

Board of Directors' Meeting

May 18, 2009

Presiding: Ralph Griffin

Board Members

Present:	Patricia Albeño	Nyron Battles
	Ronald Clay	Shana Cohen
	Kathy Hebert	Mike Kuller
	Hilda Mariscal	Donald Morris
	Carmen Quinones	Will Sanford
	Anne Struthers	

Board Members

Excused:	Chi Lee	Lauri Parks
	Claudia Sladen	

Staff Present:

Bill Barbaria	Mara Bearse
Carol Bohnsack	Jim Burton
Francine Davis	Susan Driggs
Terri Jones	Lisa Kleinbub
Nancy Kubota	Marc Sugars
Pam Thomas	

Guests Present:

Sharon Hagerty	Gina Jennings
Cleo Manspeaker	Rocio Smith
Sandi Soliday	Hillary Struthers

CALL TO ORDER

The regularly scheduled business meeting of the Regional Center of the East Bay was called to order at 7:00 pm by President, Ralph Griffin. Self-introductions were made.

PUBLIC COMMENT

Cleo Manspeaker announced that she has been a client of the regional center system for 27 years today and she believes RCEB is the best regional center in the state. Ms. Manspeaker said that since she returned to the bay area she has found Area Board 5, the DD Councils and the Housing Consortium of the East Bay all to be great advocates. She also shared that she is very concerned for consumers who don't have families to support them if their services get cut in these very stressful budget times.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Ralph Griffin

Mr. Griffin reported that his committee had met last week and devoted their meeting to a serious discussion of RCEB's financial situation. Mr. Griffin asked the Board to consider authorizing the Executive Committee to act on behalf of the Board to secure a line of credit for RCEB if it should be necessary.

M/S/C "The Board moves to authorize the Executive Committee of the Board to secure a line of credit for RCEB if such should be necessary." (Kuller/Morris) Unanimous.

Mr. Griffin thanked Nancy Kubota for her outstanding work and presented her with flowers on behalf of the Board in appreciation of her exceptional work.

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed and reviewed the Financial Status Report for April 2009. Mr. Kuller noted that the current Operations expenditure figures are not available this evening due to the early meeting this month but an update will be available at next month's meeting. Mr. Kuller stated that we do not anticipate significant changes to the status of the Operations budget and we continue to predict a balanced Operations budget at year end. Mr. Kuller reported there is a slight change in our Purchase of Service (POS) projections and we now project an insufficiency of between \$3.8 million and \$5.9 million for the current fiscal year. All 21 regional centers continue to predict deficits in their POS budgets. We continue to update the Department of Developmental services on our budget status and they are aware of our projected insufficiency. Staff continues to monitor the agency's cash flow status and Mr. Kuller reminded members that RCEB may need to apply for a line of credit. With the current instability of the state's budget status and cash flow situation we are uncertain if the state will be able to meet it's obligations in the coming fiscal year. At this time our bank is monitoring the state's cash flow situation and will proceed with seeking credit approval if needed.

M/S/C “The Board moves to accept the financial status report for the period ended April 30, 2009 as presented.” (Sanford/Battles)
Unanimous.

MEMBERSHIP DEVELOPMENT COMMITTEE: Ralph Griffin

Mr. Griffin reported that Board member, Lauri Parks, has indicated it will be necessary for her to take a leave of absence for personal reasons and has requested that the Board approve her leave.

M/S/C “The Board moves to allow Lauri Parks to remain on leave until she is able to return to her board responsibilities.” (Griffin/Sanford)
Unanimous.

SERVICES AND SUPPORTS COMMITTEE

There was no report this evening.

PROVIDER/VENDOR ADVISORY COMMITTEE: Will Sanford

Mr. Sanford reported that his group had devoted much of their meeting reviewing the recently released 15 budget reduction proposals as well as ways to deal with the current 3% payment reduction. Mr. Sanford also reported that he participated in a very packed Senate hearing that was attended by many representatives from our area.

CONSUMER ADVISORY COMMITTEE: Nyron Battles

Mr. Battles shared that his group had also spent much of their time reviewing the budget and its impact on consumers. The group also reviewed in detail the ballot propositions in order to have a clearer understanding of each proposition when they voted.

EXECUTIVE DIRECTOR’S REPORT: Jim Burton

Mr. Burton told the group that some day he hoped to give good budget news but there is no good news at this time and the state continues to face an extraordinary economic crisis. Mr. Burton reminded the Board that if Propositions C, D and E fail tomorrow, the state budget deficit will increase by \$6 billion and California will be facing a deficit of \$21.3 billion. This is a very serious and sobering number and California is clearly in serious financial difficulty with revenues declining markedly.

Mr. Burton reported that the Governor had issued his May Revise early which was an outline of his proposals that will be coming out in detailed form later this month. The Governor outlined what the Administration believes it will take to

balance the budget and address the \$15.3 billion immediate deficiency and the \$21.3 billion deficit if the propositions fail. His proposal relies entirely on cuts, borrowing and fund shifts with no additional revenues of any type included in the proposal. Mr. Burton noted that virtually every human service provided in California would be very seriously impacted by the cuts the Governor has proposed. It is important to remember that this is the starting point for discussions with the Legislature so it will be critical to understand these proposals. Proposed cuts include additional significant cuts to Education and the layoff of 5,000 State workers. Mr. Burton reported that \$234 million additional cuts have been proposed for the regional center system. Mr. Burton reminded members that this proposal is in addition to the \$100 million reduction approved in February and is the exact same \$334 million proposal the Governor put in his budget proposal in January. Members were also reminded that a \$334 million cut in state general funds would take a \$400+ million total cut to bring about that savings due to the loss of matching federal funds. Mr. Burton cautioned that if this proposal is accepted by the Legislature, it will easily be the largest and most serious cut ever faced by this service system and will have a dire impact on our service system. This would clearly threaten the entitlement to services and the way in which services are provided.

Mr. Burton also reported that the cuts being proposed to SSI are huge on top of cuts that have already been made. The Governor's proposal would reduce SSI to the Federal minimum level of \$830 per month for an individual and \$1407 per month for a couple. Mr. Burton asked the group to take a moment and imagine living on \$830 a month in the bay area.

Mr. Burton also reported that a large number of programs were proposed to be eliminated, particularly those serving immigrants. The CAPI program, cash assistance for immigrants, was proposed to be completely eliminated. The Governor is proposing to reduce state wages for IHSS to \$8.00 per hour and to reduce the level of service provided. MediCal is facing enormous cuts on top of the enormous cuts that have already been put into place.

Members were again reminded that these huge cuts are proposals at this time and we will need to wait for the Legislature to respond. Mr. Burton cautioned that this budget will really challenge us and we stand to lose many of things most of us have fought for most of our lives. We will need to stick to our values during this difficult time and let our values drive our priorities. Mr. Burton reminded everyone present that one of the beauties of the Lanterman Act is having parents and persons with developmental disabilities on our board so we stay focused on why we are here and to remember that we are here to serve people. We will need to stick together, hold on to the values that we care about, make the best decisions for the people we serve and make it through to the other side of the recession together.

Mr. Burton also reminded everyone that we are still not through the process of the \$100 million in cuts approved in January. Hearings were held and stakeholders put a tremendous amount of effort into developing the 15 budget reduction proposals developed to address the \$100 million but no action has yet been taken by the Senate or Assembly. These 15 proposals are all difficult cuts and Trailer Bill Language will outline how the proposals will be implemented. It is likely that some variation of these 15 proposals will move forward in the Legislature. Mr. Burton noted that there are still no federal funding initiatives being made a part of this plan.

Mr. Burton reported that we also still have a current year deficit projected at all 21 regional centers and DDS is aware of that deficit and has made significant progress in finding funds. Additional federal funds have been generated and this has helped. A significant effort has been made by the Director of DDS to find ways to relieve this deficit in these difficult times. We believe DDS may have found the remaining answer to our deficiencies since the problem has not been taken to the Legislature. Statewide the deficit is \$40 to \$50 million and at RCEB the deficit is \$4 to \$6 million.

Members were told that the Legislature is forming a Conference Committee to address the Governor's proposals and to deal with the State budget situation. This is an unprecedented move since the budget has already been approved for the coming fiscal year. The Conference Committee typically comes together to meet after items have been through both houses and they work on items where there is disagreement between the Senate and the Assembly. Hearings will be scheduled by the Conference Committee very quickly and testimony will likely be limited.

Mr. Burton asked everyone to continue to make certain that people understand the human impact of the budget proposals. The hearings in May will be important and we must be prepared to testify. The fight cannot be any more important than it is today and we must be ready to stand up for the people we serve and their families.

Mr. Burton thanked the Board for giving the Executive Committee the authority to establish a line of credit but explained that at this point we have no assurances that our bank will provide a line of credit. Lines of credit in the past were always predicated on the budget not being signed and the collateral for the loan was our contract with the State of California combined with the Budget Act being signed. This year the budget has been approved and there should be no reason why it is not funded and there is no guarantee the State will be able to borrow funds in anticipation of revenues being received. We are talking with our bank and they are looking at the overall State situation. If we are able to secure a line of credit, we will put one in place.

Mr. Burton announced that a small celebration has been planned to get together local people who worked on the Agnews closure plan and families and consumers. The event will be held on Friday, May 29th from 2:30-4:30 pm. Board members were invited to attend what is expected to be a very nice occasion.

Mr. Burton also shared that he had recently attended an event hosted by East Bay Innovations to honor employers who have employed persons with developmental disabilities. This group was an incredibly impressive number of employers who continued to employ persons with developmental disabilities in these challenging economic times. This was a remarkable event that demonstrates that people are doing great things in spite of the challenges and roadblocks of the current economy.

PUBLIC COMMENT

There was no public comment at this time.

ARCA REPORT: Ralph Griffin

Mr. Griffin let the group know that the ARCA office is doing an outstanding job of representing persons with developmental disabilities. ARCA continues to work behind the scenes in Sacramento and work diligently to keep members informed of the latest information as the status of things in Sacramento continues to change almost daily.

ADJOURNMENT

The meeting was adjourned at 8:00 pm.

Respectfully submitted,

Nyron Battles
Secretary
RCEB Board of Directors