



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

Monday, June 23, 2014 7:05 p.m.  
500 Davis Street, San Leandro, CA  
Final  
Approved 7/28/14

**RCEB BOARD MEMBERS PRESENT:**

Anne Struthers, President  
Mike Treppa, Budget & Finance Committee Chair  
Steve Whitgob, Treasurer  
Rose Coleman, Secretary  
Cecilia Corral, Diversity & Equity Committee Chair  
Melanie Fowler, PVAC Co-Chair

Nyron Battles, CAC Chair  
Donald Morris, CAC  
Gwen Nash-Butler, CAC  
Carmen Quinones, CAC  
Darcy Ting

**ABSENT:**

Kathy Hebert, Vice-President [excused]  
Evangeline Iyemura [excused]  
Chi Lee

**STAFF PRESENT:**

Jim Burton, Executive Director  
Lisa Kleinbub, Director of Health and Behavioral Services  
Nancy Kubota, Director of Finance & Administration  
Pam Thomas, Director of Consumer Services  
Ronke Sodipo, Director of Community Services  
Evelyn Hoskins, Associate Director of Federal Programs  
Elvia Osorio-Rodriguez, Associate Director of Consumer Services, Contra Costa  
Kristen Anderson, Case Manager  
Meredith Rosenberg, Case Manager  
Michi Toy, Executive Assistant

**GUESTS:**

Bill Barbaria  
Gabriel Rogan, Area Board V  
Eric Stern, SEIU

Sandi Soliday, ACDDC  
Todd Struthers

**CALL TO ORDER**

President, Anne Struthers called to order the regularly scheduled business meeting of the Regional Center of the East Bay at 7:05 p.m. following the Diversity & Equity Meeting.

**WELCOME AND INTRODUCTIONS**

Self introductions were made and a quorum was present.

**CONSENT AGENDA / MINUTES**

M/S/C            “The Board moves to approve the minutes of May 19, 2014 as presented [Battles/Nash-Butler] Unanimous

M/S/C            “The Board moves to approve the agenda of June 23, 2014 as presented” [Battles/Nash-Butler] Unanimous

**PUBLIC COMMENT**

Board member *Gwen Nash-Butler* informed the board of the new ICE [In Case of Emergency] application for your smart phone that stores your medical information, emergency contacts, blood type, etc. for emergency response personnel.

COMMITTEE REPORTS

**EXECUTIVE COMMITTEE:** Anne Struthers

Caseload Ratio Plan of Correction – Pam Thomas

Ms. Thomas reminded the board that the Service Coordinator Caseload Survey report that she presented at the April board meeting made clear that even if all the case management positions were filled, we still would not be at the caseload ratio required by law. In order to lower the caseload ratio, we would need increased funding from the State to hire more staff. This Caseload Ratio Plan of Correction report is required by law, although the Department of Developmental Services is very clear on why this issue persists.

We currently have 9 posted case management positions; and a couple of newly announced retirements. Therefore, we move a little forward, then a little backward, which is what we have been facing these past couple of years. Overall, we are moving in the right direction and have hired 66 new employees in the past year, and continue to hire new case management staff. From April 2013 to April 2014, we increased Medicaid Waiver cases by 394 consumers, which makes it even more difficult to achieve required ratios.

Mr. Burton added that all 21 regional centers are reporting that they do not meet caseload requirements and are submitting their correction plans to the Department. The proposed solution in all of these plans is to receive more funding that can be used to hire more staff. In addition to submitting plans requesting more funding, the regional

centers continue to advocate in Sacramento, and we all hope that this issue will get some attention in the next couple of years.

*Ms. Struthers* requested more information on RCEB and the ratio for the Federal program. Mr. Burton responded that the State promised a 62:1 Medicaid Waiver caseload ratio to the federal government, which has not been met in many years. At some point, the federal government may take action given California's pervasive non-compliance that would probably affect everyone if it is approved.

*Mr. Whitgob* inquired about who gets punished if the ratios are not met. Mr. Burton said that the Federal government would punish the State, typically by withholding funding of over \$2 billion per year.

*Ms. Gwen Nash-Butler* inquired about how the consumer would be punished; whereupon Mr. Burton agreed with her that the punishment has a trickling down effect whenever funding is taken away.

#### Contract Approvals

Ms. Struthers distributed the contract approval packet outlining each of the contracts for approval at this board meeting, and informed the board that only the new contract "A" was approved by the Executive Committee via e-mail response on June 17, 2014 due to the urgency of getting it processed. The remaining five contracts were not received in time for Executive Committee action.

The following will need the board authorization for RCEB to enter into these contracts:

#### I. Department of Developmental Services [DDS]

##### **Contract#HD149015 E-5 Amendment**

This contract amendment is for \$863K in POS Allocation.

M/S/C            "The Board moves to approve the E-5 contract amendment with DDS as presented." (Battles/Morris) Unanimous

##### **Contract#HD149015 A-Series**

This is a new contract between RCEB and DDS with \$26.5M in Operations and \$233.8M in POS allocations, for a total of \$260M. The term is from 7/1/2014 – 6/30/2021.

The A-Series Preliminary contract *amendment* is for fiscal year 2014-15 and is designed to get the contract in place for regional centers to receive cash advances in early July. The allocation amount is based on 80% of the proposed expenditure in the May Revision.

M/S/C            "The Board moves to ratify the A-Series of the new contract with DDS as presented." (Battles/Morris) Unanimous

## 2. Vendor Contracts

### **Berkshire Hathaway Homestate Companies**

This contract is a renewal of RCEB employee's workers' compensation insurance for the fiscal year 7/1/14 – 6/30/15 for RCEB employees. The annual premium this year is less than what we had from last year with a different vendor.

M/S/C            “The Board moves to approve the RCEB Workers’ Compensation contract with Berkshire Hathaway Homestate Companies as presented.”  
(Nash-Butler/Morris) Unanimous

Transportation Companies:

### **MV Transportation- Renewal**

- Term: 7/1/14 – 12/31/14 with the same rates as last year

### **Mobility Plus Transportation**

- Term: 7/1/14 – 6/30/15 with the same rates as last year

### **First Transit- Renewal**

- Term: 7/1/14 – 6/30/15 with the Same rates as last year

### **Transportation to/from Various Day Programs**

- Term: 7/1/14 – 6/30/15
- Rates vary according to program with no changes

M/S/C            “The Board moves to approve the transportation contracts with MV, Mobility Plus, First Transit transportation companies as well as the day program transportations as presented.”  
(Battles/Whitgob) Unanimous

## 3. Delegate Agencies

### **Asian Community Mental Health Services [ACMHS]**

This contract represents the case management contract between RCEB and ACMHS for the new fiscal year. Negotiations have not yet been completed as we do not have a complete 2014/15 Fiscal Year budget. Term: 7/1/14 – 9/30/14

M/S/C            “The Board moves to authorize RCEB to enter into the contract with Asian Community Mental Health Services for the 7/1/14 – 9/30/14 term.  
(Battles/Corral) Unanimous

### **La Familia Counseling Services [LFCS]**

This contract represents the case management contract between RCEB and LFCS for the new fiscal year. Negotiations have not yet been completed as we do not have a complete 2014/15 Fiscal Year budget. Term: 7/1/14 – 9/30/14.

Board member *Steve Whitgob* inquired on the caseload ratio requirement for our delegate agencies. Mr. Burton explained that ratios are generally lower than those at

RCEB. They are lower in our delegate agencies as the majority of the consumers and their families are monolingual, non English speaking and their needs are therefore more significant.

*Anne Struthers* inquired about why LFCS serves less than half the number of consumers compared to ACMHS. Mr. Burton explained that RCEB has a significant number of Spanish speaking case managers doing the same thing as LFCS as they serve monolingual Spanish speaking consumers and their families; whereas ACMHS provides services in many Asian languages. Also, LFCS's consumers consist of mostly adults, while ACMHS consumers range from children to adults. ACMHS provides intake/assessment and Early Start services.

M/S/C            “The Board moves to authorize RCEB to enter into the contract with La Familia Counseling Services for the fiscal year 2014/2015.”  
(Battles/Corral) Unanimous

**BUDGET AND FINANCE COMMITTEE:** Mike Treppa

At the May Board meeting, the financial report for April was not available as staff had not yet closed the month [May's board meeting was held a week earlier due to the Memorial Day Holiday]. Therefore, Mr. Treppa distributed two financial reports for the months of April and May, 2014.

Purchase of Services

The Purchase of Services Projections for April showed a mid-range insufficiency of approximately \$4.3M which was reported at the May meeting.

On May 29, 2014, we received the E-5 allocation which provided a total of \$863,459; consisting of \$297,280 for our Community Placement Plan and \$566,179 in additional regular Purchase of Service Funding.

The Purchase of Services Projections for May currently reflects a mid-range insufficiency of approximately \$3.8M. The reduction is largely due to the additional \$566,000 funding received in the E-5 amendment as our projected expenditures remain relatively consistent.

The Department has stated that they believe there are sufficient funds to finance deficiencies in POS funding for all the regional centers. Even after the regional centers received the E-5, 20 of the 21 regional centers are still projecting insufficiencies in their current year POS projections.

Based on the information we currently have available, we will end this fiscal year with an insufficiency in Purchase of Services. However, as we have reported in the past, the Department has met their commitment to fully fund insufficiencies for POS budgets in prior fiscal years. Although we ended the last 2 fiscal years with a much larger

insufficiency in POS than the current year, the Department augmented our prior POS budgets and they are all balanced.

We project our Fiscal Year 2013-14 POS expenditures to continue to remain consistent for the remainder of the year. Staff will continue to monitor the agency's POS projections carefully.

Some good news:

Last Monday, the Department of Developmental Services released the preliminary "A" contract for Fiscal 2014-15. The Executive Committee voted to approve the contract to allow Anne to sign it prior to the board meeting and return it DDS to expedite the receipt of the cash advance from the State.

The other good news is that the Governor signed the State budget early on June 20<sup>th</sup>. Mr. Burton will report on the impact of the new state budget in his Executive Director's report.

#### Operations

Staff is reporting that we have a balanced operations budget for this fiscal year. The agency continues to make great progress in filling vacant positions.

#### Cash Flow status

We have been experiencing cash flow problems, as reported every month. Due to delays in Federal reimbursement, the Department has been unable to pay Regional Centers their full claims. Regional Centers received approximately 55% of February's reimbursement, and 48% of March's reimbursement. In early June, the Department asked each regional center to provide data on how much cash was needed to make it through the end of the fiscal year. RCEB's cash need was \$9M. DDS, with collaborative effort with the State Controller's office, indicated that they would be able to meet most of the cash needs of the Regional Centers until the cash advances for the new fiscal year arrives later this week.

RCEB staff contacted DDS to request an early release of this cash; otherwise we will need to access our Line of Credit as early as this Wednesday to meet our payroll and rent obligations. DDS released some funds last Friday and we expect additional cash no later than tomorrow. Once we receive this cash, our cash flow should be stable until our first cash advance arrives around July 1<sup>st</sup>. This date depends on how quickly they can expedite the F/Y 2014-15 preliminary contract.

If we do not receive cash by tomorrow, the Board is advised that we will need to access our Line of Credit until we receive the cash from DDS. The Board, as well as the Executive Committee, will be kept updated on our cash flow status.

Audit Engagement letter with Lindquist, Van Husen & Joyce, LLP

There was a discussion regarding the F/Y 2013-14 Annual Independent CPA audit. As you know, Regional Centers are required to have an annual independent CPA audit in accordance with our State contract.

Staff asked the Budget and Finance Committee to bring forth a recommendation to engage for the third year. The CPA firm Lindquist, Van Husen and Joyce, LLP will once again conduct the annual audit, which will be in August.

M/S/C            “The Board approves the engagement of Lindquist, Van Husen & Joyce, LLP to conduct our annual Independent CPA Audit for Fiscal Year 2013-14 as presented.”  
                         [Battles/Morris] Unanimous

Board member *Gwen Nash-Butler* inquired specifically about the cash, and if it is ear-marked for particular programs as well as who decides on where the funds will go. Mr. Burton responded that it is for repayment of expenses already made for the commitments made in Individual Program Plans [IPP’s]. The Department worked hard on getting the cash for us so that we would not have to borrow from our line of credit. Mr. Burton added that we are at the lowest projected deficiency of \$3.8M that we have had since the start of the recession in 2009, and slowly getting back to balanced budgets.

Board member *Rose Coleman* asked about the cash “advance” part of the term and if we have to pay it back. Mr. Burton clarified that this was correct that the cash advance that we will receive in July will be paid back at the end of the fiscal year.

**MEMBERSHIP DEVELOPMENT COMMITTEE:** Anne Struthers

Mr. Burton stated that we have two new candidates interested in joining the Board, and we will be moving forward with the review/interview process.

**PROVIDER/VENDOR ADVISORY COMMITTEE:** Melanie Fowler

The last meeting was on June 13th, where the majority of the discussion was on the State budget issues.

Since Ms. Fowler will be starting her new position as RCEB’s Associate Director of Consumer Services in Alameda/Contra Costa counties; her position as PVAC representative on the Board will be taken over by our former PVAC representative, Sister Marygrace Puchac.

→ The next PVAC meeting will be on July 11, 2014.

**CONSUMER ADVISORY COMMITTEE:** Nyron Battles / Gwen Nash-Butler

Mr. Battles reported on the People First of California’s “Rebuilding Our Foundation” three-day conference at the Crowne Plaza in Burlingame. Mr. Battles stated that they

attended as many class sessions as possible. Ms. Nash-Butler spoke about four of the sessions that they attended, and that they learned new things, especially from the knowledgeable speakers.

→ The next CAC meeting will be July 14, 2014.

**DIVERSITY and EQUITY COMMITTEE:** Cecilia Corral

Ms. Corral summarized the meeting which occurred prior to this board meeting. The focus of the meeting was finalizing the Mission Statement after which we broke into sub-group discussions.

→ The next meeting will be September 22nd from 6:00 – 7:00 in San Leandro

→ There is no Diversity & Equity or Board meeting in August

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

Enacted State Budget - Summary

The State budget and several trailer bills were signed last week in San Diego by the Governor, who was in a strong position and was able to get a vast majority of what he wanted in the budget. This budget pays down debt that had been accumulated during the recession, and also establishes a substantial rainy-day fund to prevent the budget deficits that California previously endeared. However, there is very little restoration of prior cuts to any State programs.

Community Service System Budget

Good News:

**Early Start**

Early Start serves infants and toddlers from birth to 3 years old with disabilities. Their services were cut during the recession in 2009. Effective January 1, 2015 services will be restored to the levels prior to the recession. Eligibility for thousands of infants and toddlers, who had not been eligible due to the changed criteria for developmental delays, will now have a better chance.

The budget only provides \$8M for half a year, which does not compare to the \$80M that was taken out from the budget in 2009. However, regional centers will be allowed once again, to pay for any service that is required by law that is in their Individual Family Service Plan [IFSP]. This restoration puts the legal responsibility to serve these infants and toddlers back in our system; therefore, making sure that they have full access to services. Mr. Burton stressed that the services that the regional centers provide to infants and toddlers can make a huge lifetime difference to these children and their families.



The restoration to Early Start was not in the Governor's May Revise, but The Association of Regional Center Agencies [ARCA] and many advocates have been fighting hard for this restoration throughout the State.

### **In-Home Support Services [IHSS] and Overtime Pay**

The Governor included this in his budget, and now IHSS workers can work and be paid for overtime hours. There are a few specific limitations on it, but it is overall great compromise. Much of the credit goes to the Service Employees International Union [SEIU] for the hard work that they put into making overtime pay for IHSS workers a reality.

Also included in the budget is \$17M for funding both the regional centers Purchase of Services [POS's] as well as to cover the Federal labor law overtime requirements that impact Supported Living Service [SLS], Independent Living Specialist [ILS] and In-Home Respite providers.

Questions were addressed by Mr. Burton regarding the details of the new law.

### **Deductible Payments**

The State is changing the law to allow regional centers to pay for deductibles for those families who have high deductible plans and who are required to have their behavioral services paid by their health plans. The payments would be made under the same terms and conditions in which we pay for co-payments [i.e. family income no more than 400% of the federal poverty level].

Bad News:

### **Supported Employment**

There are no increases in the budget for supported employment.

A lot of effort was made towards the restoration of cuts made to supported employment rates; most recently a 10% cut to those rates from a few years ago. Will Sanford at Futures Explored, Tom Heinz at East Bay Innovation and other providers worked hard to get the issue to the conference committee level, but the final budget unfortunately included no restoration of the cuts to Supported Employment.

We can learn from what happened with Early Start, as we went through the same process last year. As a result of the supported employment efforts, many people have become educated with the issues and advocated for them, so we should have more support next time around. There are also three bills still in the legislature which could help address this issue.

### **Lanterman Coalition**

The coalition initially supported a proposal to increase rates by 5% for service providers and a 5% rate adjustment for cost of living for regional center staff. Although this issue also reached the conference committee level and they agreed on putting language into the budget for a study of core staffing formula as well as a rate study, the Governor

vetoed it. However, the Governor did agree in the budget that the Secretary of Health and Human Services will re-establish the task force that developed the Plan for the Future of Developmental Centers in California, to look at these issues. Mr. Burton stated that good groundwork has been done, a lot of legislators have been hearing the issues, and we should have more support for the next time.

Other Issues:

**Cash Flow**

The State increased their loan authority by \$135M, which should allow them to pay the regional centers on time, so we are hopeful that we will not be running into any cash flow problems in the coming year. The budget also included more money in Purchase of Services [POS's] for caseload growth.

**State Developmental Centers**

The budget includes \$13M to implement recommendations that were made by the Task Force on the Future of State Developmental Centers. Mr. Burton re-iterated the importance of starting on the process, as the State is moving away from larger institutions. RCEB has the largest population (162 clients) still residing in the developmental centers. Our regional center has been very active and successful in placing clients into the community.

**Minimum Wage**

RCEB is currently adjusting rates in the various ways for many of our service providers who are implementing the minimum wage rate effective July 1, 2014. Some rates are being set using a formula by the State, such as residential care providers and in-home respite providers. The day program providers' rates are also set by the State, but set by cost statement, so the procedure and calculation is different. Rates are set differently and there are processes in place for the different support services such as in-home respite, employer record respite, and supported living. Many providers have a deadline of September 1<sup>st</sup> to submit the information to the State and the regional centers. For regional centers, the work is very laborious as we have to change the rates for hundreds of providers for thousands of consumers, so the sooner that we receive the provider's information, the better.

**Self Determination**

A statewide task force for developing this pilot program was started by former Director of DDS, Terri Delgadillo and is now headed by current Director of DDS, Santi Rogers. This project will begin once the State submits a request to the federal government (probably by the end of September) and it is approved. This committee has been meeting regularly and making good progress. Eventually, the regional centers and Area Boards will put together a local self-determination committee to monitor implementation. In the meantime, it is important to inform consumers and families of what is to come, so details will be posted on our website. A presentation will be forthcoming in conjunction with Area Board V.

### *What is self determination?*

In order to provide consumers and their families with more choice for services, a bill was passed last year to move forward with a 3-year pilot program with 2,500 participants [154 of whom are RCEB clients]. The concept of each consumer having a budget and using it for services and supports seems simple, but once it is put into law and regulation, it can be challenging. This is a voluntary program, which can be ideal for the consumers and families who are struggling and having difficulty accessing existing services that suit their needs.

### **Medicaid/Medicare Changes**

There are sweeping changes contained in new rules issued by the Centers for Medicaid and Medicare Services [CMS] for the home and community based service waiver. There is a great focus on all services being provided to individuals with developmental disabilities occurring in small, integrated settings in the community. The State will have 5 years to comply with these federal rules otherwise billion of dollars are at stake for non-compliance. However, the cost for California to meet these new requirements is also high. Regional centers need to know the plan now in order to help service providers transition to meet these new requirements. Our vendors who are developing new services need to design their programs to meet these rules, or they will not be sustainable if they are not federally fundable.

The State has until September to put together the plan, which must be implemented within 5 years.

### **Other**

Regional Center Executive Director Retirements:

Diane Anand from Frank D. Lanterman Regional Center for 37 years retired this year, as well as Mike Danneker from Westside Regional Center in December of this year.

### **PUBLIC COMMENT**

*Sandi Soliday*, Alameda County Developmental Disabilities Council

Ms. Soliday delivered a joint message with John Rodriguez, Contra Costa County Developmental Disabilities Council to thank those who attended the 25<sup>th</sup> Annual Awards Dinner hosted by the Developmental Disability Councils at Scott's Restaurant in Jack London Square/Oakland on June 5<sup>th</sup>. Ms. Soliday concurred that it was a successful event.

The Public Health Department is going through an accreditation process and has run 20 focus groups. The next one will be:

July 8, 2014:                      There will be a Community Discussion - People with Disabilities at the Alameda County Public Health Department in San Leandro. Adult participants needed for focus groups.

July 9, 2014: ACDDC annual planning meeting facilitated by Gabriel Rogan/Area Board V.

The East Bay Legislative Coalition [EBLC] is planning a candidates forum to be moderated by the LWV at the Orinda Library. No date yet.

The Shreiber Center is now recruiting staff and is looking for applicants with clinical expertise. The Shreiber Center is a mental health center for those with a dual diagnosis of mental Health issues and developmental disabilities in Alameda County. The target date to open is January 2015.

*Gabe Rogan, Area Board V*

June 25, 2014: The next meeting will be at RCEB in Concord at 7:00 p.m. with a presentation from Project SEED [Study to Explore Early Development] a local self advocacy group. Prior to that meeting, at 6:00, the Housing Consortium of the East Bay will have tools training for families who are interested in advocating for affordable housing in Contra Costa County.

**ARCA REPORT:** Anne Struthers

The last meeting was in Glendale on June 19/20<sup>th</sup>, which was an awards ceremony and retirement dinner for Diane Anand. Ms. Struthers spoke of the honor of being the ARCA representative and extended the invitation for a board member to attend the next ARCA meeting along with her. Mr. Burton recognized Ms. Struthers leadership on being re-elected as the Vice-Chairperson of ARCA.

→ The next meeting will be in Torrance on August 22nd.

**Closed Session**

No closed session.

**MEETING ADJOURNED**

The board meeting adjourned at 8:30 p.m.

The next board meeting will be on July 28, 2014 at 7:00 P.M. in San Leandro  
The Board of Directors training session will be at 6:00 P.M. prior to the Board meeting  
There will be no Diversity & Equity meeting in July.