



Final
Approved 11/26/12

Board of Directors' Meeting

October 22, 2012

Presiding: Anne Struthers

Board Members

Present: Ronald Clay
Kathy Hebert
Sister Marygrace
Gwen Nash-Butler

Rose Coleman
Mike Kuller
Donald Morris
Steve Whitgob

Board Members

Excused: Chi Lee
Mike Treppa

Hilda Mariscal

Staff Present:

Bill Barbaria
Francine Davis
Rhonda Kimble-Kelly
Ella Liggins
Michi Toy

Jim Burton
Terri Jones
Nancy Kubota
Pam Thomas

Guests Present:

Nyron Battles
John Rodriguez
Sandi Soliday

Susan Driggs
Will Sanford
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 PM. Self introductions were made.

CONSENT AGENDA

M/S/C "The Board moves to approve the agenda for October 22, 2012 and the minutes of September 24, 2012 as presented. (Kuller/Hebert)
Unanimous.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Anne Struthers

PERFORMANCE CONTRACT REVIEW

Pam Thomas, RCEB Director of Consumer Services, reviewed the draft plan with the group and both Pam and Jim responded to questions.

Jim Burton, Executive Director, elaborated on how in-valuable and important respite services has been for keeping families together, and that we have a large number of consumers living at home (approximately 72%). Due to its viability, RCEB is continuing to support this service, despite the 15-20% drop in usage, as a result of structural changes from the new federal Medicaid requirements.

Anne Struthers elaborated on the consumer need for respite services and that if RCEB did not offer the program, there might not be an agency that could.

M/S/C “The Board moves to approve the 2013 Performance Contract Objectives as presented.” (Kuller/Hebert) Unanimous.

Mr. Burton referred members to their contract summary listing and reviewed each of the contracts being considered for approval this evening.

The D-1 contract is an amendment from the Department of Developmental Services for the 2012-2013 fiscal year. The contract is straightforward and will provide us with \$57.5 million dollars more than what was provided in the initial contract.

M/S/C “The Board moves to approve the D-1 contract amendment with the Department of Developmental Services for the 2012/2013 fiscal year.” (Kuller/Hubert) Unanimous.

The second contract for approval is from Bethesda Lutheran Community (formerly Good Shepherd). Bethesda is a Family Home agency that will match consumers to family homes, monitor their status, and provide support. Their rates are based on a tier system, which, according to consumer needs, can range between \$3,600/month to \$5,159/month (inclusive of social security income). This is the same rate as a residential care, level 4-D to 4-I. The maximum consumers to a home are 2, and this agency currently serves 11 consumers. Mr. Burton adds that this type of model has been popular in some parts of the state, but less so in northern California. This is a good alternative between a supported/independent living home and a residential care facility.

M/S/C “The Board moves to approve the Bethesda Lutheran Community contract commencing 11/1/2012.” (Nash-Butler/Whitgob) Unanimous.

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed and reviewed the Financial Status Report of September 2012.

CASH FLOW and LINE OF CREDIT

Mr. Kuller advises that RCEB's current cash flow is stable due to the timely receipts of our warrants; however, concern with the cash flow for the remainder of the fiscal year is mainly due to the under allocation of the Preliminary and D-1 allocations.

Union Bank has provided a written commitment to extend the existing Line of Credit through October 15, 2013. This will be available in the event that state warrants are delayed during the fiscal year, and/or if our POS expenditures are not fully funded. The line of credit is \$46.4M at the reference rate (currently 3.25%), which is \$2.15M more than last year's line. This line of credit will be used only on an "as-needed" basis, and the agency will not incur any costs until funds are actually withdrawn. This line of credit will provide some cash flow security, especially towards the end of the fiscal year.

M/S/C "The Board moves to establish a line of credit with Union Bank of California for \$46.4M in the event that State payments are delayed."
(Kuller/Whitgob)
Unanimous

Ms. Struthers inquired if the \$46.4M would be enough for us through October 15, 2013.

Mr. Burton responded that RCEB did not have to borrow funds last year, and will continue, as always, to work towards managing our funds so that we will not need to borrow and pay interest. However, since we have been more reliant on federal funds lately, and we still have deficiencies from prior years impacting our cash flow, there is a possibility that we will need to use the LC.

OPERATIONS BUDGET

Mr. Kuller advised that the Budget column in the financial report assumes receipt of funds from the D-1 allocation, anticipated funds to be received for our Community Placement Plan (CPP), and Continuation costs for the Agnews closure.

This budget is not a final budget, due to both the delay of DDS's approval of our CPP plan as well as the Agnews continuation funds.

Mr. Kuller states that the 3% restoration of the 4.25% reduction in our budget has improved our operations allocations and we are projecting a sufficiency in our preliminary operations projections of approximately \$113,000. RCEB is now able to proceed with rebuilding some of our infrastructure, such as replacing computers and hiring much needed staff. RCEB's contract with the SEIU expires on November 30, 2012; and our staff has been actively negotiating with our union.

PURCHASE OF SERVICE BUDGET

Mr. Kuller reported that the preliminary Sufficiency of Allocation Report (SOAR) is due mid-November, and will be the basis of our 12-13 Purchase of Services projections. Following the SOAR report, we will be advised of our projected expenditures for the current fiscal year and will then report any funding

insufficiencies in our POS. Currently, our expenditures are approximately 2% over the 25% actual expenditures through September, not including late POS bills. Once the SOAR is completed, we will know more details regarding the POS projections.

Mr. Kuller re-iterated that the methodology of allocating funds was based on a percentage of prior years expenditures in specific service categories. Our caseload numbers have increased in the past 12 months by approximately 3.65%. Expenditures for the first 3 months of the year are around 5% higher than for the same time last year. As reported last month, the preliminary allocation for POS is roughly \$25M less than we spent last fiscal year, with an adjustment for the impact of the 3% restoration and funding for growth.

Mr. Kuller expressed the importance of the passage of the Governor's tax proposal (Proposition 30) to avoid "trigger cuts" to our service system, schools and universities. If Proposition 30 does not pass, and pass by a larger number of votes than Proposition 38, it will automatically trigger a cut of \$50 million this fiscal year and \$100 million next fiscal year to the developmental disability service system. These cuts could impact any portion of the developmental disability services budget including: DDS administration, state developmental centers, regional centers operations and purchase of services.

MEMBERSHIP DEVELOPMENT COMMITTEE: Anne Struthers

Ms. Struthers reminded members that the first presentation of the slate of officers for 2013 occurred at the September meeting of the Board with the final vote commencing at the November meeting. The following are the slate of officers for 2013, with no new nominations from the floor:

President – Anne Struthers
Vice President – Kathy Hebert
Treasurer – Mike Kuller
Secretary – Rose Coleman

Ms. Struthers acknowledged Sister Marygrace's hard work on coordinating a fabulous retirement party for Roscio. Sister Marygrace in turn, thanked everyone who contributed tirelessly.

PROVIDER/VENDOR ADVISORY COMMITTEE: Sister Marygrace Puchac

Sister Marygrace reported her group met on October 12th, where the main topic was the privilege of voting, and how we can assist our consumers to vote. Different agencies do different things and had offered ideas, such as using absentee ballots. A particularly creative idea was to offer childcare for parents while they went to the polls. The general consensus among the agencies was the challenge to be objective when helping the consumers with the material. Surprisingly, it turns out that the agency employees were less likely to vote, and that the consumers were more earnest about that responsibility. One agency had a representative from the League of Women Voters give a presentation to both the employees and the consumers.

CONSUMER ADVISORY COMMITTEE: Donald Morris

Mr. Morris gave a summary of what was discussed at the last CAC meeting on October 8th, where the main topics were the importance of voting, and the Golden Gate Self Advocacy Conference in San Francisco. Nyron Battles, who also assisted the organizers with information, added that several of our consumers attended the conference and found it to be very informative. The next CAC meeting will be November 5th.

EXECUTIVE DIRECTOR'S REPORT: Jim Burton

Mr. Burton informed the board of the unfortunate passing of Kara Jones, a Case Manager on the 3NM team for RCEB. There will be a Celebration of Life get-together/dessert at 3:00 on Thursday, November 7th in room A/B at RCEB/San Leandro for those who would like to attend.

Mr. Burton reported that this is an election year, and there are a number of initiatives on the ballot of significant concern to our service system. Proposition 30 is the Governor's proposal to increase taxes and revenues on a time limited basis to help fill in the budget deficiencies that have existed in the state. Failure of this proposition to pass will initiate serious trigger cuts in California. Mr. Burton noted that both Propositions 30 and 38 would increase revenues and it appears that if both pass, the Proposition with the greatest number of votes will take precedence. It is difficult to imagine how to implement the additional reductions that will come our way if Proposition 30 fails to pass, or pass by a higher margin than Proposition 38. Mr. Burton stressed that if this were to happen, it would be a \$50M total cut to the overall budget for developmental disability services. This cut is to the State General Fund; therefore, it is likely a \$75M-\$80M total cut, which doubles in the next fiscal year to a \$100M cut to the State General Fund, and an estimated \$200M total fund cut (including schools and public services). At this point, we do not know what specific actions would take place or which departments or centers will be affected. Everyone present was reminded to read their ballots carefully and vote in the November election.

Mr. Burton reported that there will be a joint hearing held between the Senate's Budget Committee and the Senate's Human Services Committee, on Tuesday, October 23rd. The title of the hearing is, "A System in Transition: California's Developmental Centers". There will be four panels: Overview of Developmental Centers and their Utilization in California, Licensing Citations and Patient Care at Sonoma Developmental Center, Update on the Closure Process at Lanterman Development Center, and Implementation of Recent Legislation Regarding Services for Individuals with Complex Needs. Mr. Burton noted that this is a very complex issue, where we will need to carefully evaluate and do the best that we can to follow the laws while putting the needs of our consumers as our top priority. Mr. Burton advised the Board that RCEB has the largest number of individuals placed at Sonoma Developmental Center (159) of any regional center. A follow-up will be given at the next board meeting.

Mr. Burton was very pleased to attend last week's Contra Costa ARC's event, signifying the much anticipated completion of the George Miller Centers in Concord and Richmond. It was attended by both Congressman George Miller III and Senator

Desaulnier, who were both instrumental in dealing with the political aspects of the endeavor. It was a great accomplishment by the community to be able to save and improve on the facilities that provide wonderful programs for our consumers.

Mr. Burton once again extended his appreciation to Sister Marygrace and all those who worked tirelessly on Roscio Smith's "A Perfect Day" retirement gala that took place on September 29th and attended by roughly 300 people.

PUBLIC COMMENT

John Rodriguez, of the Contra Costa Developmental Disabilities Council, advises of two events this week. The first one is the Council meeting on October 24th, with a presentation on employment for people with disabilities. The other even is a Central and East Contra Costa Transition Resource Fair this Friday, October 26th from 9:00am – 12:00pm at the Willow Creek Center in Concord.

Sandi Soliday informed us that Alameda County's Developmental Disabilities Council's next meeting is on November 14th with a presentation from the California State Council on Developmental Disabilities, as well as Mr. Burton giving a report on the election. Ms. Soliday advises of the newly appointed East Bay Legislative Coalition co-presidents, and that The Town Hall meeting is on January 25th, 2013.

ARCA REPORT:

ARCA's Executive Committee meeting was a Strategic Planning retreat held on October 18th in San Diego, but RCEB was not able to participate.

ADJOURNMENT

The meeting was adjourned at 8:40 pm.

Respectfully submitted,

Rose Coleman
Secretary
RCEB Board of Directors