million cut in general fund services would total a \$1 billion cut in total services. This enormous sum will change our service system in very significant ways and does not seem achievable. Hearings have been scheduled for February 3rd in the Assembly and February 10th in the Senate. It will be important to remind legislators that Californians are committed to the promise of the Lanterman Act as much today as they were 40+ years ago.

Mr. Burton informed the group that ARCA's annual Grass Roots Day event has been scheduled for March 16th. This important event will provide an opportunity to continue our advocacy and education efforts with our elected officials. Members were asked to contact the Director's office for details on scheduling and participation.

PUBLIC COMMENT

Rocio Smith, Area Board 5 Director, distributed information on our local Legislative Town Hall Meeting. The event is scheduled for Friday, January 28th and will be held in the State Building Auditorium in downtown Oakland. Everyone present was urged to attend and demonstrate to our legislators that this community speaks with one voice.

Sandi Soliday, Alameda County Developmental Disabilities Council Coordinator, distributed an Action Alert that included information on the Town Hall Meeting and the Budget Hearings in Sacramento. Sandi asked that the information be shared to encourage people to join our advocacy efforts.

ARCA REPORT: Anne Struthers

Ms. Struthers shared that the ARCA meeting was devoted to the review and discussion of the painful budget information that will impact our consumers and families. Ms. Struthers encouraged members to follow AB 171. This bill was introduced by Assemblymember Jim Beall and would require health plans to cover screening, diagnosis and treatment of autism spectrum disorders. Members were again reminded of the importance of Grass Roots Day and Ms. Struthers encouraged everyone to participate on March 16th.

ADJOURNMENT

The meeting was adjourned at 8:30 pm.

Respectfully submitted,

Nyron Battles
Secretary
RCEB Board of Directors