

Board of Directors' Meeting

January 25, 2010

Presiding: Anne Struthers

Board Members

Present: Patricia Albeño
Ronald Clay
Kathy Hebert
Hilda Mariscal
Sister Marygrace
Steve Whitgob
Nyron Battles
Shana Cohen
Mike Kuller
Donald Morris
Claudia Sladen

Board Members

Excused: Ralph Griffin
Carmen Quinones
Chi Lee

Staff Present:

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

Guests Present:

Barry Chinn
Sharon Hagerty
Steve Jacobs
Rocio Smith
Jeanne Chinn
Barbara Hughes
Gina Jennings
Sandi Soliday

CALL TO ORDER

Vice President, Anne Struthers, called to order the regularly scheduled business meeting of the Regional Center of the East Bay at 7:03 PM. Self-introductions were made.

CONSENT AGENDA

M/S/C "The Board moves to approve the agenda for the January 25, 2010 meeting as presented." (Kuller/Battles) Unanimous.

M/S/C "The Board moves to approve the minutes of the November 23, 2009 meeting as presented." (Kuller/Hebert) Unanimous.

PUBLIC COMMENT

Rocio Smith shared that she had recently received a call from a friend who has made incredible strides in his personal life and was upset that his last paycheck was \$3.15. All agreed that it is heartbreaking to see what people are really going through in these difficult economic times and we must continue efforts to change and improve employment opportunities for consumers.

Ms. Smith also informed the group that the town hall meeting had been attended by three elected representatives and eight staff from local legislative offices. The event was well attended and well received.

Barbara Hughes spoke representing a group of concerned parents whose children are served by the Center for Adaptive Learning (CAL). Ms. Hughes expressed concern over the make-up of the Board of Directors of CAL and noted that their group had come here this evening looking to the regional center for support as they attempt to improve the structure and work of the board of this program that serves their children.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Jim Burton for Ralph Griffin

In Mr. Griffin's absence, Mr. Burton referred members to their packets for review and approval of the Master Calendar and Board Work Plan for 2010. The Executive Committee recommends adoption of both documents. The Board unanimously agreed to adopt the 2010 Master Calendar and the 2010 Work Plan as a guide for their activities for the year.

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed and reviewed the Financial Status Report for December 2009. The A-2 and A-3 Budget amendment for Fiscal Year 09/10 were expected to be released by DDS by January 15 but have been delayed. Both of the amendments are expected to be released shortly. RCEB's Sufficiency of Allocation Report confirmed a base deficiency of approximately \$14.5 million and an additional \$12.9 million in placements and deflection continuation funds. However, DDS has advised regional centers that there may not be adequate funding to cover all statewide base deficit adjustments.

Since last month's report, our projected POS expenditures have decreased by \$329,892 to \$424,932. We believe this decrease is entirely related to Trailer Bill Implementation that is having a greater fiscal impact than we initially projected. We should have a better handle on the impact of the Trailer Bill budget reductions in February or March. RCEB staff will continue to monitor our POS projections carefully until year-end.

Mr. Kuller reported the agency currently projects a balanced Operations budget. In the event that our operations budget is reduced mid year, RCEB staff is prepared to implement further restrictions in operational expenses. However, every effort will be made to preserve services. RCEB staff will continue to monitor our Operations budget closely and keep the Board apprised of the status of our Operations budget.

Mr. Kuller reminded members that representatives from Lautze and Lautze, our independent audit firm, presented their report for Fiscal Year 2008-2009 at the last board meeting. This outstanding report is unqualified and contains no management comments. Members were asked to consider approval of the Fiscal Year 2008-2009 Independent Audit Report.

M/S/C “The Board moves to approve the Fiscal Year 2008-2009 Independent Audit Report as presented.” (Kuller/Whitgob)
Unanimous.

Mr. Kuller informed members that the agency is currently maintaining a stable cash flow. However, the overall state of California budget deficit has created a cash flow concern statewide. The State’s reported inability to make cash payments around March of this year may impact regional centers. RCEB staff will be working with Union Bank of California to establish a line of credit in the event that cash warrants from the State of California are delayed. RCEB currently has sufficient cash funds to operate. We will keep the Board updated on the status of the agency’s cash flow.

MEMBERSHIP DEVELOPMENT COMMITTEE

The Membership Development Committee had no report this evening.

SUPPORTS AND SERVICES COMMITTEE: Claudia Sladen

Ms. Sladen reported that her group had met and reviewed a list of day programs for adult consumers. Francine Davis will begin contacting service providers and arranging visits for committee members so they can begin their review of currently available services.

PROVIDER/VENDOR ADVISORY COMMITTEE: Sister Marygrace

Sister Marygrace greeted the group and noted that she was honored to return to the Board as the voice of the service provider community. Sister reported that PVAC meetings are being well-attended with a heightened interest in budget challenges. Rosalee Schubert has been elected the new Chairperson for the group. Ms. Schubert has dedicated many years to serving persons with developmental disabilities and the group is fortunate to have her providing leadership. Sandra Jackson is now the Chairperson of the Membership Committee and she will work to see that PVAC has good representation from a wide range of service providers in this community. Sister noted that one of the most important agenda items at each PVAC meeting is Jim Burton’s report to the group. In these times of great challenge it is imperative that the group have current and accurate information and Mr. Burton does an outstanding job of keeping the group informed. Lisa Kleinbub attended the last PVAC meeting to

update the group on RCEB's efforts to secure much needed dental services for consumers and Sister acknowledged that this effort continues to be a significant challenge in our area. The next PVAC meeting will look at the regional center transportation system and allow service providers the opportunity to give input on how the system is working for consumers, families and service providers.

CONSUMER ADVISORY COMMITTEE: Ronald Clay

Mr. Clay reported that Jim Burton provided the group with information on the latest budget proposals coming from the Governor. RCEB will again sponsor attendance at the annual People First Conference in Sacramento on June 11-13. As was the case last year, the group has decided to use a lottery to select the applicants who will attend. The next CAC meeting is scheduled for February 8th.

EXECUTIVE DIRECTOR'S REPORT: Jim Burton

Mr. Burton reminded the group that California's economy continues to be struggling with 12.4% of the residents unemployed. It is important to remember that people always face the most need in difficult economic times when tax revenues are decreased. We are still at a place in California where the state is projecting about a \$20 billion deficit. This comes on top of the \$60 billion deficit the state tried to deal with last summer. When you look at this projected deficit on top of the cuts that have already been put in place, you can see that this is the most serious financial situation ever faced by the state of California.

Mr. Burton reported that in order to deal with the projected deficit, the Governor has proposed that 40% of the deficit will be covered by cutting spending, 40% will be dealt with by new federal funds coming to California and 20% will be addressed through fund shifts. No new revenues from taxes are being proposed. The Governor's proposal assumes that California will receive \$7 billion from the federal government and a trigger has been established if less than this amount is committed to California by the federal government by July 15th. If we do not meet this threshold, that will trigger additional cuts that are already included in the Governor's budget proposal. Those additional cuts include the elimination of IHSS, elimination of CalWorks, elimination of the Healthy Families Program and further reductions to MediCal. Members were reminded that these are proposals and don't become law without completing the legislative process.

Mr. Burton shared that the Governor's proposed budget includes the continuation of the 3% cut to regional center service provider rates and regional center operations for one more year. The Governor is also proposing to continue the many painful cuts that were put into place to achieve the \$334 million statewide savings when the budget was signed last July. The Governor's budget also includes a \$61 million reduction to reflect the full year implementation of these cuts. An additional \$25 million in cuts will go back to the Budget Advisory Group. This group is working with the Director of the Department of Developmental Services (DDS) to put forward recommendations for additional cuts.

Mr. Burton reported that caseload growth is funded for next year but for a much lower total number of new consumers in the system. This reduction reflects the tighter eligibility standards that have been put in place in the regional center system. \$50 million was included in the budget for regional centers to address cuts to other service systems that we will be expected to provide. These cuts include reductions to MediCal, IHSS and SSI. This amount of money will need to be adjusted depending on what the Governor and the Legislature finally agree upon in terms of cuts to these programs. The current fiscal year budget includes the assumption that \$50 million will come from First Five California to fill in money that was reduced from the regional center budget. First Five has not approved this fund shift at this point but the Administration is optimistic it will be approved. They are now proposing that an additional \$200 million be brought into the regional center system from First Five next year for a total of \$250 million. This money has been removed from our budget with the assumption that First Five will fill in that money.

Mr. Burton cautioned that other programs that provide critical support to the people we serve have also been targeted for reductions. Massive cuts have been proposed for the IHSS system but many of these cuts have been blunted by the courts and are not moving forward at this point. The Governor is also proposing to reduce the SSI/SSP grants by \$15 per month. This is a very serious cut and this amount represents food for the last few days of each month. There have been 16 cuts to these grants over the last few years and this will reduce the grant to the federal minimum. The budget assumes that regional centers will fill in this amount for people with developmental disabilities.

Mr. Burton reported that legislative hearings are beginning to be scheduled. Because the Governor has called a special session of the legislature, some issues of concern will show up in special session hearings and some will appear in the regular budget hearing process. Mr. Burton cautioned that we have another tough budget year ahead and it will be important for our community to continue to communicate and stand together to find our way through this challenge.

Mr. Burton shared that some of the MediCal cuts to optional services that were implemented last summer continue to be very frustrating for us. Our service system was not prepared to become a large dental health plan provider. It is critically important that dental services not get lost but right now we do not have a coherent system in place to see that people get necessary dental treatment. This is a huge issue for our consumers and the problem grows every day but we have not been successful at vrending sufficient dentists to provide these critical services. We have not received the necessary direction and support statewide to put this system in place. We are working with ARCA and DDS because this issue must be quickly addressed.

Mr. Burton reported that we are still awaiting the allocation of funds for the new Prevention Program. A number of infants and toddlers are no longer eligible for Early Start services and are now eligible for services in the Prevention Program. At RCEB, there are about 230 infants and toddlers eligible for this service. Mr. Burton informed the group that First Five of Alameda County has issued a contract of \$109,000 in the current year to provide services to this population. This is an exceptional effort on

their part to make sure these infants and toddlers continue to be served. This action speaks very positively to the incredible commitment of this community.

PUBLIC COMMENT

Gina Jennings thanked RCEB for their participation in the 21st Transition Conference. RCEB continues to play a pivotal role in this annual collaborative effort.

ARCA REPORT: Anne Struthers

Ms. Struthers noted that she was pleased to have attended last week's ARCA meeting to represent RCEB. The state budget continued to be a key agenda item. Ms. Struthers reported that Terri Delgadillo addressed the board members group and asked each of them to take responsibility for regional center spending and fulfill their fiduciary responsibility in these difficult economic times. The ARCA meeting also included an exceptional presentation by Dr. David Amaral of the MIND Institute. Remarkable research is going on every day and the enthusiasm and excitement over new discoveries was contagious.

ADJOURNMENT

Following a closed session to discuss labor contract negotiations, the meeting was adjourned at 8:25 PM.

Respectfully submitted,

Nyron Battles
Secretary
RCEB Board of Directors