

Board of Directors' Meeting

June 27, 2011

Presiding: Anne Struthers

Board Members

Present: Nyron Battles Ronald Clay
Rose Coleman Kathy Hebert
Mike Kuller Hilda Mariscal
Donald Morris Sister Marygrace

Board Members

Excused: Patricia Albeño Shana Cohen
Ralph Griffin Steve Whitgob

Staff Present:

Bill Barbaria Jim Burton
Francine Davis Susan Driggs
Rhonda Kimble-Kelly Lisa Kleinbub
Nancy Kubota Ella Liggins
Pam Thomas

Guests Present:

Gina Jennings Rocio Smith
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 7:02 PM. Self introductions were made.

CONSENT AGENDA

M/S/C "The Board moves to approve the agenda for June 27, 2011 as presented." (Coleman/Kuller) Unanimous.

M/S/C "The Board moves to approve the minutes of the May 23, 2011 meeting as presented." (Morris/Hebert) Unanimous.

PUBLIC COMMENT

Donald Morris shared that tomorrow he would be celebrating 11 years on his job at the Regal IMAX theater in Dublin.

Rocio Smith reminded everyone that this year's Congreso Familiar Conference will be held on Saturday, August 13th at Chabot College in Hayward.

Ms. Smith also reported that Area Board 5 will hold their annual Celebration of Self Advocates to celebrate those who have gone above and beyond as self-advocates. The event will take place on Thursday, September 29th at the Ed Roberts Campus in Berkeley. This year they will be honoring all those who spoke up during California's budget crisis. Everyone present was urged to nominate those self-advocates who lent their voices to speak out against the devastating proposed budget cuts this year.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Anne Struthers

Ms. Struthers shared that Mr. Griffin is still ill but continues to improve.

Ms. Struthers reported that her committee had met and gone over some critical issues that will be reviewed a little later in the meeting.

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed and reviewed the Financial Status Report for May, 2011, reflecting 11 months of expenditures. Mr. Kuller reported that the Department of Developmental Services (DDS) issued the B-3 amendment to RCEB earlier this month. This contract amendment included approximately \$3 million in POS funds and approximately \$2.2 million in Community Placement Plan funds. With the B-3 amendment, RCEB's POS projections have improved significantly and we now anticipate a balanced POS budget at year end. Mr. Kuller also reported the agency continues to project a balanced Operations budget but this budget continues to be a very significant challenge. Operational efficiencies remain in place and staff will continue to monitor the Operations budget closely. The agency currently has over 40 vacant positions throughout all departments.

Mr. Kuller reminded the group that Union Bank has been reluctant to issue lines of credit to their regional center account holders but they have recently offered small lines of credit for the current 2010-2011 fiscal year. RCEB has received approval for up to a \$7.5 million line of credit which can only be used to pay for June services on July 15. RCEB has sufficient cash through June but may face some cash flow challenges for the month of July. Mr. Kuller, on behalf of the Budget and Finance Committee, requested board approval for this new line of credit in the event the state budget is not approved on time. Members were reminded that the line of credit will be used only on an as-needed basis and the agency does not incur any costs until funds are actually withdrawn.

Mr. Kuller also reported that RCEB should have sufficient cash to meet our obligations through the end of July. In the event of a protracted budget approval process, DDS has been working to make available to regional centers the emergency Medi-Cal funding which has been provided in the past. As soon as the State budget has been approved, DDS should be issuing the fiscal year 2011-2012 cash advance for regional centers. Having a line of credit in place would ease some concerns about cash on a very short term basis. Mr. Kuller cautioned members that the amount of our credit line is limited and without a State budget, RCEB could still face cash flow challenges.

M/S/C “The Board moves to re-approve a line of credit from Union Bank for fiscal year 2010-2011 for \$7.5 million. (Kuller/Battles) Unanimous.

M/S/C “The Board moves to authorize the Executive Committee to secure a line of credit for RCEB for fiscal year 2011-2012 if a line of credit from Union Bank is offered to RCEB and if the terms and conditions remain the same.” (Hebert/Coleman) Unanimous.

MEMBERSHIP DEVELOPMENT COMMITTEE: Anne Struthers

Ms. Struthers noted that there was no report this evening but members were encouraged to continue their recruitment efforts.

PROVIDER/VENDOR ADVISORY COMMITTEE: Sister Marygrace

Sister Marygrace reported that her group had met on June 10th and the primary focus of the meeting was Mr. Burton’s update on the budget. Members continued to share ideas and resources to help each other during these very difficult times.

Sister Marygrace offered kudos to Sandi Soliday and Gina Jennings for the recent Developmental Disabilities Councils’ dinner.

CONSUMER ADVISORY COMMITTEE: Ronald Clay

Mr. Clay reported that his group had not met this month in order to allow members to attend the annual People First Conference in Sacramento. Mr. Clay reported that it was another good conference with many educational presentations and lots of opportunity to make new friends and catch up with old friends.

Mr. Battles shared that this year’s event was much smaller than previous conferences and the future of this valuable event for self-advocates is uncertain. This organization may be looking at providing smaller regional conferences in the future.

EXECUTIVE DIRECTOR’S REPORT: Jim Burton

Mr. Burton reported that a few hours ago the Governor, Speaker John Perez and Senate Pro Tem Darrel Steinberg announced that they have come to agreement on a budget that can be passed with a majority vote. In order to deal with the \$9.6 billion deficit the proposed budget relies on \$4 billion in revenues above what is projected. If these revenues are not achieved it will trigger further mid-years cuts to K through 12 education, higher education, public safety, IHSS and other programs including

Developmental Disability Services. Mr. Burton noted a vote may be scheduled as early as tomorrow and it does appear we will have a budget approved by July 1, 2011. Speaker Perez has indicated this proposed budget deals with 75% of the structural deficit and the Governor will continue his efforts to put the tax increase initiative on the ballot in November of 2012. Mr. Burton noted that if the budget is approved RCEB should not face cash flow problems. While we still do not have Union Bank's agreement to provide a line of credit for the coming fiscal year, it is prudent to establish a line of credit if the budget is not in place by June 30, 2011.

Mr. Burton stated that the May revision to the budget for our system was basically approved as presented in May. This includes \$579 million in state general fund cuts. This is the largest cut our system has ever experienced and totals \$700-\$800 million when you include the loss of federal funds.

Mr. Burton shared that this year's budget process has been the most unusual we have faced. Budget cuts were contained in SB 74, the trailer bill language approved in March. When the final budget is signed by the Governor it will contain additional budget cuts, as will trailer bill language AB 104. In a typical year, regional centers implement 4-5 major initiatives as a result of trailer bill language. SB 74 contained 26 initiatives and AB 104 will include additional new requirements. RCEB staff is working diligently to implement all of the changes in law but it is very challenging to implement all these new requirements with significantly less funding.

Mr. Burton shared that SB 74 was signed into law in late March and we have been waiting for DDS guidelines. DDS guidance on implementing SB 74 was received on June 16th and was not terribly helpful. Members were cautioned that a number of the new requirements will directly impact the Board. Two policies are due at DDS by July 1, 2011 and are being presented this evening for Board review and approval. The Conflict of Interest Policy presented this evening contains wording taken directly from SB 74. We are still awaiting regulations from DDS and a standard Conflict of Interest Statement that were to be developed by May 1, 2011.

M/S/C "The Board moves to approve the Conflict of Interest Policy as presented." (Kuller/Hebert) Unanimous.

Mr. Burton distributed the draft Contracting Policy. SB 74 required that regional center boards review and approve any contract of \$250,000 or more. Mr. Burton noted that RCEB has many contracts over this limit and they will be coming to the Board for review and approval. The volume will be significant and implementation will be time consuming.

M/S/C "The Board moves to approve the Contracting Policy as presented."
(Battles/Morris) Unanimous.

Mr. Burton reported that RCEB has just received its draft audit report from DDS for 2007-2008 and 2008-2009 and it is another outstanding audit for RCEB. Mr. Burton thanked Ms. Kubota and her staff for their exceptional work.

Mr. Burton shared that Ms. Delgadillo, DDS Director, attended last week's ARCA meeting and provided an extensive report and good dialogue on a myriad of budget issues. Regional centers shared their significant concern over the elimination of the Prevention Program at regional centers. These families lost their purchased services

two years ago and now all their support is being shifted to the Family Resource Centers. This change will have a severe impact on thousands of babies and their families throughout the state as their services are moved to an underfunded and unprepared alternative system.

Mr. Burton shared that Ralph Griffin was honored at ARCA's annual dinner for his lifetime of commitment to public service. Mr. Burton will deliver the trophy and a huge card with best wishes from all of the ARCA members.

Mr. Burton noted that the Board meeting schedule for summer has been flexible in the past but it is recommended that meetings occur in July and August this year to allow for implementation of all the new budget requirements.

PUBLIC COMMENT

There was no public comment at this time.

ARCA REPORT:

Ms. Struthers commented that the last ARCA meeting was the most technically informative meeting she has attended. She also noted it was disturbing to hear that legislators have very negative impressions of our service system. Local legislators have a clear understanding of our mission and support us but that sentiment doesn't seem to be shared across the state. Clearly, much education is needed.

ADJOURNMENT

.Following a closed session to discuss real estate negotiations and personnel issues, the meeting was adjourned at 8:45 pm.

Respectfully submitted,

Nyron Battles
Secretary
RCEB Board of Directors