



**REGIONAL CENTER OF THE EAST BAY  
Board of Directors' Meeting**

Monday, May 20, 2013, 7:00 p.m.  
500 Davis Street, San Leandro, CA

**MINUTES**

Approved June 24, 2013

**RCEB BOARD MEMBERS PRESENT:**

Anne Struthers, President	Chi Lee
Kathy Hebert, Vice President	Hilda Mariscal
Mike Kuller, Treasurer	Donald Morris
Rose Coleman, Secretary	Mike Treppa
Nyron Battles, CAC Chairperson	Sister Marygrace, PVAC
Cecilia Corral	Steve Whitgob

**MEMBERS ABSENT:**

Ronald Clay (Excused)  
Gwen Nash-Butler (Excused)

**STAFF PRESENT:**

Jim Burton, Executive Director  
Francine Davis, Director of Community Services  
Terri Jones, Director of Human Resources  
Lisa Kleinbub, Director of Health & Behavioral Services  
Pam Thomas, Director of Consumer Services  
Antonia Heinrich, Accounting  
Rhonda Kimble-Kelly, Case Manager  
Meredith Rosenberg, Case Manager  
Michi Toy, Executive Secretary

**GUESTS PRESENT:**

Jerry Grace	Sandi Soliday, ACDDC
Bill Barbaria	Todd Struthers
Arthur Lipscomb, OCRA	Emlyn Struthers, Representative for Senator Mark DeSaulnier
Cleo Manspeaker	
John Rodriguez, CCDDC	

### **CALL TO ORDER**

President, Anne Struthers, called to order the regularly scheduled business meeting of the Regional Center of the East Bay at 7:34 p.m. Quorum was present, self introductions were made.

### **CONSENT AGENDA / MINUTES**

M/S/C            “The Board moves to approve the minutes of April 22, 2013 as presented.” (Lee/Battles) Unanimous

M/S/C            “The Board moves to approve the agenda of May 20, 2013 with the following addition:  
                              ▪ Closed Session at the end of the meeting to address a personnel issue.  
(Coleman/Morris) Unanimous

### **PUBLIC COMMENT**

- Cleo Manspeaker spoke of being an RCEB client for 31 years this coming May, and the activities that she will be doing this summer.
- Jerry Grace introduced himself and that he is happy to attend his first RCEB board meeting.

## **COMMITTEE REPORTS**

**EXECUTIVE COMMITTEE:** Anne Struthers

### **Contract Approvals**

Ms. Struther’s distributed the contract proposal packets being voted on at this board meeting, and reminded the Board that they received them in their board packet.

- The Department of Developmental Service’s [DDS’s] B-8 contract amendment represents the eighth amendment of the “B” series for the fiscal year 2010-11. This amendment adds \$356K to our existing contract, with no other changes.

M/S/C            “The Board moves to approve the B-8 contract amendment with DDS as presented.” (Battles/Treppa) Unanimous

- The multiple transportation contracts presented are a yearly renewal of what currently exists with no increase in rates, but reflect the expected change in law where the 1.25% payment rate reduction would “sunset” on June 30, 2013.

M/S/C “The Board moves to approve the transportation contracts with RCEB as presented.” (Battles/Puchac) Unanimous

**BUDGET AND FINANCE COMMITTEE:** Mike Kuller

- Regional Centers recently received the D-4 amendment which included funding for our Regular Community Placement Funds for Operations only [no POS funding]. The D-4 amendment total was \$142,842, which is less than the amount required for board contract approval.
- The Governors’ Revised Budget for the upcoming Fiscal Year 2013-14 was released on May 14<sup>th</sup>. The highlights of the Revised F/Y 2013-14 Budget will be discussed in the Executive Director’s report.

Purchase of Service (POS)

- RCEB reported a mid-range Purchase of Service insufficiency of approximately \$19M last month. Our revised mid-range Purchase of Service insufficiency through April is now approximately \$17.5M, a reduction of \$1.5M from last month. We are still projecting an estimated \$2M in Community Placement Plan Continuation and Deflection funds to be issued hopefully in a future amendment.
- At this time, we do not know when Regional Centers will receive the D-5 allocation, and subsequent amendments, to fund insufficiencies in Purchase of Service. Although the Department of Developmental Services [DDS] has stated that they believe there will be enough funds to cover deficiencies in POS for Regional Centers, they also believe that the budget is extremely tight. DDS is asking for current year deficiency appropriations in the May Revision.

20 of the 21 regional centers are still projecting insufficiencies in their current year POS projections even though the end of the fiscal year is less than 2 months away.

- We have an update on last year’s Purchase of Services budget allocation, since we received the C-10 amendment which provided an additional \$233,832 in POS funds. With the C-10, we now have a very small estimated insufficiency in POS for Fiscal Year 2011-12 [approximately \$153,000] as of April 30, 2013.
- We do not know when DDS will issue a C-11 amendment to cover this small insufficiency. 18 regional centers still have insufficiencies in their POS budgets from last fiscal year. The Fiscal Year 2011-12 will still remain open until May 2014; therefore, we will continue to closely monitor the 2011-12 POS expenditures since we continue to receive late bills for that fiscal year. DDS did keep their commitment to fund insufficiencies in POS budgets as RCEB had a nearly \$18M insufficiency for most of last fiscal year.

Staff will continue to monitor the agency’s POS projections and report these projections to DDS and to our community.

### Operations

- We have a balanced operations budget for this fiscal year. The agency continues to make great progress in filling vacant positions. In the past 3 months, 30 new staff persons have been hired; most of whom are Case Managers. Recruitment of staff and rebuilding our infrastructure continue to be a priority for the agency.

### Cash Flow Status

- As we have been reporting every month, almost all the Regional Centers, including RCEB, are experiencing critical cash flow issues. Due to delays in Federal reimbursement, DDS has been unable to pay Regional Centers their full claims.
- The Regional Centers received approximately 82% of January's reimbursement, and less than 40% for February and March reimbursements. Although we were advised that cash flow will improve when the 1915(i) waiver is approved, it appears the approximately \$600M in funding from the Federal government may not arrive soon enough to resolve the shortage in cash we are imminently facing.

### Line of Credit

- At the last board meeting, we advised that we will most likely need to borrow from our Line of Credit before May 15<sup>th</sup>, if the State did not issue a substantial percentage of our State claim reimbursements. The good news is that the agency did **not** need to borrow since we received partial reimbursement for our March claims. In addition, DDS positively responded to RCEB's appeal for \$3M additional cash. This enabled RCEB to have sufficient cash to make it through the middle of June, but our cash reserve is still extremely tight.
- It has been reported that some Regional Centers have already started to borrow from their lines of credit and most Regional Centers have indicated they will run out of cash by the middle of June. At this time, RCEB's cash reserve will completely run out on 6/12/13 if we are unable to receive sufficient cash from the State. DDS has indicated that they are making every effort to provide us with cash for claims reimbursement and to process cash advances for Fiscal Year 2013-14 as soon as possible.
- The other factor is the allocation methodology. The current methodology leaves nearly all Regional Centers with insufficiencies in their Purchase of Services budget and some regional centers, including Regional Center of the East Bay with sizeable deficiencies .
- The agency currently has an active \$46.4M line of credit in place until September 28, 2013. The board should be advised again that we cannot borrow beyond the limits of our State contract and claim receivables. We will continue to keep the Board as well as the Executive Committee, apprised of our cash flow status.

**MEMBERSHIP DEVELOPMENT COMMITTEE:** Anne Struthers

- Ms. Anne Struthers stated that there was no report this evening, but did add that we are still seeking new board members.

**PROVIDER/VENDOR ADVISORY COMMITTEE:** Sister Marygrace

- The last meeting was on May 10<sup>th</sup> where the group was smaller than usual. The topic of discussion was Mother's Day in Mexico, where everyone shared stories about their mothers.
- Statistical information was presented and discussed on the make-up of the regional center clientele.

**CONSUMER ADVISORY COMMITTEE:** Nyron Battles

- The packed CAC met on May 13<sup>th</sup>. Gwen Nash Butler, who had returned from an illness, also attended the meeting.
- The main topics discussed were the budget issues, vision and healthcare.
- CAC members were excited about the upcoming newsletter.
- Acknowledgement was given to Donald Morris, for the DDC award given to him by Sandi Soliday for his March presentation at the College of Alameda Transition Fair.

CALENDAR OF EVENTS:

- The next CAC meeting will be on July 8<sup>th</sup>.
- People 1<sup>st</sup> Conference → June 28-30<sup>th</sup> in San Jose

**EXECUTIVE DIRECTOR'S REPORT:** Jim Burton

State Budget/Hearings

- Mr. Burton distributed the Department of Developmental Service's 2013 May Revision Highlights, which is also posted on their website. Mr. Burton stated that there are no major changes or cuts since the January budget release. We were hoping to see some restoration to the \$1.3B in cuts made to our service system over the years and in the future.
- It is important to remember that the Governor has "blue pencil" authority and can line-item veto any budget item. It is widely believed that there will be a budget by 6/30/13. For this fiscal year, which ends in just one month, the administration added \$41.2B in deficiency appropriation for caseload and service utilization growth, an acknowledgement that there is a deficit in the current fiscal year. Regional centers are estimating that the deficiency will be higher.
- Some of the assumptions that the Department made in the Governor's Budget are not coming true, and so there are fund shifts to back-fill items. For Example, originally it was assumed that \$40M would come from First Five funding, but that has been reduced by \$25M. "May Revise" contains \$15M to backfill this

loss in revenue. The effects of the Federal Sequestration are now starting to work their way through State and Federal budgets. As a result of the sequester, Title 20, Grant funds were reduced by \$5.7M; therefore, the State had to make up that difference.

- The Annual Family Program Fee is not bringing in the revenue that was anticipated; therefore, the estimate has been reduced by \$3.4M and backfilled with State general funds.
- For F/Y 2013-14, the budget will be increased to \$33.6M for caseload and service utilization. \$11.9M of the Title 20 funds will be sequestered next year and \$7M less for the 1915(k), which is a complicated billing process for intermediate care facilities [ICF's] and day program services. Early Start is effected resulting in a \$3.4M reduction next year.
- There will be funding for both the Lanterman Developmental Center Closure and the Sonoma Developmental Center Program Improvement Plan, as well as funds to make-up for the loss of Federal funds from the four de-certified units at Sonoma.
- As a result of the lawsuit settlement, in-Home Support Services [IHSS] will have a temporary 8% cut in Fiscal Year 2013/14, then a 7% in Fiscal year 2014/15 with all reductions ending by July 1, 2015.
- Mr. Burton advised the board of the Federal Government's approval of Government Code Section 1915(l) waiver. This will bring in around \$600M retroactive to 2009 as well as \$160M/year going forward. All the budgets put together were predicated on receipt of those funds. This was a significant accomplishment for the Department of Developmental Services [DDS] which protects the entitlement and prevents further cuts, but it will probably not be a source of funds for new growth and development.

#### RCEB Budget

- Mr. Burton reiterated with just 6 weeks left in this fiscal year, we are \$17.8M short, and reminded the Board that we started the year with \$19M less in funding than the prior year. We are not growing at an extraordinary rate. The methodology used to allocate funds leaves us \$18-20M short yearly. Although there is a deficiency proposal in the budget that will help, there are still 20 out of 21 regional centers operating at a deficiency. We are hopeful that some of the 1915(i) funding will help, but we still appear to be short statewide in POS funding.
- Cash flow is a large issue, and some regional centers have had to borrow from their Letter of Credit [LOC]

#### Sonoma Developmental Center [160 RCEB Clients]

- Mr. Burton states that he has been making regular trips to SDC to meet with the DDS Director, Terri Delgadillo and SDC's Executive Director, Karen Faria along with the other regional center Directors who have clients at SDC. The meetings

have been very constructive and collaborative as we work on coordinating our assessments, especially for those residents from the four units that were de-certified.

- Mr. Burton commends Karen Faria's dedication and focus on the immediate health and safety of every resident at SDC, as well as the collaborative way she works with the regional centers.

#### Sacramento

- The 10<sup>th</sup> Annual Disability Capital Action Day will be at the Capitol Rose Garden in Sacramento on May 22<sup>nd</sup>. The theme this year is "Honoring Our Past, Inspiring Our Future."
- A notable bill that is quickly moving through the legislature is the SB126 [Senator Steinberg] that would extend SB946 to the year 2019. SB946 is a bill that requires health care providers to cover certain Behavioral Services. This bill is very important, especially for those who did not qualify for services from a regional center. It has become particularly difficult for those who were covered by Healthy Families Health Plan, since their services transferred to Medi-Cal on January 1, 2013. Medi-Cal was not one of the health plans that were required to provide coverage for behavioral services.

#### PUBLIC COMMENTS

- Jerry Grace passed out a flyer with information on the Golden Gate Self Advocacy Conference Committee will meet on Monday, June 3<sup>rd</sup>.
- John Rodriguez from the Contra Costa County Developmental Disabilities Council, noted that the 24<sup>th</sup> Annual DDC Awards dinner will be on June 4<sup>th</sup> at the Embassy Suites Hotel in Walnut Creek.

#### ARCA REPORT: Anne Struthers

Ms. Struthers announced that there was no ARCA report, but the next meeting will be on June 21<sup>st</sup>, where there will be an awards ceremony in Sacramento.

#### CLOSED SESSION/MEETING ADJOURNED

The Board convened in a closed session at 8:30 p.m. to discuss a personnel issue.

The Next Board Meeting will be in <b>Concord</b> at 7:00pm on Monday, June 24, 2013
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Respectfully submitted,

Rose Coleman  
Secretary  
RCEB Board of Directors