

Board of Directors' Meeting
May 21, 2012

Presiding: Anne Struthers

Board Members
Present:

Ronald Clay
Mike Kuller
Donald Morris
Sister Marygrace

Kathy Hebert
Hilda Mariscal
Gwen Nash-Butler
Mike Treppa

Board Members
Excused:

Rose Coleman
Steve Whitgob

Chi Lee

Staff Present:

Bill Barbaria
Francine Davis
Terri Jones
Lisa Kleinbub
Jeff Nagafuji
Pam Thomas

Jim Burton
Susan Driggs
Rhonda Kimble-Kelly
Nancy Kubota
Ronke Sodipo

Guests Present:

Nyron Battles
Gina Jennings
Rocio Smith
Todd Struthers

Sharon Hagerty
Cleo Manspeaker
Sandi Soliday
Ludrina Vicente

CALL TO ORDER

President, Anne Struthers, called to order the regularly scheduled business meeting of the Regional Center of the East Bay (RCEB) at 7:02 pm. Self introductions were made.

CONSENT AGENDA

M/S/C "The Board moves to approve the agenda for May 21, 2012 and the minutes of April 23, 2012 as presented. (Kuller/Puchac)
Unanimous.

PUBLIC COMMENT

Ms. Struthers noted that Cleo Manspeaker very recently celebrated her thirty year relationship with the regional center. In recognition of Ms. Manspeaker's individual achievements and her work as a self advocate and as an advocate for people with

developmental disabilities, Ms. Struthers presented an award from the Regional Center of the East Bay Board of Directors. Rocio Smith, on behalf of Area Board 5 on Developmental Disabilities, presented Ms. Manspeaker with a plaque acknowledging her thirty years of strong self-advocacy work and her thirty years as a client of the regional center. Ms. Manspeaker said she was honored to receive this recognition and wanted everyone to know that she believes RCEB is the best regional center in California.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Anne Struthers

Ms. Struthers reminded members they had received a copy of the C-4 amendment to RCEB's contract with the Department of Developmental Services (DDS). Mr. Burton explained the C-4 amendment provides additional funds for POS but makes no other changes to the contract.

M/S/C "The Board moves to approve the C-4 amendment to the RCEB contract with the Department of Developmental Services."
(Treppa/Hebert) Unanimous.

Mr. Burton reported that DDS will issue the C-5 contract amendment and that amendment will include approximately \$5 million in additional POS funds when it arrives. Mr. Burton requested the Board consider approval of the C-5 contract amendment that increases the contract allocation for POS and authorize Ms. Struthers to sign the amendment when it arrives.

M/S/C "The Board moves to authorize President, Anne Struthers, to sign the C-5 amendment to the RCEB contract with the Department of Developmental Services upon receipt." (Kuller/Puchac)
Unanimous.

Ms. Struthers referred members to their packets for information on AB 2338 and SB 1381. Board members were reminded that RCEB relies greatly on the East Bay Legislative Coalition and their work but they sometimes take action when issues are very important to our community. Rocio Smith explained that AB 2338 was recently amended to make opportunities for employment the highest priority for working age individuals with developmental disabilities. The amended legislation is supported by the Alameda and Contra Costa Developmental Disabilities Councils and the East Bay Legislative Coalition. Ms. Struthers asked the Board to consider endorsement of the bill.

M/S/C "The Board moves to endorse AB 2338, the Employment First Policy." (Hebert/Treppa) Unanimous.

Mr. Burton reminded members that SB 1381 has been discussed at previous meetings and RCEB's Consumer Advisory Committee has worked diligently for years to encourage removal of the "R" word from law. Mr. Burton reported Senator Pavley is getting broad bi-partisan support for this bill and our Board is being asked to consider following the action taken by our CAC and endorsing the bill.

M/S/C “The Board moves to endorse AB 1381 to change the use of the term mental retardation to intellectual disability.” (Treppa/Kuller)
Unanimous.

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed and reviewed the Financial Status Report for April 2012. Mr. Kuller reported RCEB has received two additional funding allocations since the Board met in April and we now anticipate a mid-range POS insufficiency of approximately \$14.7 million. DDS continues to monitor POS expenditures and we have been advised there are approximately \$46.5 million in POS funds at DDS that have not been allocated to regional centers. Mr. Kuller reported that staff will continue to carefully monitor POS projections and report to the Board and DDS. Mr. Kuller reminded the group that we have struggled to balance the Operations budget through this fiscal year but we anticipate a balanced Operations budget at the end of this fiscal year.

Mr. Kuller reported DDS has recently struggled with the issuance of state warrants due to their cash flow and this has significantly impacted regional centers. The Department of Developmental Services has been made aware of the regional centers' cash flow issues due to DDS' inability to issue timely warrants and DDS is committed to working with regional centers to resolve the problem. RCEB received 63% of our February warrant in early May and we have informed DDS we will need 100% of our March services warrant in order to meet our obligations through June 30, 2012. Mr. Kuller reported that just prior to the start of this evening's meeting, we were informed we would receive 100% of our March state claim and this means our agency should have sufficient cash to meet our POS and Operations obligations through June 30, 2012. This will allow us to pay service providers without interruption and the agency will likely not incur the additional interest expense from the line of credit. Mr. Kuller noted the Board should recognize the extraordinary efforts of DDS to provide cash to allow us to make it through the fiscal year.

MEMBERSHIP DEVELOPMENT COMMITTEE: Anne Struthers

Ms. Struthers said there was no report this evening but members were reminded to continue their targeted recruitment efforts.

PROVIDER/VENDOR ADVISORY COMMITTEE: Sister Marygrace

Sister Marygrace reported the Provider/Vendor Advisory Committee (PVAC) met on May 11th and the meeting was well attended again as this meeting provides current and valuable information on the state and local levels. PVAC is recruiting new members and everyone in attendance was asked to contact the regional center with names and contact information of potential PVAC members. Sister Marygrace shared that one of the challenges on the horizon for new or expanding day programs will be the new fire codes of 2010. The new codes will require a full sprinkler system, an automatic fire alarm system, exit signs, emergency signs with backup batteries and these requirements will be very costly. A small program space of 3000 square feet could cost from \$70,000 to \$80,000 to fulfill all the mandates of the new fire code. The cost of these new requirements will make it very difficult for service providers to start a new program or expand existing programs.

CONSUMER ADVISORY COMMITTEE: Gwen Nash-Butler

Ms. Nash-Butler reported that Ronke Sodipo had introduced Karen Shuttleworth to Consumer Advisory Committee (CAC) members. Ms. Shuttleworth will be providing support to the CAC as she takes on some of the work that was done by Sam Sheats until his retirement from RCEB. Ms. Nash-Butler reported that staff from CRIL attended the CAC meeting and shared important information on earthquake preparedness. Mr. Burton gave the group an update on the Governor's May Revision to the proposed budget for the coming fiscal year. Mr. Burton suggested that much like preparing for an earthquake, when reviewing California's budget position, CAC members should be ready to duck, cover and hold on.

EXECUTIVE DIRECTOR'S REPORT: Jim Burton

Mr. Burton shared that he was pleased to see the May Revision to the Budget. The state clearly is not bringing in the revenues as expected but the May Revision is very supportive of people with developmental disabilities and their families and does not include significant additional cuts for our service system. Mr. Burton noted that it is clear that DDS under the leadership of Terri Delgadillo worked exhaustively to present proposals to reduce state spending without reducing services to consumers and families. Mr. Burton acknowledged that this budget is not without cuts but supports the entitlement and provides hope to consumers, families, service providers and regional center staff.

Mr. Burton reminded members that in the current fiscal year we had a trigger mechanism when revenues were down that reduced the budget for regional center services by \$100 million. The state found a way of addressing that deficit without any additional service cuts in the current fiscal year. The annualized version of that trigger cut is \$200 million and that was proposed by the Governor to be reduced in the budget in January. He continues to propose to reduce expenditures by \$200 million and DDS has provided full details on how the \$200 million savings will be achieved. Members were referred to their packets for details on the following proposals:

- Maximize the use of Federal funding through aggressive enrollment to the Home and Community-Based Waiver and expansion of the federal Community First Choice Option.
- Implementation of Senate Bill 946 – insurance coverage of behavioral services.
- Redesign services for individuals with challenging service needs that will include restrictions on new admissions to developmental centers with limited exceptions, operation of a short-term crisis program at Fairview Developmental Center and expansion of Transition services at Porterville DC from 30 to 60 residents. The proposal would also maximize the use of available CPP program resources to meet statewide specialized service needs and the expanding the development of SB 962 homes statewide to increase community options for DC residents.
- Redesign supported living assessments to use a standardized assessment questionnaire to ensure necessary, sufficient and cost-effective services are utilized.
- Regional center and provider rate reduction. Continue a 1.25% payment reduction for regional centers and service providers.

- Reducing funds earmarked for downsizing as the need for these funds has declined.
- Reducing funds earmarked to address the gap in federal funding when a Community Care Facility transfers ownership and is temporarily ineligible for federal funding until the facility is recertified because the need for gap funds has declined.
- Expand the use of technology to achieve efficiencies and assist in the delivery of services.

Mr. Burton emphasized that this was a carefully crafted budget that could not have come at a more important time as people were struggling to find a way to move forward. The budget does include a \$50 million trigger cut that was added very late in the process. In the event the Governor's measure to increase taxes on the November ballot does not pass, there will be a trigger cut to our system of \$50 million if this proposal is adopted by the legislature.

Ms. Struthers asked the Board to consider sending a letter of thanks to DDS in appreciation of their work in developing the May Revise budget proposal.

M/S/C "The Board moves to send a letter to DDS expressing our appreciation for the significant effort put into developing this budget. (Morris/Hebert) Unanimous.

Mr. Burton reminded everyone there will still be issues to be discussed in terms of the trailer bill language and asked that members carefully review the language. He noted that the budget process is expected to move very quickly and we could see a final budget by June 15, 2012.

Mr. Burton reported that RCEB has been slowly running out of cash but we have been working very closely with DDS to address the problem. The May Revision reflects \$46.5 million for the current fiscal year and that will be very helpful in addressing the statewide insufficiency. We have also been notified that DDS has been able to secure the \$50 million that had been estimated in the budget to come from First 5 and those funds were allocated immediately. Mr. Burton acknowledged it has been difficult to make it through May and we were close to running out of cash but DDS was very quick to respond when notified of the problem and very quickly provided us with a guarantee of \$24 million which will get us through this fiscal year. RCEB will not have cash flow problems through the end of the fiscal year and we are most grateful for the support provided by DDS.

Mr. Burton shared that RCEB has begun the process of implementation for SB 946 that requires many health insurance providers to begin to cover behavioral services for children with autism. RCEB has made it very clear and made it a high priority that services not be delayed and services not be discontinued during the transition to insurance services. Members were cautioned that this will not be an easy process for the people we serve. We will be providing a letter to families and are scheduling training for families toward the end of June. We will provide help to families as they secure services through their insurance providers. This will be a significant challenge for our staff because most of these services occur on children's caseloads and these are the highest caseloads in the agency.

Mr. Burton reported that our DDS fiscal audit ended last Friday after five weeks. This was an extremely thorough audit with a good professional team from DDS and the results were outstanding. Mr. Burton said he was proud of the fine work that has been done at RCEB. It was a pleasure to inform the Board that things have been done very, very well at this regional center in implementing the laws and our contract and in the financial management and accounting of state and federal funds. Special thanks were offered to Nancy Kubota and her staff and everyone at the regional center for their fine work.

PUBLIC COMMENT

Sandi Soliday reminded everyone that the joint DD Councils' Dinner will be on June 7th in Oakland.

Cleo Manspeaker thanked Mr. Burton, the Board, staff and Area Board 5 for honoring her this evening and shared that it meant a lot to her. She added that she believes Jim Burton is the best executive director in the state and RCEB is the best regional center in California.

ARCA

Ms. Struthers reported the next ARCA meeting will be on June 21st in Sacramento.

Members were reminded that the June meeting of the Board of Directors will be held in the Concord office.

ADJOURNMENT

The meeting was adjourned at 8:10 pm.

Respectfully submitted,

Kathy Hebert
Vice President
RCEB Board of Directors