



REGIONAL CENTER OF THE EAST BAY
Board of Directors Meeting
MINUTES

Monday, May 19, 2014 7:05 p.m.
500 Davis Street, San Leandro, CA

Final
Approved 6/23/14

RCEB BOARD MEMBERS PRESENT:

Anne Struthers, President	Chi Lee
Kathy Hebert, Vice-President	Donald Morris, CAC
Cecilia Corral, Diversity & Equity Committee Chair	Gwen Nash-Butler, CAC
Melanie Fowler, PVAC Co-Chair	Carmen Quinones, CAC
Nyron Battles, CAC Chair	Darcy Ting
Evangeline Iyemura	

ABSENT:

Mike Treppa, Budget & Finance Committee Chair [excused]
Steve Whitgob, Treasurer [excused]
Rose Coleman, Secretary [excused]

STAFF PRESENT:

Jim Burton, Executive Director
Terri Jones, Director of Human Resources
Lisa Kleinbub, Director of Health and Behavioral Services
Nancy Kubota, Director of Finance & Administration
Ronke Sodipo, Director of Community Services
Elvia Osorio-Rodriguez, Associate Director of Consumer Services, Contra Costa
Antonia Heinrich, Accounting
Rhonda Kimble-Kelly, Case Manager
Michi Toy, Executive Assistant

GUESTS:

Bill Barbaria	Sandi Soliday, ACDDC
Cleo Manspeaker	Todd Struthers
Benita Noble	

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 Board of Director’s training session on the Community Placement Plan [CPP], specifically at Sonoma Developmental Center.

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 April 28, 2014 as presented [Battles/Morris] Unanimous

M/S/C “The Board moves to approve the agenda of May 19, 2014 as presented” [Battles/Morris] Unanimous

PUBLIC COMMENT

Jim Burton congratulated *Cleo Manspeaker* on being a regional center client for 32 years. Ms. Manspeaker thanked the regional center, her case manager and case manager supervisor for making it possible for her to move out and successfully live on her own.

Board member *Donald Morris* spoke of his “25 years in the Bay Area” party over the weekend and also expressed gratitude to the regional center and his case manager for his success in the community.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Anne Struthers

Ms. Struthers informed the Board of two important items: The midnight deadline [on this day] to register for voting in the primary election. Ms. Struthers touched base on the impending issue of supported employment, which Mr. Burton will elaborate on in his report.

Bylaw Review

Ms. Struthers reminded the Board that the Bylaws of the organization are reviewed annually. The Executive Committee met in May and discussed the composition of the Executive Committee members as stated in RCEB’s Bylaws. In the Bylaws, there is an

outdated “Supports and Services Committee” listed among the other active committees. However, the last time that committee met was in the year 1999.

Therefore, the Executive Committee decided to replace it with the new “Diversity & Equity Committee”, which is ongoing.

M/S/C “The Board moves to replace the inactive Supports and Services Committee listed in Section 8.4(a) and replace it with the Diversity & Equity Committee.”
[Morris/Battles] Unanimous

BUDGET AND FINANCE COMMITTEE: Chi Lee

The board meeting this evening is being held a week earlier due to the Memorial Day holiday. Therefore, the Financial Statement reflects expenditures only through March 2014 since the books for the month of April have not been closed. Updated operations and POS projections are not available tonight but we will have both April and May financial reports available at the June Board Meeting.

The Governors’ Revised Budget for the upcoming Fiscal Year 14-15 was released on May 13th. Mr. Burton will go over the highlights of the F/Y 14-15 May Revise Budget in the Executive Director’s report.

Purchase of Services

There is a slight change in our Purchase of Service Projections. Our most current Sufficiency of Allocation Reports shows projections currently reflecting a mid-range insufficiency of \$4.33M. Last month, our mid-range Purchase of Service insufficiency was \$5.1M.

The Department has indicated that the letters of intent for the E-5 allocation will be released this week. The Department also advised that the May Revise budget included \$19M in additional appropriations for current year POS funding statewide for Regional Centers. With this additional funding, the Department now believes that there are sufficient funds to fund deficiencies in POS funding for Regional Centers for the current year. Twenty of the twenty-one 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.

Staff will continue to monitor the agency’s POS projections and provide updated financial reports at the board meeting next month.

Operations

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

Cash Flow status

As we have been reporting, RCEB as well as almost all the Regional Centers are experiencing cash flow problems. Due to delays in Federal reimbursement, the Department has been unable to pay Regional Centers their full claims. The Regional Centers received approximately 55% of February's reimbursement, and 48% of March's reimbursement.

As of this date, we have approximately \$18M cash on hand. At the last board meeting, we informed the board that we will most likely need to borrow from our Line of Credit before the end of the fiscal year if the State did not issue a substantial percentage of our State claim reimbursements. At this time, RCEB's cash reserve will completely run out on June 15th if we are unable to receive any additional cash from the State.

We have notified DDS of our cash flow projections and we have received positive assurances from the Department that they will make every effort to provide cash to RCEB to make it through June 30th. In any case, our cash reserve will be extremely tight until the beginning of Fiscal Year 14-15 when we should be receiving our first cash advance. If the budget is passed on time, Regional Centers are expected to get the first cash advance payment by July 1st.

The agency currently has an active \$49.6M line of credit in place until October 15, 2014. However, we cannot borrow beyond the limits of our State contract and claim receivables. If the Department does not provide us with sufficient funds to make it through June 30th, the Board is advised we will need to access our LOC before the end of the fiscal year. The Board, as well as the Executive Committee, will be kept updated on our cash flow status.

Q/A

Ms. Struthers inquired about the Community Placement Plan [CPP] "Percentage Expended" figure of 41.50% listed on the Financial Status Report that was distributed, and why that percentage is so low when we are almost at the end of the fiscal year. *Ms. Kubota* responded that the CPP funds include start-up funding, which is encumbered via contract in the current fiscal year, but which is not expended and claimed until after the fiscal year, sometimes even a year later. Mr. Burton added that although placements occur throughout the year, the developmental center placements typically occur toward the end of the year; therefore, the May-July claims can be much larger.

Mr. Burton informed the board the CPP funds are specific for that purpose; therefore, if there are funds leftover in CPP, it cannot be used in any other area. In the prior years, any funds leftover reverted to the general fund, although this "May Revise" proposal from the Administration includes re-appropriation of unused prior year CPP funds.

MEMBERSHIP DEVELOPMENT COMMITTEE: Anne Struthers

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

PROVIDER/VENDOR ADVISORY COMMITTEE: Melanie Fowler

The last meeting was on May 9th, with a presentation by Dr. Renato Almanzor, Director of Programs at LeaderSpring. LeaderSpring's mission is to foster a powerful, equity-driven social sector by strengthening leaders and organizations; developing communities of leaders; and transforming the systems in which they work. There is a 2-year fellowship program for non-profit executive directors.

→ The next PVAC meeting will be on June 13, 2014.

CONSUMER ADVISORY COMMITTEE: Donald Morris/Nyron Battles

The last meeting was on May 12th with a presentation by case manager Cristina Moraes on the privacy and safety issues when using Facebook; what to do and what to watch for. Mr. Battles said that it was very helpful to the CAC members. Also discussed was the People First Conference that will be from May 30 – June 1st in Burlingame, and that there will be four CAC members attending.

→ The next CAC meeting will be June 9, 2014.

DIVERSITY and EQUITY COMMITTEE: Cecilia Corral

There was no meeting this month due to the board training. Discussions are going on regarding the options on the frequency of these meetings, as our subcommittees are moving towards a more task-based focus. The Board will be advised once that decision is made.

Ms. Corral informed the board of the D&E presentation that she made at the Alameda County Developmental Disabilities Council [ACDDC] meeting on May 14th, and will be presenting the same at the Contra Costa Developmental Disabilities Council [CCDDC] meeting on the 28th. Mr. Burton congratulated Ms. Corral on an excellent presentation on the committee that has built up a lot of community support. Ms. Sandi Soliday added that the D&E as well as Lisa Kleinbub's presentation on the POS data, garnered a lot of interest in the ACDDC.

→ The next meeting will be June 23rd in the Concord office from 6:00 – 7:00

EXECUTIVE DIRECTOR'S REPORT: Jim Burton

MAY REVISE

The board members received a copy of DDS's May Revision Highlights from Governor Brown. Site: www.dds.ca.gov

(Look for the Budget Highlights option under the What's New category)

The Governor released the budget early on May 13th, and referred to it as a "Good News Budget"; however, it was hard to see much good news for those with developmental disabilities.

The Governor has a couple of major concerns:

1. **Debt-** California has accumulated a large debt since the recession. In this budget, the Governor intends to pay down a large portion of the debt. Revenues are coming in higher than anticipated, but the focus is on paying down the debt so that California will not enter into another deficit.
2. **Water-** The water shortage is a major concern, one that has been brought to the forefront by the San Diego fires, and the fact that this is the 3rd year that California is facing a record low rainfall. As a result, the Governor is anticipating the need to keep a reserve of funds to deal with the water shortage situation.

Mr. Burton added that there were very few changes from what the Governor proposed in January.

There are three areas in the May Revise that are concerning:

1. Early Start

Early Start is our program that services infants and toddlers which was cut significantly during the recession.

The "May Revise" proposal by the Governor contains no restoration of Early Start services. A lot of effort had been put into restoring Early Start services. The Association of Regional Center Agencies [ARCA] and many advocates have been pressing to restore this program to where it was prior to the 2009 budget cuts.

2. In-Home Support Services [IHSS] and Overtime Pay

There is no change from the Governor's January budget to restrict O/T payments to IHSS providers.

Last month, Mr. Burton stated that it appeared that a compromise may have been worked out, but we will not know for sure until the May Revision. We are

still hopeful that the Administration has agreed to a good compromise and that IHSS workers will get paid for overtime worked.

3. Supported Employment

The “May Revise” proposal contains no rate increases for Supported Employment. There was \$9.6M budgeted for minimum wage rate increases for Supported Employment, but supported employment rates are not based on minimum wage, they are based on higher wage rates so these funds were removed from the “May Revise” proposal.

There are areas in the May Revise that are very positive:

1. Future of State Developmental Centers

\$13M has been re-appropriated from prior years’ Community Placement Plan [CPP] funds to the budget year to support those in the developmental center service system to transition to the community. The State also advised the legislature that this is a *future* funding issue, and that additional CPP funds to support the recommendations of the DC Task Force may be forthcoming.

The fact that the importance of this issue was acknowledged and put into the budget by the Governor is a testament to the hard work and commitment of both Secretary Diana Dooley of the California Health and Human Services Agency as well as Santi Rogers, Director of the Department of Developmental Services.

2. Regional Centers Purchase of Service

Result→ \$19.6M has been included in the budget this fiscal year for POS funds to cover regional center insufficiencies.

3. Increased Loan Authority

The loan authority to DDS has been increased by \$135M [50% increase in loan authority]. This will allow DDS to continue paying regional center claims when they run out of federal money. This is a significant increase and will no doubt help us in the coming fiscal year. We are hopeful that this may be the end of the ongoing cash flow problem that all regional centers have been experiencing these past few years. Mr. Burton acknowledged the Director and Chief Deputy of DDS, Santi Rogers and John Doyle, who were responsible for making this change happen.

Ms. Struthers added that Mr. Burton was instrumental in working with Mr. Rogers on developing a strategic plan on how to get it in the budget and in developing a strong partnership with DDS to collaborate on this common goal.

In Summary, the May Revision is the Governor’s proposal; therefore, the process is not over yet. There will be a hearing on May 21st, which will be the final hearing in the Senate on the issues. It is expected that decisions will be made quickly. Since there still

is an opportunity for change, we need to continue advocating for certain issues such as Early Start. There are numerous last minute trailer bills and proposals being presented. The Governor can “blue pencil” i.e. delete, but not add on to what the legislature puts in the budget. We do believe that the budget will be approved by the legislature and signed by the Governor on time.

OTHER BUDGET RELATED ITEMS

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 [153 of whom will be RCEB clients]. The concept of the consumer having a budget and using it for services and supports seems simple, but once it is put into law and regulation, it is complicated. Mr. Burton and Area Board 5 will be keeping the Board abreast of the status of this program. This is a voluntary program, which can be ideal for consumers and families who are struggling and have problems accessing available services to suit their needs.

DDS will be submitting a request to the federal government for funding authority under Medicaid no later than December 1, 2014.

Federal Medicaid Rules

The rules have changed for both residential service provisions as well as for general service provisions. The changes are sweeping and will require states to make changes to how services are provided to those with developmental disabilities. This will be phased in over a period of up to 5 years. They are very prescriptive in terms of services being small, integrated and part of the community. Mr. Burton added that the State is so dependent on Federal funding that in order for programs to be sustainable, they have to be fundable by the Federal government.

Minimum Wage Increase

The Minimum wage will increase from \$8/hour to \$9/hour effective July 1, 2014. Rates for many programs will be increased to allow them to pay the new minimum wage.

RCEB will be working with our providers to implement these rate changes. There are regional center established rates for negotiated rates and supported living rates. We will be meeting with our providers to collaborate on the best method to implement this change and RCEB will issue notification and instructions to our service providers on this issue.

Anne Struthers inquired on what we can do on the “May Revise” as a community at this point, to which Mr. Burton responded with the suggestion of writing to our legislators or the Governor on restoring programs such as Early Start and Supported Employment.

Gwen Nash-Butler informed the board that she will be going up to Sacramento, and wanted to know what she should focus her advocacy on when she meets with the

Legislators. Mr. Burton recommended requesting a restoration of funds to Early Start as well as increasing the rates for service providers and regional center staff [State employees will be getting a 2% increase in this budget, but not regional center employees].

Melanie Fowler asked about the availability of data on the long term impact on those infants/toddlers who receive Early Start services. Mr. Burton said that this subject has many reports and research articles available on the effectiveness of early intervention.

Supported Employment

Mr. Burton advised the board of the difficult situation that one of our long-standing providers, Futures Explored, is struggling with. They are one of many providers affected by the cuts made during the recession.

Recently, Futures Explored's Board of Directors took steps to notify consumers and families that they cannot continue to operate Supported Employment at a loss. This directly affects 50-75 people who have jobs in our community with support from Futures Explored.

At the present time, Futures Explored has requested regional center support for two bills:

- **AB 1626** – Maienschein
Supported Employment Program

- **SB 577** – Pavley
Community Vocational Development Services- which would improve services and funding for all supported employment providers.

The Association of Regional Center Agencies [ARCA] has taken support positions on these bills. Mr. Burton made a recommendation to the Board to consider sending letters of support to the authors on these bills and being listed as a supporter. The biggest challenge will be to increase supported employment rates. But it was once achieved back in 2006, and it can again.

M/S/C “The Board of Directors of Regional Center of the East Bay moves to approve of sending out letters of support to the authors of the bills as well as to Governor Brown, on the boards behalf, for these two bills; AB 1626 and SB 577.” [Battles/Morris] Unanimous

Board Leadership

Mr. Burton acknowledged and thanked Cecilia Corral for her representation in the community, and Anne Struthers, who successfully chaired a recent challenging ARCA Executive Committee meeting.

PUBLIC COMMENT

Sandi Soliday, Alameda County Developmental Disabilities Council

Ms. Soliday added that SB 577 will be going to the Assembly Human Services Committee on June 3rd and she will forward the support letter.

June 5, 2014 The 25th Annual Awards Dinner hosted by the Developmental Disability Councils will have their event at Scott's Restaurant in Jack London Square/Oakland at 7:00 p.m. The keynote speaker will be Santi Rogers, Director of DDS.

ARCA REPORT: Anne Struthers

Ms. Struthers informed the Board of the inspiring opportunity for someone to step forward and takeover her current role as the ARCA representative from RCEB. Ms. Struthers would be training and mentoring her replacement.

→ The next meeting will be in Southern California on June 20th.

Closed Session

No closed session.

MEETING ADJOURNED

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

<p>The next board meeting will be on May 19, 2014 at 7:00 P.M. in CONCORD The Diversity & Equity Committee meeting will be from 6:00 – 7:00 P.M. in CONCORD</p>
